

Primary sector of the economy

An industry involved in the extraction and collection of natural resources, such as copper and timber, as well as by activities such as farming and fishing. A company in a primary industry can also be involved in turning natural resources into products. Primary industry tends to make up a larger portion of the economy of developing countries than they do for developed countries. See also service industry, secondary industry The **primary sector** is concerned with the extraction of raw materials. It includes fishing, farming and mining^[1]

Primary industry is a larger sector in developing countries for instance, animal husbandry is more common in countries in Africa than in Japan.^[2] Mining in 19th-century South Wales provides a case study of how an economy can come to rely on one form of activity^[3]

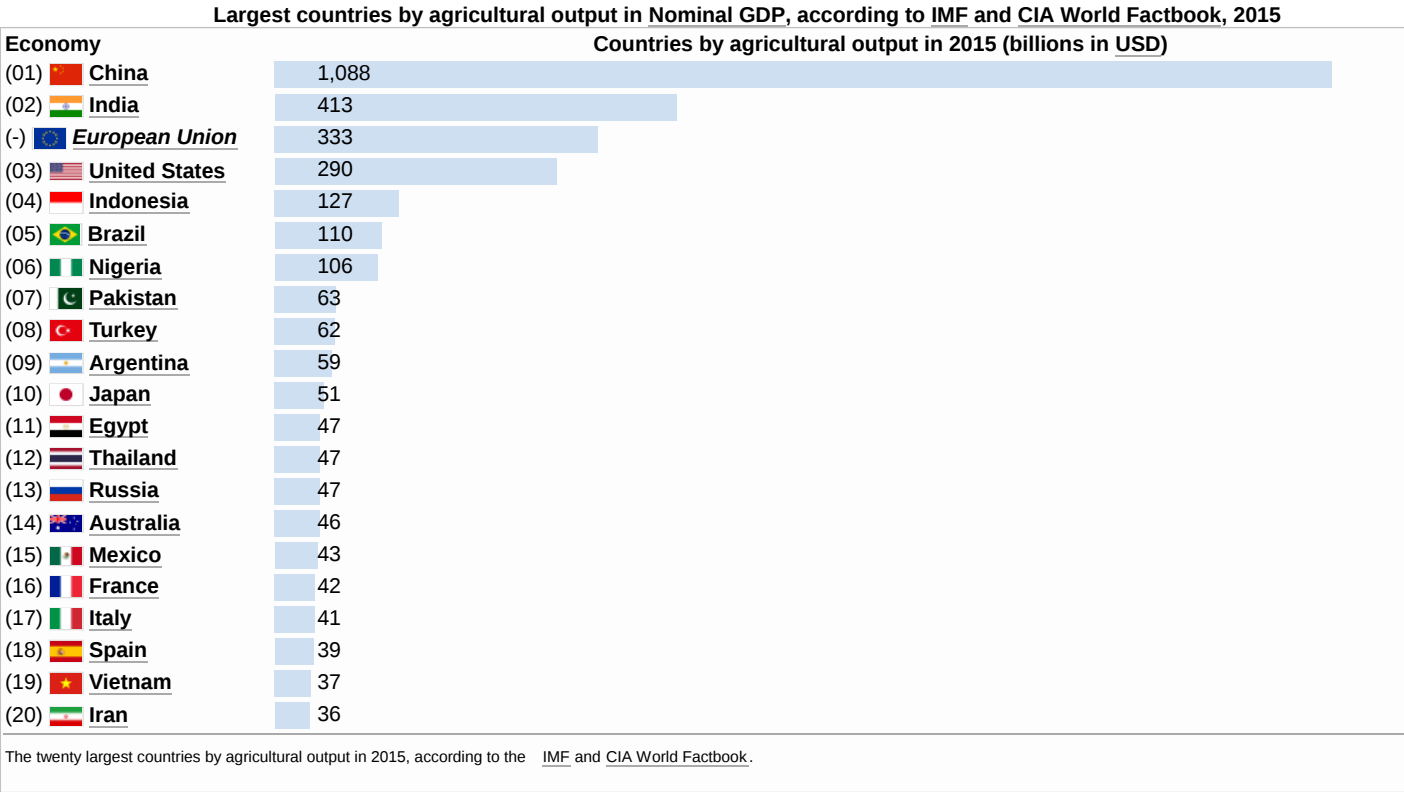
In developed countries primary industry has become more technologically advanced, for instance the mechanization of farming as opposed to hand picking and planting.^[4] In more developed economies additional capital is invested in primary means of production. As an example, in the United States corn belt, combine harvesters pick the corn, and spray systems distribute large amounts of insecticides, herbicides and fungicides, producing a higher yield than is possible using less capital-intensive techniques. These technological advances and investment allow the primary sector to require less workforce and, this way, developed countries tend to have a smaller percentage of their workforce involved in primary activities, instead having a higher percentage involved in the secondary and tertiary sectors.^[5]

Developed countries are allowed to maintain and develop their primary industries even further due to the excess wealth. For instance, European Union agricultural subsidies provide buffers for the fluctuating inflation rates and prices of agricultural produce. This allows developed countries to be able to export their agricultural products at extraordinarily low prices. This makes them extremely competitive against those of poor or underdeveloped countries that maintain free market policies and low or non-existent tariffs to counter them.^[6]^[7]^[8] Such differences also come about due to more efficient production in developed economies, give farm machinery, better information available to farmers, and often larger scale.

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List of countries by agricultural output



See also

- Three-sector hypothesis
- Resource curse

References

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2. Primary Sector in Economic Development(https://www.jstor.org/stable/2554153)

3. Mining: it's only a word(<http://business.virgin.net/wales.watch/country/farm2.htm>) Archived (<https://web.archive.org/web/20070123191936/http://business.virgin.net/wales.watch/country/farm2.htm>) 2007-01-23 at the Wayback Machine
4. <http://data.worldbank.org/indicator/SL.AGR.EMPL.ZS/countries/1WUS-C5?display=graph>
5. H Dwight H. Perkins: Proceedings of the Academy of Political Science, *Vol. 31, No. 1, China's Developmental Experience* (Mar 1973)
6. WTO MINISTERIAL OUTCOME IMBALANCED AGAINST DEVELOPING COUNTRIES(<http://www.twinside.org.sg/title2/twninfo339.htm>) Archived (<https://web.archive.org/web/20060823085546/http://www.twinside.org.sg/title2/twninfo339.htm>) 2006-08-23 at the Wayback Machine
7. Third World Farmers Hit by Unfair Rules(<http://www.twinside.org.sg/title2/gtrends6.htm>) Archived (<https://web.archive.org/web/20060909232153/http://www.twinside.org.sg/title2/gtrends6.htm>) 2006-09-09 at the Wayback Machine
8. U.S. subsidies help big business, but crush farmers from renovating countries(<http://www.finalcall.com/international/farmers10-08-2002.htm>)

Further reading

- *Dwight H. Perkins: Proceedings of the Academy of Political Science, Vol. 31, No. 1, China's Developmental Experience* (Mar 1973)
- *Cameron: General Economic and Social History*
- *Historia Económica y Social General*, by Maria Inés Barbero, Rubén L. Berenblum, Fernando R. García Molina, Jorge Saborido

External links

- Economy101.net: *The Nature of Wealth*
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