
Unit 6

Industrialization and Economic Structure

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This PPT has been created using the information from the *AMSCO Human Geography: Preparing for the Advanced Placement Examination* book.
Palmer, David. *AMSCO Advanced Placement Human Geography*. Perfection Learning, 2019.



UNIT 6 – INDUSTRIALIZATION AND ECONOMIC DEVELOPMENT
CHAPTER 15: INDUSTRIALIZATION & ECONOMIC STRUCTURE

ENDURING UNDERSTANDING (6.A)

By the end of this section, you will *understand* that the Industrial Revolution, as it diffused from its hearth, facilitated improvements in standards of living.



LEARNING OBJECTIVE (6.A.2)

By the end of this section, you will *be able to identify* the different economic sectors.

Students will know that...

- a. The economy consists of primary, secondary, tertiary, quaternary, and quinary sectors.

ECONOMIC SECTORS

There are FIVE economic sectors according to how closely people work with natural resources.

- Primary
- Secondary
- Tertiary
- Quaternary
- Quinary

ECONOMIC SECTORS - PRIMARY

Sector: Primary

Task: extracting natural resources

Examples: farming, mining, fishing, and forestry

Economic role: dominated the economy until the Civil War

When the United States was formed, nearly everyone farmed or did other work in the primary sector.

Today, in the United States and other developed countries, the primary sector usually employs less than 5% of the labor force. In developing countries, the figure is over 70%.

Primary Sector



ECONOMIC SECTORS - SECONDARY

Sector: Secondary

Task: processing natural resources

Examples: manufacturing, construction/building

Economic role: significant labor growth 1840s to 1960s with Industrialization



ECONOMIC SECTORS - TERTIARY

Sector: Tertiary

Task: providing services rather than working with natural resources

Examples: marketing, retail, banking, design, auto repair, plumbing, accounting, restaurant industry, real estate, waste disposal, etc.

Economic role: most people in the U.S. labor force today.

In developed countries, where manufacturing is on the decline, the tertiary sector is expanding and dominating the labor force.

Tertiary Sector

(aka "the Service Sector")

The Tertiary Sector is that part of the economy where businesses produce **services**.

