

Chapter

12

The Global Division of Labor

Industry and Services 3

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

From Fordist to post-Fordist Production

** The following can be answered using both the text and video.*

- Identify THREE aspects of the First Wave of Globalization (~1840-1914) – _____

- Identify TWO aspects of the Fordist Era (1945-1970s) – _____

- List at least THREE major innovations of 1973 – _____

- Briefly discuss what factors led to the post-Fordist Era (1970s-present) – _____

- Identify at least THREE influences of the New International Division of Labor

- Describe which aspect of containerization has led to the GREATEST savings in transport cost - _____

- Describe why costs for air freight and telecommunications have decreased – _____

- Define: economies of scope, and explain how this leads to product differentiation - _____

- Summarize the First Wave of Globalization (~1840-1914) - _____

- Summarize the Second Wave of Globalization (1945-present) - _____

The Global Division of Labor

- Define: flexible production (post-Fordist) - _____

- Define: product life cycle (using the term “commodification”) - _____

- Briefly describe the shift in the production of television sets from the 1970s to the 2000s - _____

The Global Division of Labor (continued)

- 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: node, and describe TWO nodes of the specialized Nike network - _____
- Discuss how companies such as Ikea choose sites for their distribution centers _____

Outsourcing and Offshoring

- 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), and give ONE example - _____

* For the following, refer to the diagram:

- 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 do the chip fabrication, packaging, testing, warehousing, and assembly occur? Why? _____

- How does the commodity chain for the iPod processor illustrate the global division of labor? _____

