Approaches to Economic Geography

Economic geography is the study of the place, distribution and spatial organization of economic actions across the world. It represents a traditional subfield of the discipline of geography. However, in recent decades, also many economists have approached the field in ways more typical of the discipline of economics.

**Approaches to Economic Geography:**

- Theoretical economic geography focuses on building theories about spatial arrangement and distribution of economic actions.
- Regional economic geography examines the economic conditions of particular regions or countries of the world. It deals with economic rationalization as well as local economic development.
- Historical economic geography examines the history and development of spatial economic structure. Using historical data, it examines how centres of population and economic activity shift, what patterns of regional specialization and localization evolve over time and what factors explain these changes.
- Critical economic geography is an approach taken from the point of view of contemporary critical geography and its philosophy.
- Behavioural economic geography examines the cognitive processes underlying spatial reasoning, place decision making and behavior of firms and individuals.

**New Economic Geography:**

With the rise of New Economy economic inequalities are increasing spatially. The New Economy, generally characterized by globalization, increasing use of information and communications technology, the growth of knowledge goods, and feminization, has enabled economic geographers to study social and spatial divisions caused by the rising New Economy, including the emerging digital divide.

The new economic geographies consist of primarily service-based sectors of the economy that use innovative technology, such as industries where people rely on computers and the internet. Within these is a switch from manufacturing-based economies to the digital economy. In these sectors, competition makes technological changes robust. These high technology sectors rely heavily on interpersonal relationships and trust, as developing things like software is very different from other kinds of industrial manufacturing—it requires intense levels of cooperation between many different people, as well as the use of tacit knowledge. As a result of cooperation becoming a necessity, there is a clustering in the high-tech new economy of many firms.

************