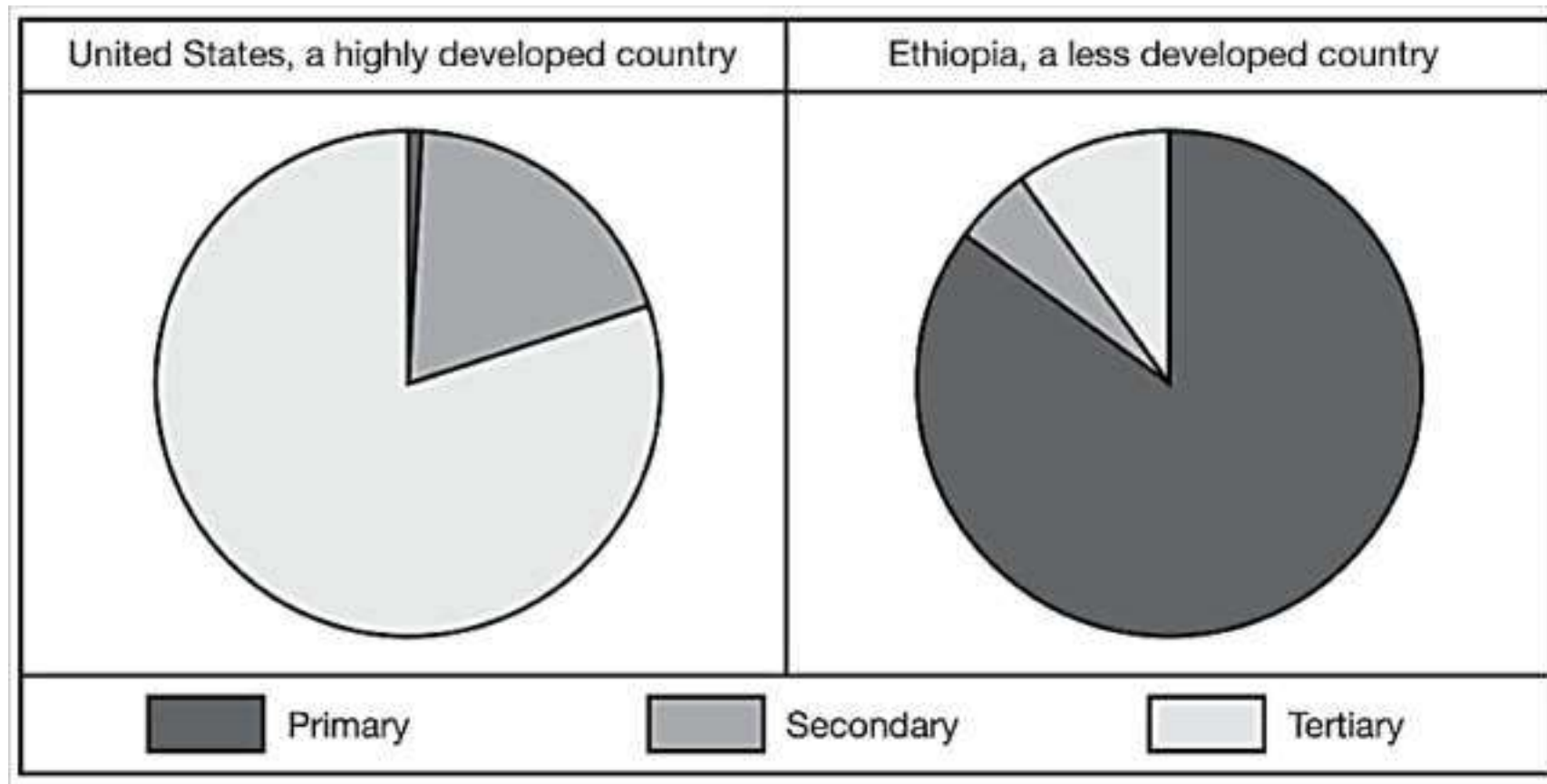


Services are non-physical products that cannot be touched or stored like a haircut or a train journey

EXAMPLES: Transport, advertising, retail, teaching, Healthcare, hotels etc.

ECONOMIC SECTORS - TERTIARY

Labor Force by Sector in Two Countries



ECONOMIC SECTORS - QUATERNARY

In recent decades, the tertiary sector has gotten so large that economists have begun to divide it into smaller segments:

Sector: Quaternary

Task: providing knowledge-based services

Examples: research and development, business consulting, financial services, education, public administration, and software development.

ECONOMIC SECTORS - QUINARY

Sector: Quinary

Task: highest level of decision-making and education

Examples: various levels of government and business; CEOs; astronauts



CHANGING SECTORS

As countries industrialize, the primary sector shrinks and the secondary sector grows.

As a result, country wealth increases because wages are higher in the secondary sector than in the primary sector.

In addition to higher wages, the secondary sector jobs had a greater **multiplier effect** – the potential of a job producing additional jobs.

Example: a tire manufacturer expanded creating 100 new jobs. These new workers spend more money on clothes, food, movies, etc. leading to the potential of these companies needing more employees.

Reverse multiplier effect – a large department store opens causing smaller stores to close or lay off employees.

CHANGING SECTORS

Governments in developed countries attempt to replace manufacturing jobs that are lost due to deindustrialization and automation with quaternary jobs.

As high tech and research jobs flow into the cities, other sectors benefit, especially entertainment, tourism, and education.

Cities such as Denver, Pittsburgh, and Austin are using quaternary jobs to drive their rapidly growing economies.

The main challenge with shifting from manufacturing jobs to quaternary jobs is that many of the displaced workers lack the skills required for the new jobs.