

Chapter-7

Tertiary activities

Tertiary activities include both production and exchange.

- The production involves the provisions of services that are consumed 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 involves the commercial output of services rather than the production of tangible goods.



Tertiary sector

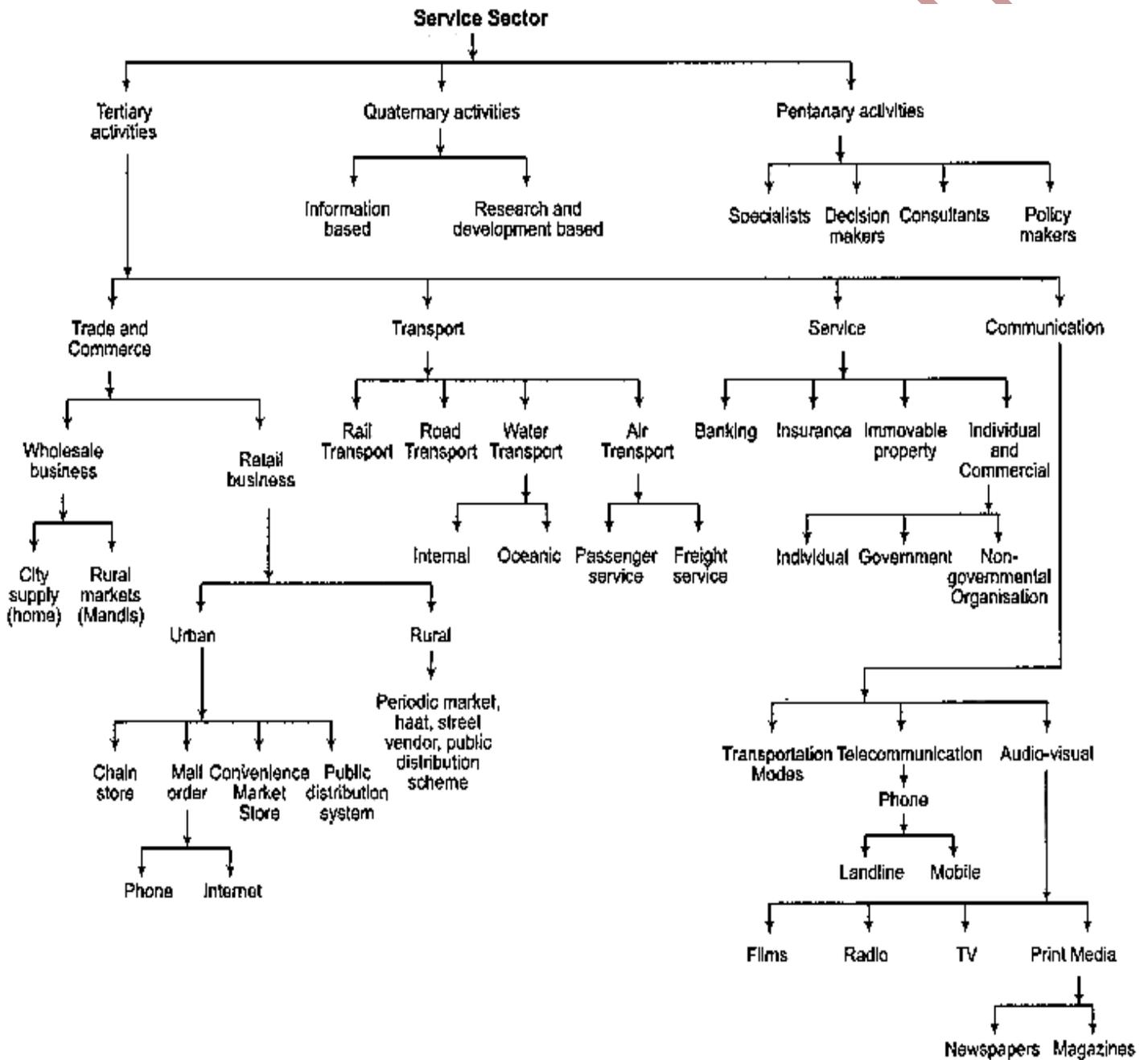
The main difference between secondary activities and tertiary activities is

that the export is provided by services relies more heavily on specialised skills experience and knowledge of the workers rather than on the production techniques and machinery and factory processes.

