

**AP[®] HUMAN GEOGRAPHY
2006 SCORING GUIDELINES**

Question 2

PART A (2 points: 1 point for each correct reason)

Identify two reasons why businesses would choose to locate their call centers in small southern towns.

- Low wage structure
- Low tax structure, tax incentives
- Low land (site costs) or rent
- Low building costs/buildings available
- Large labor pool (from deindustrialization) and small town/rural area
- Telecommunications in place or easily provided
- Business climate, e.g., right to work, zoning

PART B (6 points: For each of 3 examples—1 point for Core Idea; 1 point for Discussion)

Discuss three disadvantages in the use of call centers as a local economic developmental strategy.

Core Idea(s)	Discussion Points
Low wages	Adds little to local economy through disposable income
Footloose; short term; unstable employer	Corporate mobility facilitated by globalization of language, communications, technology, and minimal local investment Few local resources needs or demands Future technological advances Not a long-term contributor to local economic development
Low multiplier effect Low spin-off development	Not a provider of goods, so a minimal need for associated services, supplies, or local linkages
Amount of labor required is minimal	Small addition of capital to local economy—highly automated
Skill level requirements minimal	Jobs requiring basic in-house training Upward mobility/promotions restricted Limited improvements on education system
Part-time employment	Limited employment benefits
Global corporation	Separation from parent company headquarters does not encourage loyalty to locality Low investment requirements Longevity in the place depends on corporate success, succession of owners

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Write in the box the number of the question you are answering on this page as it is designated in the examination.

A. The southern region of the US has typically been known as ^a the main agricultural region of North America. However now many family farms have closed down because large corporations own plantations that use advanced machinery to produce agricultural products. Customer call centers do not require high educational standards or ~~the~~ business skills for employees. Businesses may choose to locate call centers in small towns where rent is cheaper and they can hire employees who may not have high education but need jobs because they can't make high profits off local farming. Businesses may also choose to locate call centers in the south because there are no labor unions as there are in the ~~north~~ north.

B. The use of call centers as a local economic strategy is not ideal because it does not require high educational standards. In order to advance industry and modernize, the citizens of a town need to be driven to ~~receive~~ ^{complete} high levels of education, which a local call center would not encourage. Another disadvantage is that a many call centers

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have been moving overseas for cheaper labor. If this were to happen in a small town then many employees would be left without a job, leaving the town in an economic crisis. ~~Also~~ A third disadvantage of a ~~total~~ call service call center is that it provides low income salaries to the towns citizens. Low income families don't encourage businesses to move to the area and economically hinders the future development of the town.

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2 B

Write in the box the number of the question you are answering on this page as it is designated in the examination.

There are many reasons why businesses would locate call centers in small southern towns. One reason is that there are fewer unions in the South. Without unions, companies have fewer regulations to follow & may conduct business & employment practices in a way that they see is fit. They are not as concerned with the fair treatment of workers as they would have to be if a union existed. Also, costly strikes & negotiation processes are avoided without unions. Another reason is that land is cheaper. In urban areas, land is extremely expensive, but as ~~the~~^{one} moves further away, land price decreases because space isn't as limited & demand isn't so high. Both of these are pull factors for the business but there are also disadvantages.

One disadvantage of this location on economic development is that it doesn't develop other parts of the local economy. It is not an industry that would greatly increase the multiplier effect. It creates some jobs & therefore extra money but there isn't much else to spend it on to further develop the economy. These areas aren't attractive to many other businesses who can locate overseas or where there is a more highly skilled workforce. This means that people may move out once they begin making money because the town has nothing to offer or they are looking for better opportunities, therefore depleting the workforce. If this is the only large business in the area & the area's economy relies on it, it makes for a precarious situation. If the company were to close or move out, it would devastate the area as jobs are lost & the main source of income leaves. Economic dependence can be disastrous as was seen in Africa with one country's reliance on gold. When the price of gold fell, the economy plunged because it was the major source of income.

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Businesses choose to locate their businesses in small southern towns such as small towns in Arkansas because the price of occupying the buildings is considerably cheaper compared to a building in a large city. Small towns are also chosen to most businesses because the employers can give minimum wage to the employees. Small towns have limited job opportunities.

~~A disadvantage to small town~~ A disadvantage of call centers as local economic development

strategy is there is no import or exports, there are ^{are} ~~des~~ no goods being produced, and the income is low.

