# Module: Economic Geography
## Topic Content: Changes in Economic Interactions

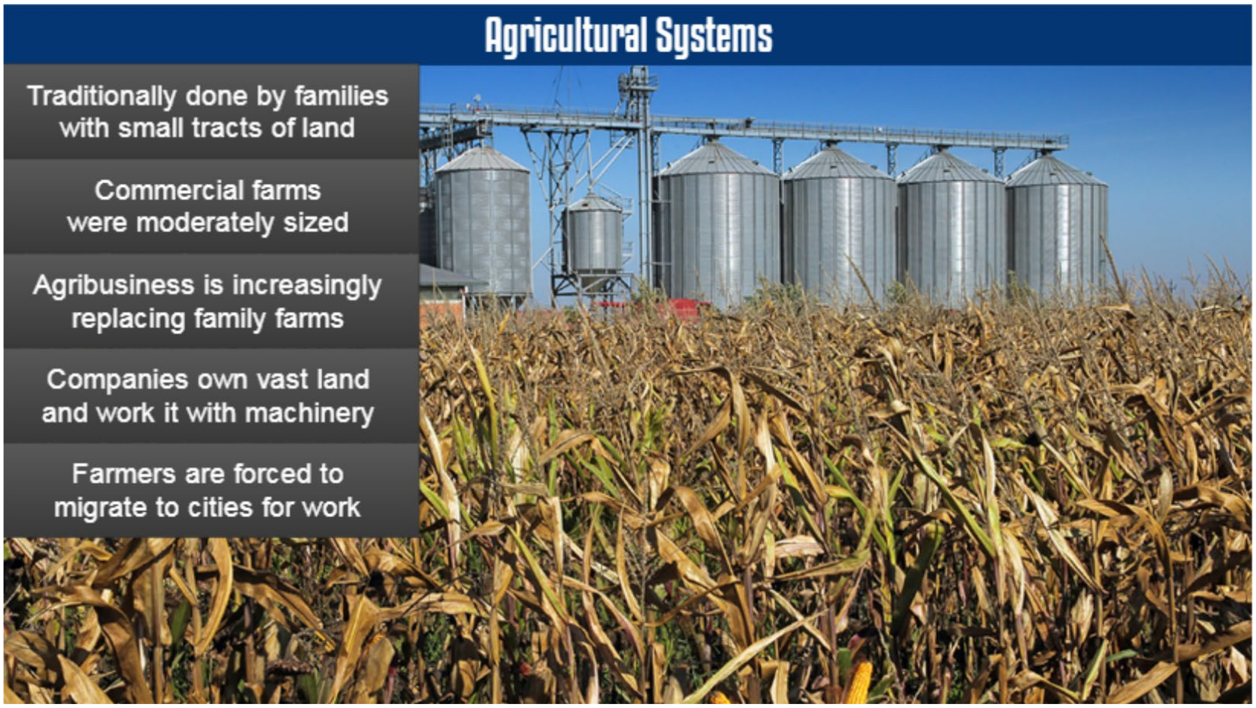
### Changes in Economic Interactions


Click next to begin.

### Menu


Economic geography in the twenty-first century is quite different from economic practices of the past. Click on each of the buttons to learn more about changes to economic interactions over time.

## Agricultural Practices




Most of the world's agriculture was traditionally done by families who owned and farmed small tracts of land. Moderately-sized commercial farms would sometimes hire labor or use basic technology to harvest products.

In modern times, corporations and agribusiness have increasingly replaced family farms. Companies own vast areas of land, which is worked by machinery. This increases production and lowers the price of agricultural goods, while local farmers are often unable to compete, and forced to migrate from rural areas to urban areas in search of work.

### Communication and Transportation


One of the biggest barriers to global trade was the fact that the transfer of information and the transportation of goods were both expensive and slow processes. As a result, most industries were forced to focus on local or regional markets.

Now, the use of advanced technologies in communication and transportation have allowed markets to become increasingly globalized. People from different countries are able to communicate instantly, allowing widespread marketing of products. Containerized shipping and efficient transportation have led to the rapid exchange of goods. E-commerce has become a massive industry due to the Internet and cheap shipping networks like FedEx, UPS, and the U.S. Postal Service.

## Industrial Labor Systems


Industrial labor systems had simple beginnings. Workers operated cottage industries, meaning they produced goods from home. Industrialization led to the development of larger factories that could control the manufacture and distribution of goods. Over time, developed nations have exported labor-intensive work to developing nations, benefiting from cheaper labor. As a result, the assembly of many products like vehicles and electronics is done overseas, and the products then transported to multiple markets. Factories and corporate offices are often located in different countries, making telecommunication essential for businesses to operate.

## International Trade


Traditional economic practices focused on self-sufficiency, meaning countries would produce their own goods and services to support their development. Increased production and surplus goods led to simple individual trade partnerships.

In the global economy, no country has all of the resources it needs to survive and grow, and many countries rely heavily on international trade. Interdependence has led to the formation of multinational trade alliances, which are used to negotiate and monitor trade relations.

## Sectors of Economic Activity


Before globalization, most countries were dominated by industries in the primary and secondary sectors. The extraction of resources and the manufacturing of goods created jobs and helped develop the infrastructure of a country.

Developed nations have gradually begun to deindustrialize, focusing on industries in the tertiary and quaternary sectors instead. This has led to an increase in service industries in the tertiary sector, as well as financial services and international banks in the quaternary sector.