

Describe and explain
recent changes
(since 1945) in the
employment structure
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This essay will first describe and then go on to explain the changes that the UK's employment structure has experienced since 1945, post World War Two. The levels of employment in each of the different economy's sectors will be examined as percentages, to show clearly the increase or decline over time. Principally the Primary, Secondary and Tertiary sectors will be described as will the Quaternary and possibly Quinary in the later 20th century, and early 21st century.

The Primary sector involves the extraction of raw materials that all other areas of an economic system rely upon; examples include Mining, Fishing and Agriculture. At the end of any Primary activity there is little or no value added to the product; low value, high bulk products. The Secondary Sector involves adding value, and shedding bulk from these products. There are two types of manufacturing; Heavy industry - processing raw materials directly from primary products (steel to iron ore), and Light industry - assembling products in preparation for the market (car manufacturing).

The Tertiary Sector is the provision of goods and services to the consumers. There are no processes involved; the products (goods or information) are simply supplied to the consumers. The Quaternary Sector is a more recent evolution and subset of the tertiary sector. It has arisen from the new market created from technological advances and is widely known to involve Research and Development.

The current UK employment structure is as follows; 76% are employed in the Tertiary sector (encompassing the Quaternary and Quinary) which includes the UK's excellent and rapidly growing financial services industry which

accounts for, 22% in the Secondary sector, and only 2% are involved in Primary sector activities. In 1945 the structure of employment within the UK was extremely different from today. There was a much higher percentage of the workforce involved in Primary and Secondary activities, whereas today the Tertiary industry dominates.

Over 40% of the workforce was employed in the Secondary Sector in manufacturing industries, 35% involved in tertiary activities, and 25% employed in the Primary Sector. From the post-war years into the 1950s the Primary Sector experienced an immediate and rapid decline in employment levels, this decrease remained at a high rate until 1975, when it began to plateau and slowly decline until reaching its current level of 2%. Currently there are 13 coal mines in the UK producing an annual output of only 30 million tonnes compared with the 169 mines in 1984 that produced over 130,000 million tonnes of coal annually.

The level of employment in the Secondary Sector has also declined since 1945; however a small increase was experienced first, where the sector's employment percentage reached nearly 50 in 1950. After this it began to decrease, slowly at first, but began to fall more rapidly after around 1975. Manufacturing industries experienced a 30% fall in employment between 1971 and 1994. The Tertiary sector however has undergone an increase in its percentage of UK workforce employment ever since 1945.

This increase occurred quite rapidly during the industrialisation period, and continued into the pre-industrial, however has slowed now and levelled off at around 70%. These changes in the UK's employment structure described

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above can be well represented by the Clark-Fisher model below. The development over time of an industry can clearly be observed, as the relative number of those employed in each sector changes as the country develops. This model is able to demonstrate the changes experienced by the UK so clearly as it was initially based upon the employment structure change overtime in both The USA and the UK.

THE CLARK-FISHER MODEL: The reasons for these variations in employment structure over time vary for each sector, although the general decline in both the Primary and Secondary sectors can be accredited to similar causes, It can be argued that the underlying reason for this decrease in both sectors can be attributed to mechanisation, as it is inevitable as businesses seeking profit naturally began to replace many workers for fewer machines as they are generally more reliable and much cheaper to run; thus lowering production costs and increasing the potential for profit in the long run.

This period is known as industrialisation, referring to the transition in methods of production, often due to technological innovation or advancements. When the UK Primary sector employment fell extremely rapidly as machines replaced manual labour in most industries; for example combine harvesters and tractors were substituted for farmer workers in Agriculture. The same applies in manufacturing industries when the Secondary sector later experienced employment decline.

In Heavy industry such as the creation of metal sheets for raw material resources, large machines replaced many human workers; producing higher output levels in much shorter times. Similarly in Light industries like car

manufacturing mechanised assembly line systems began to operate and replace factory workers. Mechanisation soon required far cheaper and more efficient energy resources to sustain levels of output and industries started to use electricity as cheaper and cleaner energy as opposed to coal.

This caused a negative multiplier, as machines replaced jobs, electricity replaced coal, thus a fall in demand for coal and more jobs lost in the Primary sector. Agricultural decline has also been largely attributed to the spatial limits of UK farms, as economies of scale apply; the larger the land cultivated the lower the overall costs. Much cheaper crops could soon be imported from countries overseas where labour and land are both cheaper than in the UK.

