

7.2 Economic Sectors and Patterns

Learning Objective: Explain the spatial patterns of industrial production and development.

Human activities which generate income are known as economic activities. Economic activities are broadly grouped into primary, secondary, tertiary activities. Higher services under tertiary activities are again classified into quaternary and quinary activities. Let us first understand the differences between the different sectors of the economy, so that it will be easier for us to understand the factors responsible for the location of primary, secondary, and tertiary sector industries in various parts of the world (including India).

I. Primary Activities

Primary activities are directly dependent on the environment as these refer to utilisation of earth's resources such as land, water, vegetation, building materials and minerals. It, thus includes, hunting and gathering, pastoral activities, fishing, forestry, agriculture, and mining and quarrying.

People engaged in primary activities are called red-collar workers due to the outdoor nature of their work.

II. Secondary Economic Activities

Secondary activities add value to natural resources by transforming raw materials into valuable products. Secondary activities, therefore, are concerned with manufacturing, processing and construction (infrastructure) industries.

People engaged in secondary activities are called blue collar workers.

III. Tertiary Economic Activities

Tertiary activities include both production and exchange. The production involves the 'provision' of services that are 'consumed'. Exchange, involves trade, transport and communication facilities that are used to overcome distance.

Tertiary jobs = White collar jobs.

A. Quaternary Economic Activities

Quaternary activities are specialized tertiary activities in the 'Knowledge Sector' which demands a separate classification. There has been a very high growth in demand for and consumption of information based services from mutual fund managers to tax consultants, software developers and statisticians. Personnel working in office buildings, elementary schools and university classrooms, hospitals and doctors' offices, theatres, accounting and brokerage firms all belong to this category of services. Like some of the tertiary functions, quaternary activities can also be outsourced. They are not tied to resources, affected by the environment, or necessarily localised by market.

B. Quinary Economic Activities

Quinary activities are services that focus on the creation, re-arrangement and interpretation of new and existing ideas; data interpretation and the use and evaluation of new technologies. Often referred to as 'gold collar' professions, they represent another subdivision of the tertiary sector representing special and highly paid skills of senior business executives, government officials, research scientists, financial and legal consultants, etc. Their importance in the structure of advanced economies far outweighs their numbers. The highest level of decision makers or policy makers perform quinary activities.

Quinary = Gold collar professions.

Chain of Production

The sectors all work together to create an economic chain of production. The primary sector gathers the raw materials, the secondary sectors puts the raw materials to use, and the tertiary sector sells and supports the activities of the other two. Many companies will have components of all three sectors, such as a dairy farmer that makes cheese and ice cream and distributes the products to stores for sale. Other companies may strictly focus on one particular aspect, such as manufacturing a particular kind of product only. Together these sectors make up the backbone of the modern economy.

Quick Check

| | | | | | |
|---|---|---|----|----|----|
| 1 | 2 | 3 | 4 | 5 | 6 |
| 7 | 8 | 9 | 10 | 11 | 12 |

This image shows a full page of white paper with horizontal black lines, resembling notebook paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.