

4. Occupation

Objective

At the end of this chapter, students should be able to list, and explain with examples, the classification of economic activities by occupational groups such as industry, commerce, direct and indirect services, and draw a diagram to show the classification of occupation.

4.1 Introduction

In [chapter 2](#), we said that commerce is of (or is made up of) trade (selling and buying) and some other auxiliary services provided through banking, insurance, warehousing, advertising and transportation. This implies that, for commerce to be feasible, there are some people in the society whose occupations are the provision of certain goods and services. We shall now examine the classification of the various types of occupation.

Occupation is what a person does for a living. In other words it is a person's job or employment. People engage in various activities daily in order to earn a living by providing goods and services which are capable of satisfying human wants.

A person has to choose out of the various available occupations the one that suits his/her skill, ability interest, training, education, etc.

4.2 Classification of Occupation

It must be emphasized that the classification of occupation can take different forms. The classification adopted here is one that is most convenient for our purpose. It shows the place of commerce in the general picture of production, and highlights the major types of commercial activities.

4.2.1 Industry

An industry is made up of a number of firms producing similar products (goods or services). That is why we often hear of manufacturing industry, banking industry or education industry. This can be classified into three to correspond with the classification of occupation: extractive and conversion, commercial and service industries.

(a) Extractive Industry

Workers in this industry engage in extracting (bringing out) the 'natural' resources from the soil, sea or forest. One unique feature of the sources is that they are all gifts of nature. Examples are: mineral products such as crude oil, coal, uranium, tin ore, gold, diamonds; forest materials like timber and trees; raw products like yams and cassava tubers. A comprehensive list of such items is in the table at the end of this chapter.

Natural resources differ in form and in the extent to which they are permanently available. Consequently, they can be sub-divided into:

- (i) Exhaustible and non-replenishable and
- (ii) Exhaustible and replenishable.
- (i) **Exhaustible and non-replenishable resources:** These are resources which can be used up (finished or exhausted), but which cannot be replaced, e.g. crude oil.

- (ii) **Exhaustible but replenishable:** Resources in this category can be exhausted or used up, but unlike those above, they are replaceable. Such resources are raw materials, and agricultural products of many types such as yams, cassava tubers, vegetables, flowers, timber, fish and other animal products. For agricultural products to be reproduced, arable land can be made more productive by the use of fertilizers, crop rotation system and irrigation. Today, all of these methods are generally used in West Africa and in Nigeria in particular. Afforestation schemes (replanting of trees) have served to replace lost trees, and therefore ensure the continual supply of certain raw materials like timber and wood products.

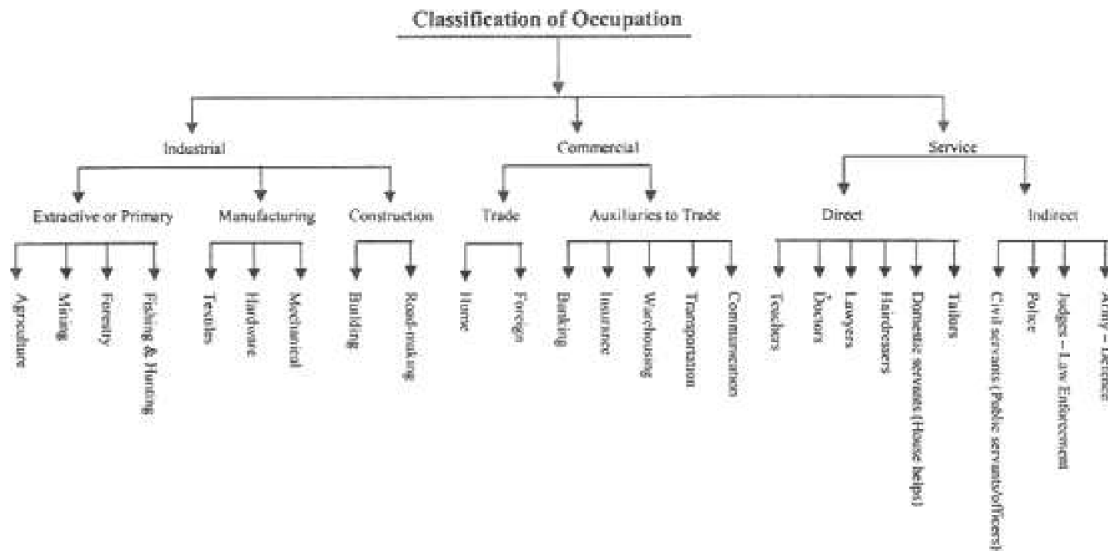


Fig. 4.1: Classification of Occupation

(b) Conversion Industries

These include manufacturing, construction and public utility industries. The three categories of industries are concerned with the conversion of raw materials and natural resources into finished products or utilities to satisfy human wants. For instance, from the Nigerian crude oil comes refined petroleum or diesel oil for use in one type of vehicle or the other. Refining crude oil is the speciality of the conversion industries.