Farmers in the UK are out-bid for land as more profitable industries require it for other uses. The recent disease out-breaks in the UK have also fuelled the employment decline in agriculture. Demand for British meat and crop products has been extremely negatively affected by BSE and Foot and Mouth in recent years, and the low scale UK economy in this sector has never fully recovered. Now in the UK nearly 50% are leaving university with degrees, and this results in a very high demand and high aspirations for graduate level jobs.

With more and more people being better educated, and in search of better jobs; higher paid with better prospects, less young people are taking over either family run farms or interested in employment in the manufacturing sector. The average annual wage of a farmer in the UK is i?? 9000 or less, making this an unthinkable occupation for a highly educated skilled

workforce. Another larger contributing reason for the decline in manufacturing employment in the UK, especially the rapid decline after 1975 is the government policies implemented during the late 1970s and 1980s.

The Prime Minister at the time, Margaret Thatcher, was a Conservative and passed Acts and introduced policies that effectively privatised much of the public sector. Between 1979-82 over 2 million jobs were lost in manufacturing industries, as well as further redundancies caused during the last recession. This also affected many Primary industries in the UK, which up until then had been operated under the public sector. Companies like the National Coal board became publically limited companies; UK Coal plc.

This was done to replace output targets, set by the government for the provision of required resources to the UK economy, with the profit motive; aiming to make extraction and production, in heavy industries, more efficient via introducing competition as in the public sector they were running at a loss and the government suffered. Also in the private sector the industries would receive the large investment urgently required for full mechanisation to allow more efficient production that the public sector government budget could not provide.

Privatisation, however, led to many coal mines being shut down as firms chose to import coal and other resources from abroad where both labour and land were cheaper, as now in competition costs had to be minimal. In 1984 over 250, 000 were employment in coal mines, and now only 10, 000 or less are and the activity only accounts for 0. 01% of UK GDP. The heavy industry suffered the most in this case as well as light industries, where assembly

lines and factories shut down and production was continued in less developed countries, with less educated workforces, or minimum wage laws.

This cheaper labour drove down costs allowing more to be produced at lower market prices. Examples include Dyson moving production to Malaysia causing 800 jobs to be lost in the UK as production was shut down. Many other firms chose extremely highly populated countries, with a large dispensable workforce like India and China. However this led to saturation in many markets, as production was so efficient and cheap it was greater than the demand for the consumer goods in the developed countries, this is illustrated by the Kuznetsov cycle.

The reasons behind the increase in employment in the Tertiary sector are partly due to the UK economy's shift to this sector, as Primary and Secondary industries have found cheaper labour and production abroad. Now importing more raw materials and many food products which out-compete those produced in the UK for price. Mentioned earlier was the fact that 50% of students in the UK are continuing to University study and emerging with degrees.

This creates a large skilled and highly educated workforce, not only allowing for such wide spread service sector growth but almost inducing it as more people are looking for graduate level jobs of a certain calibre with certain salaries. This has also largely been responsible for the growth of the Quaternary sector; which is commonly considered to include research and

development. The UK's highly educated workforce provides innovation and develops industry in other sectors.

As views have become more materialist; people want more than they used to, whether that means more expensive cars or more holidays abroad. This increase in consumer spending has allowed firms to be able to invest greater amounts of capital back into their businesses, creating better or more products or allowing them to diversify. Rising interest rates have also encouraged this investment trend, not only with firms though; households are more willing to invest in the stock market, or undergo greater financial risks.

This has been responsible for the growth of the UK's now extremely strong and world renowned financial services sector, which contributed i?? 19 billion to the UK's GDP in 2005. Although most salaries in the service sector are low, the financial service sector provides very high potential salaries, as well as annual bonuses and employs over 1.1 million people. The growth of the internet has allowed many service and good producing firms to close down high street shops and operate entirely from the internet, reducing rent and labour costs enormously and allowing more money for investment and/or profit.

Examples include Amazon and Elephant; an insurance company providing an internet based service only. In conclusion I believe that the Primary and Secondary sector's decline in employment was largely down to mechanisation, however in later years other factors had great impacts too; for example policies during Margaret Thatcher's time as Prime Minister in the

1980s causing privatisation. The Tertiary sector employment boom is down to better educations and higher aspirations of the UK workforce, as well as cheaper labour and land abroad.

The internet and greater quality of communications has also allowed both the Tertiary and Quaternary sectors to expand as globalisation has occurred. Social wants and desires have also fuelled the service sector growth. Given more time and resources this topic could have been discussed in far greater depth, looking back further in time at employment structures as well as studying and predicting possible trends in the future in the UK economy, as well as looking at global trends.