

Chapter

12

The Global Division of Labor

Industry and Services 3

Note: all of the following information in addition to your reading is important.

**Industrial Diffusion Beyond Europe**

• Define: flexible production (post-Fordist) - \_\_\_\_\_

• Define product life cycle (using the term "commodification") - \_\_\_\_\_

• Discuss the shift in the production of television sets during the 1970s and 1980s - \_\_\_\_\_

• Discuss the shift in the production of television sets during the 1990s - \_\_\_\_\_

• Discuss the shift in the production of television sets since the 2000s - \_\_\_\_\_

**The Global Division of Labor**

• Define: global division of labor (new international division of labor) - \_\_\_\_\_

• Define: time-space compression - \_\_\_\_\_

• Define: just-in-time delivery, and describe how it has changed the process of production - \_\_\_\_\_

• Define: spatial fix, and describe what considerations impact the locations of production - \_\_\_\_\_

• Discuss what considerations determine the locations of factories that manufacture components - \_\_\_\_\_

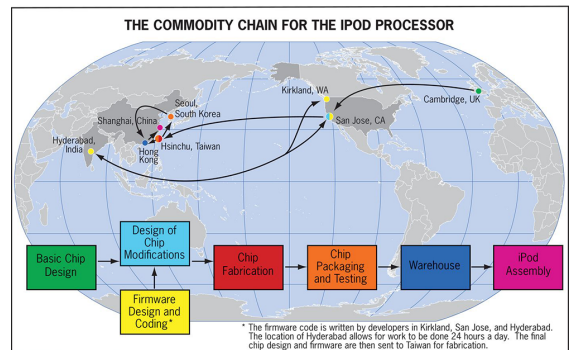
- Define: intermodal port (break-of-bulk location) – \_\_\_\_\_
- Define: node – \_\_\_\_\_
- Discuss TWO nodes of the specialized Nike network – \_\_\_\_\_
- Discuss how companies such as Ikea choose sites for their distribution centers

**Outsourcing and Offshoring**

- Define: commodity chain – \_\_\_\_\_
- Define: outsourcing (in terms of business processing outsourcing (BPO)) - \_\_\_\_
- Discuss how outsourcing in this manner (sometimes referred to as offshoring) helps companies maximize profits - \_\_\_\_\_
- Define: outsourcing (in terms of global sourcing) - \_\_\_\_\_
- Describe ONE example of global sourcing - \_\_\_\_\_

\* For the following, refer to the diagram below:

- In which locations does chip design and modification occur? Why? \_\_\_\_\_
- Identify TWO advantages of designing and coding the firmware in the U.S. as well as India \_\_\_\_\_



- In which locations does the chip fabrication, packaging, testing, and warehousing, and assembly occur? Why? \_\_\_\_\_
- How does the commodity chain for the iPod processor illustrate the global division of labor? \_\_\_\_\_