Because there are no major ~~exports~~ imports and exports the call center is not creating an environment for competitive businesses. There are no pull factors to bring population up around the ~~call~~ call center. Because of this nothing is being developed and the small town is not expanding, growing, and developing as desired.

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2006 SCORING COMMENTARY

Question 2

Overview

This question required a synthesis of concepts related to the impacts of current global economic forces on the local level, in a specific geographic context. A photograph of a customer service call center building was used as stimulus. The building, located in a small town in Arkansas, had previously been used as an automobile parts manufacturing center. It thus represented a shift from the secondary (manufacturing) sector to the tertiary (service) sector. Part A asked students to identify two reasons why businesses would choose to locate their call centers in small southern towns. Part B asked students to identify three disadvantages to using call centers as a local economic development strategy. The question thus required a change in perspective, from the firm's point of view in part A to the community's point of view in part B.

This question required students to apply their knowledge of material in the "Industrialization and Economic Development" section of the AP Human Geography topic outline. In particular, students were prompted to integrate, in a real-world context, concepts from several topics in this section, including "Deindustrialization and economic restructuring," "Local development initiatives," and "Geographic critiques of models of economic localization." Students could also incorporate concepts related to globalization, which is discussed in several places in the *AP Human Geography Course Description*, including the "Industrialization and Economic Development" section of the topic outline (e.g., the relationship between local communities and the global economy).

Sample: 2A

Score: 8

Part A—2 points

The student received 1 point for recognizing that cheap land is a draw to businesses: "Businesses may choose to locate call centers in small towns where rent is cheaper." The second point was earned for understanding the concept of right-to-work states: "Businesses may also choose to locate call centers in the south because there are no labor unions as there are in the north."

Part B—6 points

The student earned 2 points for the recognition that the minimal skills required of employees do not encourage advanced training, and without qualitative growth in the work force, local economic development strategies will not succeed: "it [call center] does not require high educational standards. In order to advance industry and modernize, the citizens of a town need to be driven to complete high levels of education, which a local call center would not encourage." The student earned 2 points for the discussion of the concept of footloose industries: "many call centers have been moving overseas [sic] for cheaper labor. If this were to happen in a small town then many employees would be left without a job, leaving the town in an economic crises [sic]." The student understands that the footloose nature of this industry can quickly destroy any economic development strategy or plan. Two points were earned for the discussion of low wages. "A third disadvantage [sic] of a service call center is that it provides low income salaries to the towns [sic] citizens. Low income families don't encourage businesses [sic] to move to the area and economically hinders the future development of the town."

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Question 2 (continued)

Sample: 2B

Score: 6

Part A—2 points

The student received 1 point for understanding the concept of right-to-work states: “there are fewer unions in the South. Without unions, companies have fewer regulations to follow & may conduct business & employment practices in a way that they see is fit.” Cost savings associated with unorganized, non-union labor are sufficient to be included in the cost equations that all employers consider. The student received 1 point for understanding that “land is cheaper. In urban areas land is extremely expensive, but as one moves further away, land price decreases because space isn’t as limited & demand isn’t so high.” Rental or purchase prices of land or buildings in small southern towns are significantly lower than in urban settings. The student understands that savings often drive decision-making where locational factors are insignificant.

Part B—4 points

The student realizes that call centers neither sell nor buy goods and services to maintain their operations. Without a need for other service industries, the local economy fails to progress: “it [call center] doesn’t develop other parts of the local economy. It is not an industry that would greatly increase the multiplier effect.” The student earned 2 points for this basic discussion. Two points were also awarded for the discussion of the concept of footloose industries: “If this is the only large business in the area & the area’s economy relies on it, it makes for a precarious situation. If the company were to close or move out, it would devastate the area as jobs are lost & the main source of income leaves. Economic dependence can be disastrous [*sic*].” Call centers have the potential to be footloose because they have so little invested in the location. Technological developments and methods of handling consumer calls have the potential to increase flexibility even more.

Sample: 2C

Score: 4

Part A—2 points

The student earned 1 point for identifying a basic low-cost factor: “the price of occupying the buildings is considerably [*sic*] cheaper compared to building in a large city.” The student earned a second point for understanding that, in general, lower wages are paid in the South: “employers can give minimum wage to the employees.”

Part B—2 points

Identifying that the multiplier effects are minimal and that call centers do not require products from other industries or produce services for the local area earned the student 2 points in part B: “Because there are no major imports and exports the call center is not creating an environment for competitive businesses [*sic*]” and “Because of this nothing is being developed and the small town is not expanding, growing, and developing as desired.”