

CHAPTER-7

TERTIARY AND QUATERNARY ACTIVITIES

INTRODUCTION

There are many professionals who provide their services against payment of their fee. Thus, all types of services are special skills provided in exchange of payments. Health, education, law, governance and recreation etc. require professional skills. These services require other theoretical knowledge and practical training.

Tertiary activities are related to the service sector. Manpower is an important component of the service sector as most of the tertiary activities are performed by skilled labour, professionally trained experts and consultants. Tertiary activities include both production and exchange.

- The production involves the 'provision' of services that are 'consumed'. The output is indirectly measured in terms of wages and salaries.
- Exchange, involves trade, transport and communication facilities that are used to overcome distance.

Tertiary activities, therefore, involve the commercial output of services rather than the production of tangible goods. They are not directly involved in the processing of physical raw materials.

PLUMBER
ELECTRICIAN,
TECHNICIAN,
LAUNDERER,
BARBER,
SHOPKEEPER,
DRIVER,
CASHIER,
TEACHER,
DOCTOR,
LAWYER
PUBLISHER

TYPES OF TERTIARY ACTIVITIES

Trade,

Transport

Communication

Services

TRADE AND COMMERCE

Trade is essentially **buying** and **selling** of items produced elsewhere. All the services in retail and wholesale trading or commerce are specifically intended for profit. All this work takes place in towns and cities also known as **trading centres**.

The rise of trading from barter at the local level to money-exchange of international scale has produced many centres and institutions such as **trading centres** or collection and distribution points.

Trading centres may be divided into

Rural Marketing Centres.

Urban Marketing Centres.

Rural marketing centres cater to nearby settlements.

- ❖ These are quasi-urban centres. They serve as trading centres of the most rudimentary type.
- ❖ Here personal and professional services are not well-developed.
- ❖ These form local collecting and distributing centres.
- ❖ Most of these have *mandis* (wholesale markets) and also retailing areas.
- ❖ They are not urban centres *per se* but are significant centres for making available goods and services which are most frequently demanded by rural folk.
- ❖ Periodic markets in rural areas are found where there are no regular markets and local periodic markets are organised at different temporal intervals. These may be weekly, bi-weekly markets from where people from the surrounding areas meet their temporally accumulated demand. These markets are held on specified dates and move from one place to another.

Urban marketing centres have more widely specialised urban services.

- ❖ They provide ordinary goods and services as well as many of the specialised goods and services required by people.
- ❖ Urban centres, therefore, offer manufactured goods as well as many specialised markets develop, e.g. markets for labour, housing, semi or finished products.
- ❖ Services of educational institutions and professionals such as teachers, lawyers, consultants, physicians, dentists and veterinary doctors are available.

TRANSPORT AND COMMUNICATION SERVICES

Transport is a service or facility by which persons, manufactured goods, and property are physically carried from one location to another. It is an organised industry created to satisfy man's basic need of mobility. Modern society requires speedy and efficient transport systems to assist in the production, distribution and consumption of goods. At every stage in this complex system, the value of the material is significantly enhanced by transportation.

Transport distance can be measured as: **km distance** or actual distance of route length; **time distance** or the time taken to travel on a particular route; and **cost distance** or the expense of travelling on a route. In selecting the mode of transport, distance, in terms of time or cost, is the determining factor. Isochrone lines are drawn on a map to join places equal in terms of the time taken to reach them

Factors Affecting Transport Services

- **Demand** for transport is influenced by the size of population. The larger the population size, the greater is the demand for transport.
- **Routes** depend on: location of cities, towns, villages, industrial centres and raw materials, pattern of trade between them, nature of the landscape between them, type of climate, and funds available for overcoming obstacles along the length of the route.

COMMUNICATION SERVICES

Communication services involve the transmission of **words** and **messages, facts** and **ideas**. The invention of writing preserved messages and helped to make communication dependent on means of transport. These were actually carried by hand, animals, boat, road, rail and air. That is why all forms of transport are also referred to as lines of communication. Where the transport network is efficient, communications are easily disseminated. Certain developments, such as mobile telephony and satellites, have made communications independent of transport. All forms are not fully disassociated because of the cheapness of the older systems.

Telecommunications

The use of telecommunications is linked to the development of electrical technology. It has revolutionised communications because of the speed with which messages are sent. The time reduced is from weeks to minutes and recent advancements like mobile telephony have made communications direct and instantaneous at any time and from anywhere. The telegraph, morse code and telex have almost become things of the past.

Radio and **television** also help to relay news, pictures, and telephone calls to vast audiences around the world and hence they are termed as **mass media**. They are vital for advertising and entertainment. **Newspapers** are able to cover events in all corners of the world. Satellite communication relays information of the earth and from space. The internet has truly revolutionised the global communication system .

SERVICES

Services occur at many different levels. Some are geared to industry, some to people; and some to both industry and people, e.g. the transport systems. Low-order services, such as grocery shops and laundries, are more common and widespread than high-order services or more specialised ones like those of accountants, consultants and physicians. Services are provided to individual consumers who can afford to pay for them. For example the gardener, the launderers and the barber do primarily physical labour. Teacher, lawyers, physicians, musicians and others perform mental labour.

