

DEPARTMENT OF GEOGRAPHY

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INDUSTRIAL LOCATIONAL THEORY OF WEBER

INTRODUCTION

There are many factors which are responsible for the industrial location in any specific area including the decision taken during their establishment. Such factors include - Raw materials, Power resources, Labour cost, Market, Means of Transportation etc.

In general the best location for the establishment of an Industry is that which provides “minimum production cost and maximum profit”.

There are a number of scholars who presented their theories/models related to industrial localisation among which theory of “ALFRED WEBER” most important and widely accepted.

Alfred Weber was a German economist who presented his Theory of minimum transportation in 1927-28.

His theory is based on this fact that cost of transportation is the most important factor influencing the localisation of industry.

On the basis of this assumption he said that industries are established on those sites having minimum cost of transportation.

Weber explained three prominent factors in his theory:

- A) Transportation cost
- B) Cheap Labour Cost
- C) Agglomerated region of infrastructural facilities.

Weber's theory is based on following assumptions:-

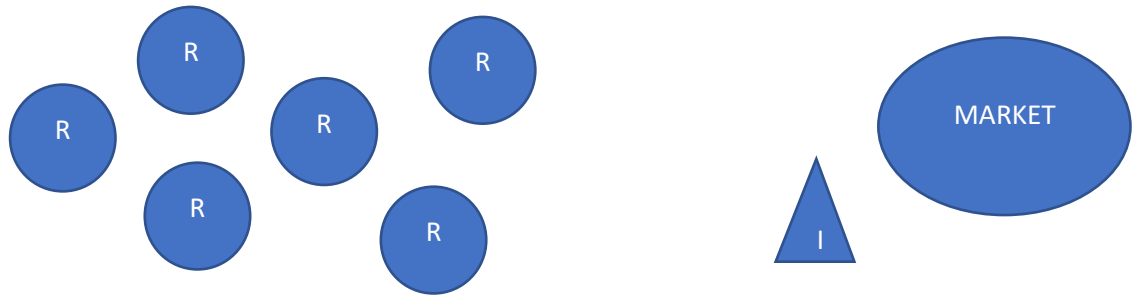
- 1) Theory of Minimum transportation is applicable in the regions having Isolated Economy.
- 2) Regions of Raw materials should be well known.
- 3) There should be a homogeneity among the Geographical factors of the region.
- 4) There should be a developed market.
- 5) The regions should have availability of cheap and skilled labour.
- 6) Cost of transportation will increase in the proportion of weight and distance.

According to Weber in such places two important trends regarding the establishment of Industries are developed :-

- A) Localisation of Industries requiring only one type of raw material.
- B) Localisation of Industries requiring more than one raw material.

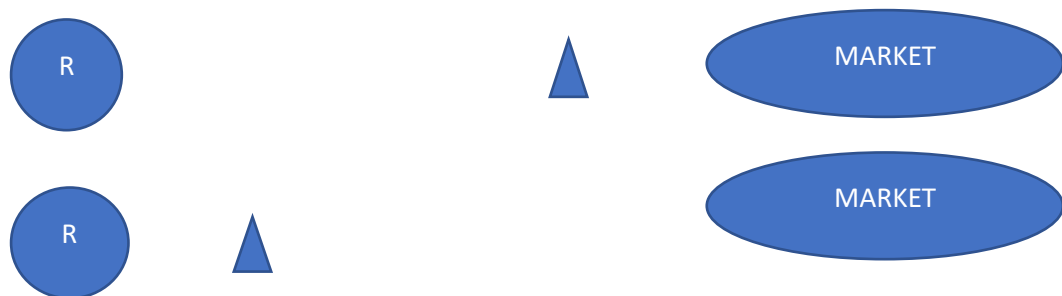
A) Industries requiring one type of raw materials show following trends :-

1. If the raw material is available everywhere, Industry should be established near the market area. e.g manufacturing industry of clay pots.



▲ Location of Industry

- 2) If the raw material is pure and localised , industry will be established anywhere between the market area and raw material area. e.g cotton- textile industry,



In the above example the Industry may be established anywhere between the area of raw material and market because the transportation cost will remain unchanged in this case.

3) If the raw material is impure and localised , the industry should be established near the area of raw material.