Types of Tertiary Activities

There are **four types** of tertiary activities. They are **trade, transport, communication and services.**

These include provision of services in exchange of payments.



Trade and commerce

Trade and commerce is **essentially buying and selling of items produced** elsewhere.

The **collection and distribution points where trading takes place are called trading centres.**

These centres are divided into:

□ Rural Marketing Centres:-

- They are quasi urban and cater to local needs and areas. Most of these have mandis (wholesale markets) and retail markets.
- In rural areas, there are periodic markets that may be weekly or bi-weekly and people from the nearby areas meet their demands.
- These markets are held on specified dates and shopkeepers move from one place to another.



Urban Marketing Centres

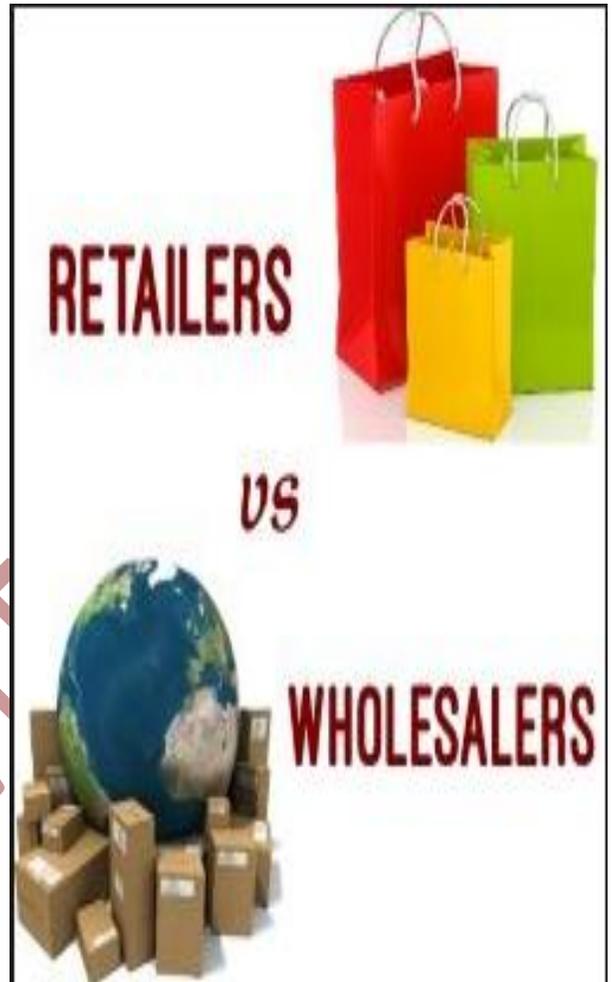
These markets sell ordinary as well as specialised goods and services, e.g. markets for labour, housing, senior finished products. Services of educational institutions and professionals like teachers, doctors, lawyers also develop.

□ Retail Trading

- In this type of trading, goods are directly sold to consumers.
- This trading is done through fixed establishments or stores, small shops, consumer cooperatives, big departmental stores and chain stores.
- The chainstores buy commodities in bulk and then hire skilled specialists for executive tasks.
- Street peddling, handcarts, trucks, door-to-door, mail order, telephone and Internet are examples of non-store retail trading.

□ Wholesale Trading

- Here bulk buying takes place directly from the manufacturer by numerous intermediary merchants. The merchants/ wholesalers extend credit to retailers.



Transport

Transport is a tertiary **activity in which people, materials and manufactured goods are physically carried from one place to another**. While selecting the mode of transport, distance, time and cost are seen.. Distance can be measured as km distance, time taken to travel particular route as time distance, expense of travelling on a route as cost distance.

Factors Affecting Transport

Demand and routes are two major factors which affect transport services.

Demand:-

Transport depends on the size of population and standard of living of people. The larger the population size, the greater is the demand for transport.

