

# Sectors of Economy: Primary, Secondary, Tertiary, Quaternary and Quinary

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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).

## Primary activities



Primary activities are directly dependent on 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.

## Secondary activities

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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.

Tertiary activities

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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.

Quaternary 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.

Also read: SEBI (Securities and Exchange Board of India)

## Quinary activities

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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.

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