Gold and diamond ores extracted from the soil in extractive industry are refined by the conversion industries into precious jewellery. Other examples are the conversion of cotton wool into cloth; limestone into cement; cow milk (extracted from cows' udder) into tinned and bottled milk; the curing of tea, and blending of coffee and cocoa drink from raw leaves and beans respectively.

It must be emphasized, however, that while the manufacturing industries on the one hand, and the public utilities or corporations on the other hand have the common feature of turning raw materials into finished products, they are essentially different in their ownership.

(c) Commercial Industry

If the conversion industries as discussed above help to bring about changes in the form of the raw materials provided by the primary producers of the extractive industry, the commercial industry helps to bring about changes in the location and ownership of finished commodities or products. This is why in economics it is said that

If manufacturing industries turn raw materials into finished products, the commercial industry makes sure the goods get to the consumers regularly.

Those engaged in the commercial industry are concerned primarily with lubricating the wheel of commerce.

It is the commercial industry which ensures that the products of the conversion industries are passed conveniently to their final consumers. It is through some sectors of the commercial industry that buying and selling (trade) are effected. For example, financial and banking facilities are provided by the banks. Payments for raw materials or finished goods are also effected through the banks; the insurance sector provides indemnity against insurable risks inherent in the complexity of commerce; advertisement and publicity bring about the knowledge of the availability of new and old products in the markets; warehousing provides storage facilities between the production period and demand period; while transport and communication sectors of the commercial industry arrange for the physical movement of raw material and finished goods to their destinations – the factories or the consumers respectively. It thus creates time and place utilities.

4.3 An Alternative Classification of Occupation

In economics, industry is divided into three types: namely, primary, secondary and tertiary.

- (a) **Primary production:** This is the industry that brings out natural resources from the soil; for example, industrial materials such as timber, cotton, mineral ores or fish from the sea; or foodstuffs like maize, yam, cassava, etc. from the farm; or any production of unprocessed commodities in their natural state. These belong to extractive industry.
- (b) **Secondary industry:** This is concerned with the processing or manufacturing of primary products into finished products for the consumer for example, yam into pounded yam; cassava into '*gari*' or *eba*; timber or wood into chairs, tables and desks; cotton into dresses, etc. These belong to manufacturing, construction or assembly.
- (c) **Tertiary industry:** This industry ensures the distribution of goods and services produced, so that they reach the doorstep of the final consumer. If this aspect is not accomplished, production is never completed. This belongs to commerce and services.

This classification equally agrees with the definition of commerce stated in [Chapter 1](#) that:

Commerce is about all aspects of trade from the purchase of raw materials to production, sales, distribution or exchange of goods or services.

The relationship between the three is that as production progresses from one stage to another, value is being added and the commodity becomes more defined. However, one must note that such divisions of production may be arbitrary and artificial, since it may be said that the finished product of one industry is the raw material for another industry.

Again, it must be emphasized that those who are engaged in the provision of personal services are no less important than any other occupational categories in their contribution to the functioning of commerce or the economy. As shown above, personal services can further be divided into direct personal services and indirect personal services.

- (i) **Direct personal services:** The services rendered by this group of workers are on interpersonal basis, and are felt directly by the receivers. The workers in this industry create the good and healthy atmosphere under which all other occupational groups can thrive. For instance, housewives, helped by cooks and stewards, make all forms of meals available in the home; doctors and nurses ensure the good health of all grades of workers; barbers, hairdressers and laundrymen give people the socially acceptable physical looks which are complimentary assets to employable skills of all grades; the driver relieves the business executive of the fatigue of self-driving and thereby enables him to concentrate on his executive duties, and by driving the children to school, the wife for shopping, saves the boss time, a very scarce commodity especially at the executive level.

Actors and actresses provide relaxation which helps to ward off tension and weariness which results from the physical exertion of office work. Without the provision of these basic services, workers' health would suffer and this would in turn affect the healthy growth of commerce.

- (ii) **Indirect personal services:** These are unique types of services since they are best felt when they are not performed. A nation without a constitution and other organs of government would experience lawlessness and chaos. Commerce can only thrive in a well-organized and peaceful environment and must operate within certain rules and regulations which are embodied in the constitution or the statutory provisions of the country. Unless rules are laid down for the regulation of the practice of commerce, and such rules given the stamp of authority so that they can be interpreted and enforced by the judiciary and the law enforcement agents respectively, those engaged in commerce may play foul and cheat without any hope of redress for the aggrieved. Included in this are the services of the military that defends the nation, teachers and public servants.