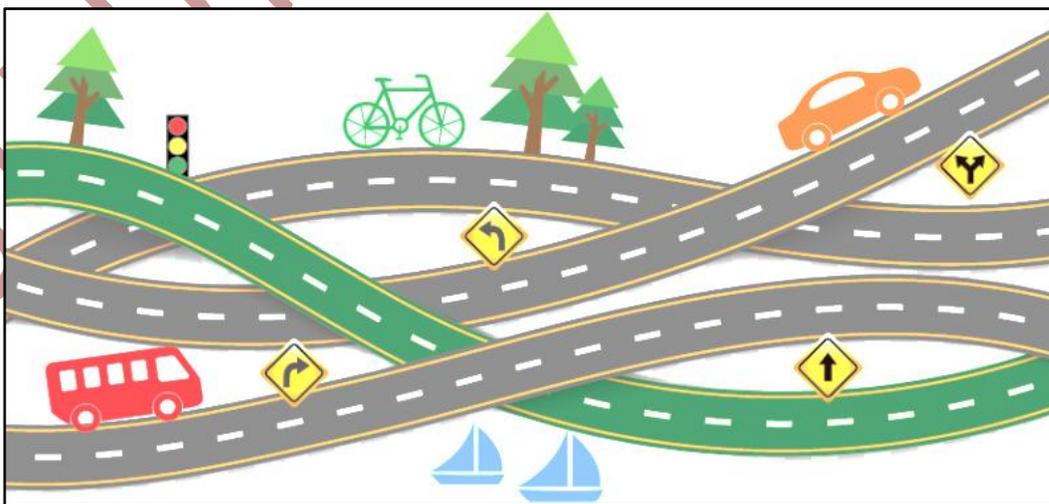
Route :-

It refers to the transport network depend on location of cities, towns, villages, industrial centres, availability of raw materials, nature of landscape, type of climate, availability of funds, etc.

Network

A network is a well developed transport system that is made up of nodes and links.

A **node is a meeting point of two or more routes** and every road that joins any two nodes is called **a link**

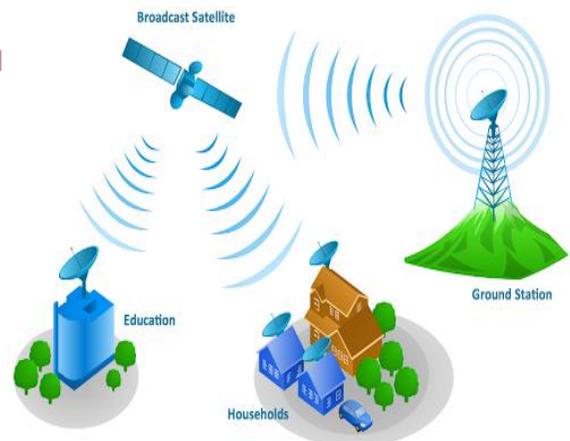


Communication

- Communication services **involve in the transmission of words, messages, facts and ideas.**
- The development of transport facilitated communication as messages were carried by hand, animals, boat, road, rail and air. But new technology has made communication independent of transport, such as mobiles, telephony and satellites.
- **Some of the communication services are discussed below:**

Telecommunications

The development of modern technology has revolutionised communication and it has become direct and instantaneous, e.g. telegraph, morse code and telex in last century and now satellites, mobile, telephony, etc are used.



MASS MEDIA

Mass Media Communication

means through which messages could be sent to vast audiences around the world are called mass media, e.g. radio, television, newspapers, etc. The Internet has revolutionised the global communication.

People Engaged in Tertiary Activities

Earlier more number of people were employed in the primary and secondary sector as these sectors provided more jobs. But, now there has been a shift of jobs to tertiary or service sector. In developed countries, a higher percentage of workers are employed in providing services as compared to less developed countries.

Some Selected Examples

Some of the selected examples that are related to the people engaged in tertiary activities are as follows:

Tourism

- Tourism is part of service sector that refers to travel undertaken for purpose of recreation rather than business. This industry generates jobs as people are engaged in providing accommodation, meals, transport, entertainment, infrastructure retail trading and crafts.
- Another factor is improvement in transportation that has made travel easier and destinations reachable.

