

# Industry

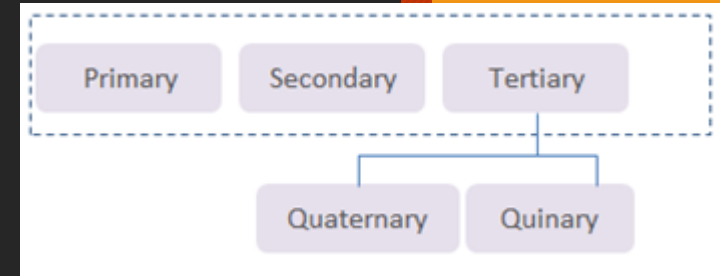
Unit 6

# Different Sectors of the Economy

- Primary Sector
  - The primary sector of the economy extracts or harvests products from the earth, such as raw materials and basic foods.
- Secondary Sector
  - The secondary sector of the economy produces finished goods from the raw materials extracted by the primary economy
- Tertiary Sector
  - The tertiary sector of the economy is also known as the service industry. This sector sells the goods produced by the secondary sector and provides commercial services to both the general population and to businesses in all five economic sectors.



# The Subdivision of the Service Sector



- Although many economic models divide the economy into only three sectors, others divide it into four or even five sectors. These final two sectors are closely linked with the services of the tertiary sector
- Quaternary Sector
  - the quaternary sector of the economy consists of intellectual activities often associated with technological innovation. It is sometimes called the knowledge economy.
- Quinary
  - includes the highest levels of decision making in a society or economy
  - Economists sometimes also include domestic activities (duties performed in the home by a family member or dependent) in the quinary sector. These activities, such as child care or housekeeping, are typically not measured by monetary amounts but contribute to the economy by providing services for free that would otherwise be paid for.

# For each of the jobs below, are they: Primary, Secondary, or Tertiary economic activities.

- Farmer \_\_\_\_\_
- Butcher \_\_\_\_\_
- Lumberjack \_\_\_\_\_
- High School Teacher \_\_\_\_\_ P=Primary
- Fisherman \_\_\_\_\_
- High level government official \_\_\_\_\_
- Rancher \_\_\_\_\_ S=Secondary
- Kawasaki assembly  
plant worker \_\_\_\_\_
- CEO multinational corporation \_\_\_\_\_ T=Tertiary
- Computer programmer \_\_\_\_\_
- Miner \_\_\_\_\_
- Lawyer \_\_\_\_\_ QT = Quaternary
- Jeweler \_\_\_\_\_
- Stock Market Analyst \_\_\_\_\_
- Fireman \_\_\_\_\_ QN = Quinary

# For each of the jobs below, are they: Primary, Secondary, or Tertiary economic activities.

- Farmer P
- Butcher S
- Lumberjack P
- High School Teacher QT
- Fisherman P
- High level government official QN
- Rancher P
- Kawasaki assembly plant worker S
- CEO multinational corporation QN
- Computer programmer QT
- Miner P
- Lawyer T
- Jeweler S
- Stock Market Analyst QT
- Fireman T

## How MDCs and LDCs Differ:

### GDP

- \$20,000 in MDC
- \$1000 in LDC

### Types of Jobs

- MDC – Fewer Primary Sector
- LDC – More Primary Sector

### Productivity

- Value Added Per worker is higher in MDCs

### Raw Materials

- MDCs have greater access to Raw Materials

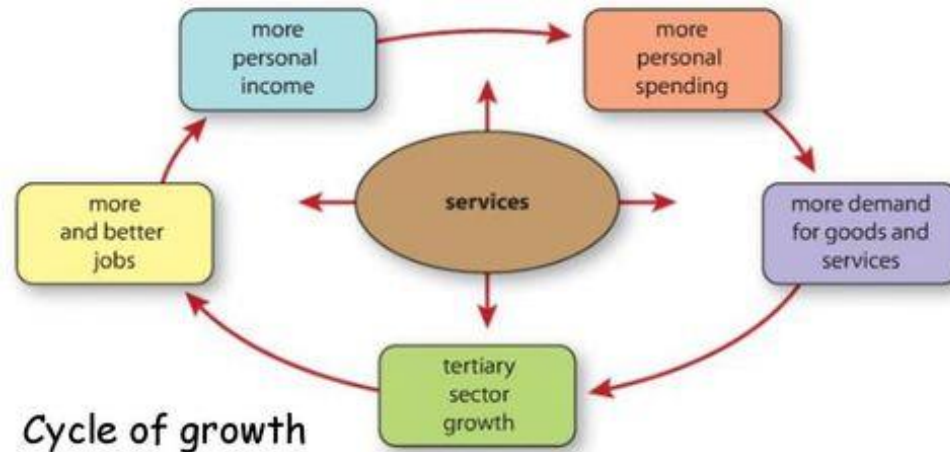
### Consumer Goods

- MDCs can afford Consumer goods and have more access to them.

Economic development is often accompanied by social development.



# Factors affecting the changing growth of tertiary and quaternary activities



As a country moves along the development pathway, several things happen:

- It can afford more and better social services, such as schools, medical centres, hospitals and libraries.
- People earn more money so they can spend more in the shops on 'basic' things such as food and clothing.
- People's tastes change and this impacts on the tertiary sector. E.g. cinemas closed because many people preferred to watch DVDs at home.

- New technology creates and makes possible new services. E.g. all the new services connected with ICT.
- The tertiary sector's share of employment and GDP is inflated by the decline in the primary and secondary sectors.
- The population is becoming 'greyer'. 15% of the UK's population is over 65 and the rate of spending in this age group is growing faster than in any other. These 'SKI-ers' (Spending the Kid's Inheritance) are keen shoppers and tourists.

**The key factors in the growth of tertiary activities are:**

- Rise in prosperity and personal wealth.
- Use of new technology.