

Occupational Structure: Definition, Features, Types & Importance

A country's occupational structure refers to the proportion of its working population in different sectors or industries. How human resources are spent within and among given activities such as agriculture, industry, and services is brought out. Changes in the occupational structure of any country are in tandem with economic growth, especially in those countries where the majority of the workers are not engaged in agriculture as it tends to be a lower developed economy. This is what is discussed in this article; the occupational structure is discussed in terms of its dimensions, types, and relevance, and its dynamics given economic systems.

What is Occupational Structure?

Occupational structure pertains to the pattern or division of a workforce across primary, secondary, and tertiary economic activities within a nation. It looks into how the different economic activities are divided amongst the primary, secondary, and tertiary sectors, depending on the kind of work involved.

Occupational structure is a critical measurement of the level of economic development. Typically in most developing nations, there is a considerable primary sector. Considerable primary sector employment, while in developed nations there is a transition towards a greater secondary and tertiary sector employment.

Features of Occupational Structure

The characteristics of economic activity distribution indicate the workforce in a particular economy which provides a window to understand the social economic standing of the country. The factors are summarized as follows:

Sectoral Division of Labor

The occupational structure divides employment into three sectors: primary, secondary, and tertiary. Most often developing nations are overdependent on the primary sector, while in advanced economies a larger proportion of workers is found in the secondary and tertiary sectors.

Indicators of Economic Development

The development levels of nations correlate with the diversification of the occupational structure in favor of a greater share of employment in industries and services. On the other hand, economies that primarily rely on agriculture may find it difficult to achieve growth over the long term.

Transition over Time

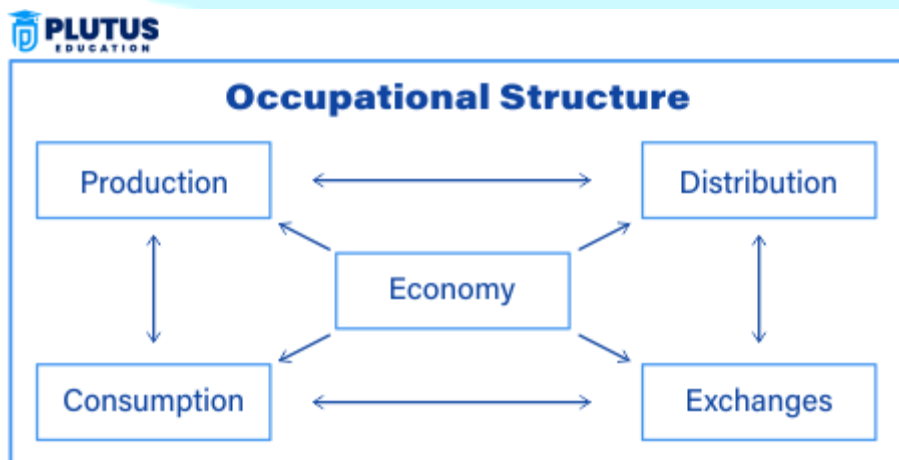
Economic development tends to progress slowly to the moving of occupational focus from the primary occupations, to the secondary ones, and finally to the tertiary ones as well. Take an example of occupational structure in India, during the time of independence it was mostly agrarian, but now it has changed with more services and industrial activities.

Role of Technology & Industrialization

The creation of new job opportunities and the alteration of the existing ones are both caused by technological changes and industrialization which affect the occupational composition. There has been an upsurge in the employment of individuals in the third sector owing to the automation of industries and the growth of digital services.

Influence of Demographics & Education

An additional consideration in the analysis of the occupation structure is the growth of a population, the level of literacy, and the extent of availability of education. High literacy levels in any country are often associated with high populations engaged in professional and even service-helping occupations.



Occupational Structure in Colonial vs Post-Independence India

The employment profile prevailing at the time of independence was agro-based as most of the labor was absorbed in the primary sector. But, as time passed, India after achieving independence has transformed gradually. The transformation is that it has moved from a predominantly agrarian society to industrialization and service-based occupations. The colonial and post-independence occupational structures are necessary differences to comprehend to understand the economic development and transition of India.