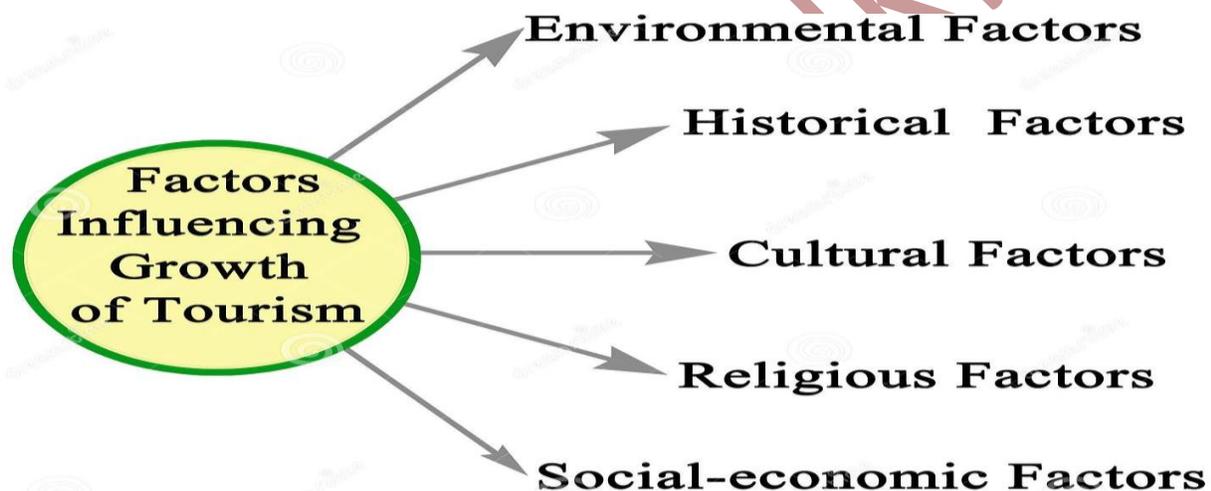


Tourist Regions

Tourism can be seasonal or throughout the year like warmer places around the Mediterranean coast, West coast of India during winters, mountains in summers or winter spots regions found mainly in mountainous areas.

Historic towns, religious places, heritage sites offer tourism throughout the year.

Factors Affecting Tourism



The rise in tourism industry is due to increased demand for it which is thus influenced by improvement in standard of living and increased leisure time.

Tourist Attractions

Tourist attractions are specific features of a place that attract people. These are as follows:

Climate

In winter holidays, areas having warm sunny weather is preferred like beaches in Southern Europe, so it attracts more number of

tourists there.

Landscape Mountains

lakes, spectacular sea coasts and landscapes not completely altered by man are good tourist attractions.

History and Art Ancient or picturesque towns,

archaeological sites, historically important places having castles and palaces attract tourists

Culture and Economy Areas having rich cultures

attract people as they go there to experience ethnic and local customs. Places giving economic benefits are also attractions such as cheap home stays in Goa, Madikeri and Coorg in Karnataka.

Medical Services for Overseas Patients in India

Medical services or tourism takes place when medical treatment is combined with international tourism activity. People from developed countries like US are visiting India for medical tourism or services. This brings economic benefits to India and other countries where medical tourism is taking place like Thailand, Singapore and Malaysia.

Other medical related activities such as outsourcing of medical tests, data interpretation, reading radiology images, interpreting Magnetic Resonance Images (MRIs) and ultrasound tests are taking place in India, Australia and Switzerland.

Quaternary Activities

- The activities related to knowledge oriented, involving collection, production and dissemination of information come under quaternary activities.
- They centre around research development and may involve specialised knowledge and technical skills.
- Software developers, mutual fund managers, doctors, accounting, brokerage firms are some examples of quaternary activities.
- They can be outsourced even as these are not tied to resources or affected by the environment or markets.
- This sector has replaced primary and secondary sector and absorbs half of the population in developed economies.

Quinary Activities

- The activities that are highly specific and specialised are placed under it.
- These include high level decision-makers, administrators, government officials, research scientists, etc.
- They are also known as gold collar professions.

Outsourcing

It means contracting out or giving work to an outside agency to improve efficiency and to reduce cost. **It is termed as off-shoring when work is transferred to overseas location.**

Outsourcing provides employment in developing countries of India, China, Botswana, etc.

Information technology, human resources, customer support, call centres, data processing and other IT related services are examples of outsourcing.

BPO	KPO
<p>BPO stands for Business Process Outsourcing which involves customer support services, call centres and similar other processes.</p> <p>The developed countries transfer these jobs as overhead costs are much lower making it profitable to get job work carried out.</p>	<p>KPO stands for a Knowledge Process Outsourcing which involves skilled workers and enables companies to create additional business opportunities, e.g. e-learning, business research, etc.</p>

The Digital Divide

Development emerging from the information and communication technologies unevenly spread across the globe. Some regions have prospered while others are lagged behind. This is known as digital divide.

In developing countries, this kind of divide is seen more than developed countries. Here, the metropolitan cities are developed more than rural areas.