Many services have now been regulated. Making and maintaining highways and bridges, maintaining fire fighting departments and supplying or supervising education and customer -care are among the important services most often supervised or performed by governments or companies. State and union legislation have established corporations to supervise and control the marketing of such services as transport, telecommunication, energy and water supply. Professional services are primarily health care, engineering, law and management. The location of recreational and entertainment services depends on the market. Multiplexes and restaurants might find location within or near the Central Business District (CBD), whereas a golf course would choose a site where land costs are lower than in the CBD.

Informal/Non-Formal Sector

Personal services are made available to the people to facilitate their work in daily life. The workers migrate from rural areas in search of employment and are unskilled. They are employed in domestic services as housekeepers, cooks, and gardeners. This segment of workers is unorganised. One such example in India is Mumbai's *dabbawala* (Tiffin) service provided to about 1,75,000 customers all over the city.

Tourism

Tourism is travel undertaken for purposes of recreation rather than business. It has become the world's single largest tertiary activity in total registered jobs (250 million) and total revenue (40 per cent of the total GDP). Besides, many local persons, are employed to provide services like accommodation, meals, transport, entertainment and special shops serving the tourists. Tourism fosters the growth of infrastructure industries, retail trading, and craft industries (souvenirs). In some regions, tourism is seasonal because the vacation period is dependent on favourable weather conditions, but many regions attract visitors all the year round.

Tourist Regions

The warmer places around the Mediterranean Coast and the West Coast of India are some of the popular tourist destinations in the world. Others include winter sports regions, found mainly in mountainous areas, and various scenic landscapes and national parks, which are scattered. Historic towns also attract tourists, because of the monument, heritage sites and cultural activities.

Factors Affecting Tourism

Demand : Since the last century, the demand for holidays has increased rapidly. Improvements in the standard of living and increased leisure time, permit many more people to go on holidays for leisure.

Transport : The opening-up of tourist areas has been aided by improvement in transport facilities. Travel is easier by car, with better road systems. More significant in recent years has been the expansion in air transport. For example, air travel allows one to travel anywhere in the world in a few hours of flying-time from their homes. The advent of package holidays has reduced the costs.

Tourist Attractions

Climate: Most people from colder regions expect to have warm, sunny weather for beach holidays. This is one of the main reasons for the importance of tourism in Southern Europe and the Mediterranean lands. The Mediterranean climate offers almost consistently higher temperatures, than in other parts of Europe, long hours of sunshine and low rainfall throughout the peak holiday season. People taking winter holidays have specific climatic requirements, either higher temperatures than their own homelands, or snow cover suitable for skiing.

Landscape: Many people like to spend their holidays in an attractive environment, which often means mountains, lakes, spectacular sea coasts and landscapes not completely altered by man.

History and Art: The history and art of an area have potential attractiveness. People visit ancient or picturesque towns and archaeological sites, and enjoy exploring castles, palaces and churches.

Culture and Economy: These attract tourists with a penchant for experiencing ethnic and local customs. Besides, if a region provides for the needs of tourists at a cheap cost, it is likely to become very popular. Home-stay has emerged as a profitable business such as *heritage homes* in Goa, Madikere and Coorg in Karnataka.

Empowered Workers

Entrepreneurs are the empowered workers of the quaternary sector and the slowly emerging quinary sector. They represent an important stage of development in the hierarchy of economic activity where the need for self-actualisation is not motivated by wealth and security alone but by other factors. They have predominantly a value system which emphasises quality of life and believe in creativity and individual values.

QUATERNARY ACTIVITIES

Quaternary activities involve some of the following: the collection, production and dissemination of information or even the production of information. Quaternary activities centre around research, development and may be seen as an advanced form of services involving specialised knowledge, technical skills, and administrative competence.

QUINARY ACTIVITIES

The highest level of decision makers or policy makers perform quinary activities. These are subtly different from the knowledge based industries that the quinary sector in general deals with. 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.

OUTSOURCING

Outsourcing has resulted in the opening up of a large number of call centres in India, China, Eastern Europe, Israel, Philippines and Costa Rica. It has created new jobs in these countries. Outsourcing is coming to those countries where cheap and skilled workers are available. These are also out-migrating countries. With the work available through outsourcing, the migration in these countries may come down. Outsourcing countries are facing resistance from job-seeking youths in their respective countries. The comparative advantage is the main reason for continuing outsourcing. New trends in quaternary services include knowledge processing outsourcing (KPO) and 'home shoring', the latter as an alternative to outsourcing. The KPO industry is distinct from Business Process Outsourcing (BPO) as it involves more high skilled workers. It is information driven knowledge outsourcing. KPO enables companies to create additional business opportunities. Examples of KPOs include research and development (R and D) activities, e-learning, business research, intellectual property (IP) research, legal profession and the banking sector.

OUTSOURCING

Outsourcing or contracting out is giving work to an outside agency to improve efficiency and reduce costs. When outsourcing involves transferring work to overseas locations, it is described by the term off - shoring, although both off - shoring and outsourcing are used together. Business activities that are outsourced include information technology (IT), human resources, customer support and call centre services and at times also manufacturing and engineering.

Data processing is an IT related service easily be carried out in Asian, East European and African countries, In these countries IT skilled staff with good English language skills are available at lower wages than those in the developed countries. Thus, a company in Hyderabad or Manila does work on a project based on GIS techniques for a country like U.S.A or Japan. Overhead costs are also much lower making it profitable to get job-work carried out overseas, whether it is in India, China or even a less populous country like Botswana in Africa

<i>Colour of the collar</i>	<i>Nature of work</i>
Red Gold White Grey Blue Pink	

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