

Sectors of the Economy

Primary, Secondary, Tertiary, Quaternary, and Quinary

A nation's economy can be divided into various sectors to define the proportion of the population engaged in the activity sector. This categorization is seen as a continuum of distance from the natural environment. The continuum starts with the primary sector, which concerns itself with the utilization of raw materials from the earth such as agriculture and mining. From there, the distance from the raw materials of the earth increases.

Primary Sector

The primary sector of the economy extracts or harvests products from the earth. The primary sector includes the production of raw material and basic foods. Activities associated with the primary sector include agriculture (both subsistence and commercial), mining, forestry, farming, grazing, hunting and gathering, fishing, and quarrying. The packaging and processing of the raw material associated with this sector is also considered to be part of this sector.

In developed and developing countries, a decreasing proportion of workers are involved in the primary sector. About 3% of the U.S. labor force is engaged in primary sector activity today, while more than two-thirds of the labor force were primary sector workers in the mid-nineteenth century.

Secondary Sector

The secondary sector of the economy manufactures finished goods. All of manufacturing, processing, and construction lies within the secondary sector. Activities associated with the secondary sector include metal working and smelting, automobile production, textile production, chemical and engineering industries, aerospace manufacturing, energy utilities, engineering, breweries and bottlers, construction, and shipbuilding.

Tertiary Sector

The tertiary sector of the economy is the service industry. This sector provides services to the general population and to businesses. Activities associated with this sector include retail and wholesale sales, transportation and distribution, entertainment (movies, television, radio, music, theater, etc.), restaurants, clerical services, media, tourism, insurance, banking, healthcare, and law.

In most developed and developing countries, a growing proportion of workers are devoted to the tertiary sector. In the U.S., more than 80% of the labor force are tertiary workers.

Quaternary Sector

The quaternary sector of the economy consists of intellectual activities. Activities associated with this sector include government, culture, libraries, scientific research, education, and information technology.

Quinary Sector

Some consider there to be a branch of the quaternary sector called the quinary sector, which includes the highest levels of decision making in a society or economy. This sector would include the top executives or officials in such fields as government, science, universities, nonprofit, healthcare, culture, and the media

An Australian source relates that the quinary sector in Australia refers to domestic activities such as those performed by stay-at-home parents or homemakers. These activities are typically not measured by monetary amounts but it is important to recognize these activities in contribution to the economy.

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<http://geography.about.com/od/urbaneconomicgeography/a/sectorseconomy.htm>