

III. ECONOMIC GEOGRAPHY

- Economic geography is the study of the location, distribution and spatial organization of economic activities across the world.
- It represents a traditional subfield of the discipline of geography.
- It is an early offshoot of the broad field of human geography and today it is considered a major branch of geography in its own right.
- This branch is concerned with the study of the spatial patterns of various economic activities.
- Impact and role of physical environmental factors in the evolution and growth of various economic activities and regional specializations and trade are also part of the subject matter of economic geography.
- This major branch of geography has spawned a number of branches.

Agricultural Geography

- It studies the impact of natural environmental factors on the evolution and development of agriculture.
- Spatial patterns of different types of agricultural activities, land use, cropping patterns, etc. are also included in the subject matter of agricultural geography.
- Nutritional geography is a newly emergent specialization of agricultural geography.

Industrial Geography

- Like agricultural geography, industrial geography is also an important sub-field of economic geography.
- It studies the spatial distribution of industrial activity.
- The subject matter of industrial geography includes theories of industrial location also.

Transport Geography

- Transport geography is concerned with a study of transport networks.
- Besides analysis of existing networks, transport geographers also suggest blueprints for planning purposes.

Resource Geography

- This is an important branch of economic geography and it deals with the spatial distribution of resources.
- Evaluation of resource potential and conservation of resources are also important areas of interest to resource geographers.

Geography of Development

- A relatively recent branch of economic geography, this branch is concerned with analysis of spatial patterns of economic development.
- The above list of branches of geography includes only the more important branches.
- There are a number of other branches also besides these and such branches include historical geography, military geography, regional geography, radical geography, medical geography, gender studies, etc.
- It is evident from the foregoing list of branches of geography that the subject matter of geography is very diverse and it overlaps with the subject matter of a number of other disciplines such as economics, sociology, political science etc.
- The most important theme that sets the geography apart from the other natural sciences and social sciences is the spatial dimension of the study which is peculiar to geography.
- Due to this fact geography is considered a spatial science.

Economic Systems

- There are four economic systems in the world.
- Traditional or Subsistence Economy**
 - People make goods for themselves and their family.
 - Little surplus or exchange of goods.
 - When goods are exchanged, rarely does it involve money.
 - This type of economy is found in the poor countries of the world.
- Command Economy**
 - Government makes the major economic decisions.
 - What to produce?
 - Where to produce?
 - How much to sell it for?
 - These are sometimes called planned economies because the government has a plan for everything.
 - Communist countries have a command economy.
 - Communism is a political and economic system in which the government controls almost all means of production.
- Market Economy**
 - People freely choose what to buy and sell based on the principle of supply and demand.
 - This system is based on free enterprise which promotes competition among business.
 - Free enterprise is the basis for capitalism.
 - In a capitalist system, business, industries, and resources are privately owned.
 - Wealthier countries have market economies.
- Mixed Economy**
 - A mixed economy is a blend of two different economic systems.
 - This system usually contains both privately-owned and government-owned business and industries.
 - Canada has a mixed economy, especially related to health care.

Economic Activities

- Geographers divide money-making activities into four groups.
- Primary Activities – Natural resources or raw materials are gathered.
- Secondary Activities – Use of natural resources or raw materials to produce something new.
- Tertiary Activities – It provides services to people and business.
- Quaternary Activities – It processes and distributes information and is used only in advanced economies of wealthy nations.

Economic Resources

- In economics, a resource is defined as a service, or other asset used to produce goods and services that meet human needs and wants.
- Economics itself has been defined as the study of how society manages its scarce resources.
- Classical economics recognizes three categories of resources: land, labor, and capital.
- Land includes all natural resources and is viewed as both the site of production and the source of raw materials.
- Labor or human resources consist of human effort provided in the creation of products, paid in wage.

- Capital consists of human-made goods or means of production used in the production of other goods and services, paid in interest.

Economic versus biological resources

- There are three differences between economic versus ecological views:
 - The economic resource definition is human-centered and the ecological resource definition is a nature-centered.
 - The economic view includes desire along with necessity, whereas the biological view is about basic biological needs.
 - Economic systems are based on markets of currency exchanged for goods and services, whereas biological systems are based on natural processes of growth, maintenance, and reproduction.

Land or natural resources

- Natural resources are derived from the environment. Many natural resources are necessary for human survival, while others are used for satisfying human desire.
- Protection is the management of natural resources with the goal of sustainability. Natural resources may be further classified in different ways.
- Resources can be categorized on the basis of origin:
 - Abiotic resources** comprise non-living things (e.g., land, water, air and minerals such as gold, iron, copper, silver).
 - Biotic resources** are obtained from the biosphere.
- Forests and their products, animals, birds and their products, fish and other marine organisms are important examples.
- Minerals such as coal and petroleum are sometimes included in this category because they are formed from fossilized organic matter, though over long periods of time.
- Natural resources are also categorized based on the stages of development:
 - Potential Resources** are known to exist and may be used in the future.
 - Actual resources** are those that have been surveyed, their quantity and quality determined, and are being used in present times.
 - The development of an actual resource, such as wood processing depends upon the technology available and the cost involved.
 - Reserve Resources:** The part of the actual resource that can be developed profitably with available technology is called a reserve resource, while that part that cannot be developed profitably because of lack of technology is called a stock resource.
- Natural resources can be categorized on the basis of renewability:
 - **Non-renewable Resources**
 - These are formed over very long geological periods.
 - Minerals and fossils are included in this category.
 - Since their rate of formation is extremely slow, they cannot be replenished, once they are depleted.
 - Out of these, the metallic minerals can be re-used by recycling them, but coal and petroleum cannot be recycled.
 - **Renewable resources**
 - Renewable resources such as forests and fisheries can be replenished or reproduced relatively quickly.
 - The highest rate at which a resource can be used sustainably is the sustainable yield.

- Some resources, like sunlight, air, and wind, are called perpetual resources because they are available continuously, though at a limited rate.
- Their quantity is not affected by human consumption.
- Many renewable resources can be depleted by human use, but may also be replenished, thus maintaining a flow.
- Some of these, like agricultural crops, take a short time for renewal; others, like water, take a comparatively long time, while still others, like forests, take even longer.
- **Labor or human resources**
 - Human beings, through labor they provide and the organizations' staff, are also considered to be resources.
 - The term Human resources can also be defined as the skills, energies, talents, abilities and knowledge that are used for the production of goods or the rendering of services.
 - In a project management context, human resources are those employees responsible for undertaking the actions defined in the project plan.
- **Capital or infrastructure**
 - In economics, capital refers to already-produced durable goods used in production of goods or services.
 - As resources, capital goods may or may not be significantly consumed, though they may depreciate in the production process and they are typically of limited capacity or unavailable for use by others.
- **Natural Resources**
 - Natural resources occur naturally within environments that exist relatively undisturbed by humanity, in a natural form.
 - A natural resource is often characterized by the amount of biodiversity and Geo-diversity existent in various ecosystems.
- **Biotic Resources**
 - Biotic resources are obtained from the biosphere (living and organic material), such as forests and animals, and the materials that can be obtained from them.
 - Fossil fuels such as coal and petroleum are also included in this category because they are formed from decayed organic matter.
- **Stock Resources**
 - Stock resources are those that have been surveyed but cannot be used by organisms due to lack of technology.