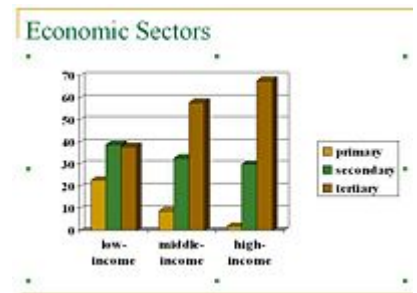


Economic sector

One classical breakdown of economic activity distinguishes three sectors.^[1]

- **Primary:** involves the retrieval and production of raw materials, such as corn, coal, wood and iron. (A coal miner, farmer or fisherman would be workers in the primary sector)
- **Secondary:** involves the transformation of raw or intermediate materials into goods e.g. manufacturing steel into cars, or textiles into clothing. (A builder and a dressmaker would be workers in the secondary sector)
- **Tertiary:** involves the supplying of services to consumers and businesses, such as baby-sitting, cinema and banking. (A shopkeeper and an accountant would be workers in the tertiary sector)

In the 20th century, economists began to suggest that traditional tertiary services could be further distinguished from "quaternary" and quinary service sectors. Economic activity in the hypothetical quaternary sector comprises information- and knowledge-based services, while quinary services include industry related to human services and hospitality.^[2]



This figure illustrates the percentages of a country's economy made up by different sector. The figure illustrates that countries with higher levels of socio-economic development tend to have proportionally less of their economies operating in the primary and secondary sectors and more emphasis on the tertiary sector. The less developed countries exhibit the inverse pattern.

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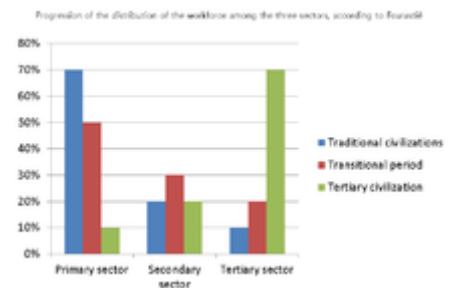
References

Historic evolution

An economy may include several sectors (also called "industries") that evolved in successive phases:

- The ancient economy built mainly on the basis of subsistence farming
- The industrial revolution lessened the role of subsistence farming, converting land-use to more extensive and monocultural forms of agriculture over the last three centuries. Economic growth took place mostly in the mining, construction and manufacturing industries.
- In the economies of modern consumer societies, services, finance, and technology – the knowledge economy – play an increasingly significant role.

Even in modern times, developing countries tend to rely more on the first two sectors, in contrast to developed countries



Three sectors according to Fourastié



Clark's sector model

By ownership

An economy can also be divided along different lines:

- Public sector or state sector
- Private sector or privately run businesses
- Voluntary sector

See also

- Three-sector theory
- Jean Fourastié
- Industry classification
 - International Standard Industrial Classification
 - North American Industry Classification System– a sample application of sector-oriented analysis
- Division of labour
- Economic development

References

1. Zoltan Kenessey. "The Primary, Secondary, Tertiary and Quaternary Sectors of the Economy"(<http://www.roiw.org/1987/359.pdf>) (PDF). The Review of Income and Wealth. Retrieved 20 April 2012. "Regarding the terminology itself Clark informs that "the term tertiary industries was originated by Professor A. G. B. Fisher in New Zealand, and became widely known through the publication of his book*The Clash of Progress and Security* in 1935. It took its origin from the titles current in Australia and New Zealand of 'primary industry' for agriculture, grazing, trapping, forestry, fishing and mining, and 'secondary industry' for manufacture. In Australia and New Zealand these terms are not only used in statistical reference books but are widely current in popular discussion. The phrase 'tertiary industries' therefore immediately carries, in these countries, a suggestion of those excluded by the formal definition of 'secondary industries.'"
2. Matt Rosenberg (14 January 2007). "Sectors of the Economy"(<http://geographyabout.com/od/urbaneconomicgeography/a/sectorseconomyhtm>). About.com. Retrieved 20 April 2012.

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