Aspect	Colonial India	Post-Independence India
Primary Sector Share	70-75% of workforce	42% of workforce (as of 2020)
Industrial Growth	Limited, focused on textiles and jute	Significant growth in heavy industries
Service Sector Jobs	Minimal, mostly government-related	Rapid expansion in IT, finance, healthcare

Economic Policy

Focus on raw material exports

Focus on self-reliance, industrialization

Living Standards

Low productivity and poverty

Gradual improvement in income and lifestyle

Types of Occupational Structure

Occupational structure can be classified into three major types of work based on the nature of the work. Each type contributes significantly towards economic development.

Primary Sector Occupations

- Covers activities that are universal in the sense that they deal with the acquisition of raw materials, that is agriculture, forestry, fishing, and mining.
- This industry is the primary support of the economy of rural areas, especially in underdeveloped regions, where most of the population is involved in farming.
- Examples include agricultural workers, fishers, and mineral resources extractors.

Secondary Sector Occupations

- Covers the processes of manufacturing, building, and other activities aiming to change the form of available materials into usable products.
- Industrial expansion contributes to growth in the number of people working within this industry and is thus an engine for growth in the economy.
- For instance, individuals are employed in factories, construction sites, and clothing production units.

Tertiary Sector Occupations

- Concentrates on sectors like retailing, finance, medicare, pedagogy, and recreation.
- More developed countries have more of their workforce engaged in the third sector. This is indicative of the high level of service-oriented industries in the economy.
- For instance: Medical practitioners, educators, financial service persons, and people working in the hospitality sector.

Importance of Occupational Structure

The relevance of an occupational structure stems from its capacity to indicate and streamline the process of economic development and employment generation policies. Below are the major reasons why the occupational structure is important:

1. Indicators of Economic Progress: A weapon structure means that an economy is progressing from farming activities to Industrial and service activities. Growth and development trends of countries demonstrating transition to secondary and tertiary sectors are accompanied by improvement in the standard of living.

2. Guides Policy Formulation: Understanding the distribution of labor in the economy is useful for deliberate actions concerning employment and skill enhancement policies. For instance, agricultural-based economies can, among other things, exhibit policies whose objective is to endorse industrialization in such regions so that they employ their populations in secondary and tertiary sectors.

3. Influence on Income Distribution: The composition of the labor force has consequences on the way income is distributed in a country, with a focus on the fact that jobs in the service sector provide better remuneration than jobs in the agriculture sector. Changing the wage structure in favor of higher-paying job opportunities may positively affect the quality of life of the population and poverty levels.

4. Improves Resource Allocation: Acquaintance with the structure of employment across different occupations helps in the optimal distribution of resources, especially ensuring that adequately sized funds are channeled to growing industries.

5. Relation between Occupational Structure & Development: There is a direct correlation between economic growth and the transformation of the employment structure. In the course of development, economies transform from being agriculturally based, to being service and manufacturing-dominated sectors with better wages and high output.

Occupational Structure FAQs

Define occupational structure.

Occupational structure pertains to the classification of a country's labor force into primary, secondary, and tertiary sectors, depending on the kind of work done.

Explain the link between occupational structure and development.

Occupational structure transformation is an outward shift from the agricultural, and industrial to the services which is commonly used when describing the economies undergoing economic development as it leads to more productive activities and higher wages.

How did the occupational structure on the eve of independence differ from today?

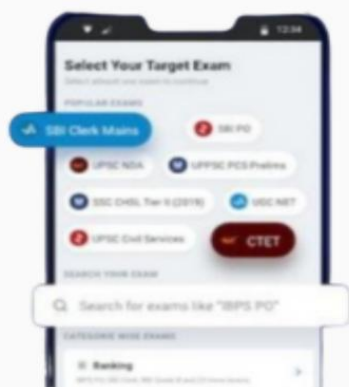
On the eve of independence, in India, the majority of the working population was employed in agriculture. Whereas today India's secondary and tertiary sectors have developed.

What are the types of occupational structures?

Primary (capture of wild and farmed food resources) secondary (processing and construction) and tertiary (trades and activities).

Why is occupational structure important?

It indicates the extent of economic advancement achieved, helps in policy formulation or intervention, and aids in the appropriate allocation of resources aimed at increasing output and employment.



Join The Plutus Education

ACCA Newsletter

Boost your Exam Preparation

Join Now

Download Broucher