Table 4.1 *Some Typical Examples of Workers in Each Category of Occupation in West Africa*

| (a) Provision of Goods | | | | (b) Provision of Services | | |
|--|---|--|---|--|---|---|
| (i) Extractive Industry | (ii) Construction Industry | (iii) Manufacturing Industry | (iv) Public Utility Industry | (v) Commercial Industry | (vi) Direct Personal Services | (vii) Indirect Personal Services |
| Farmers – cattle rearers & shepherds; miners of mineral resources – gold, diamond, lead, crude petroleum, etc.; fishermen, local palm wine tapper. | Builders of roads and bridges, bricklayers, quantity surveyors; motor vehicle assembly workers, radio and television assembly workers, local blacksmiths, goldsmiths. | Producers of soft and alcoholic beverages; producers of all types of native foodstuffs, Nigerian carpet producers, native mat weavers. | Railway engine drivers, guards, booking clerks; dock workers; airways pilots; workers of electricity corporation; other employees in government corporations. | Retailers; wholesalers; co-operatives; bank managers and bank clerks, cashiers, accountants, insurance brokers; managers; and other insurance staff. | Drivers, pilots, guards, doctors; teachers; barbers and hairdressers; personal escorts; lawyers or barrister (in private practice); mechanics and bicycle repairers; accountants. | Police, army, navy, air force, state counsels, magistrates, judges, attorneys-general, solicitors-general, teachers in public schools, civil servants |

Summary

- Occupation has simply been defined as what to do for a living
- Occupations are classified into (a) industrial activities such as extraction of raw materials, manufacturing and construction; (b) commercial activities include trade – both home and foreign and aids to trade such as banking, transportation and communication; (c) services can be direct as rendered by teachers, doctors, lawyers, tailors, hairdressers, etc or indirect as rendered by armed forces, civil servants, law enforcement agents, etc.

Revision Questions

A. Essay Questions

1. Make a breakdown of the production services into their component parts and give five examples of workers in each grade of the services.
2. What is meant by categorization of industry into (a) primary production; (b) secondary production; (c) tertiary production? Give examples of each.
3. Rearrange the following list of activities under their appropriate headings: wood sawing; basket making; military duties; legal work; beer-brewing; quality control in a manufacturing organization; bricklaying; smuggling; tax collection; chairmanship of a local government council.
4. (a) State the difference between industry and commerce. (4 marks)

- (b) Mention and explain five types of commercial occupation and three types of industrial occupation. (16 marks)

(WAEC 2000)

- 5 (a) Define 'Occupation'. (2 marks)
(b) Show, with the aid of a diagram, the classifications of occupation and give ONE example of each classification. (14 marks)
(c) List any FOUR factors that affect employment. (4 marks)

(NECO 2000) Total marks = 20

B. Objective Questions

1. In which service will a sole trader NOT be found?
A. business consultant
B. electrician
C. decorator
D. National Electric Power Authority
2. The different types of occupation in which people are engaged can be grouped as
A. Direct Services, Commercial and Industrial
B. Manufacturer, Blacksmith and Industrial
C. Industrial, Manufacturing and Commercial
D. Teaching, Manufacturing and Commercial
E. Trading, Teaching and Commercial

(NECO 2002)

3. The obtaining of raw materials from the land or sea is classified under
A. commercial services
B. extractive industry
C. constructive industry
D. direct services

(WAEC 1999)

4. The manufacturing of goods and the provision of services that lead to the satisfaction of people's wants is
A. production
B. labour
C. entrepreneur
D. exchange

(WAEC 1999)

5. Commercial occupation can be grouped into
A. banking and finance
B. home trade and foreign trade
C. import and export
D. trade and aids to trade
E. transport and communication

(NECO 2002)

6. A *danfo* driver is involved in
A. manufacturing occupation
B. commercial occupation

- C. distributive occupation
 - D. extractive occupation
7. The three main divisions of occupation include industrial
- A. manufacturing and services
 - B. commercial and banking services
 - C. commercial and services
 - D. transportation and services
8. Which of the following is not a commercial service?
- A. Banking
 - B. Hunting
 - C. Dressmaking
 - D. *Garri* processing
9. In which of the following classes of occupation would you place a policeman?
- A. Commercial
 - B. Direct service
 - C. Manufacturing
 - D. Indirect service
10. Into which of the following three areas can occupation be divided?
- A. Industry, Manufacturing and Transportation
 - B. Commercial, Industrial and Constructive
 - C. Service, Commerce and Industry
 - D. Extractive, Assembling and Warehousing