The scale **Journal Website:** https://thescalejournal.com.ng/
An Interdisciplinary Journal of
The ACADEMIC STAFF UNION OF POLYTECHNICS - ZONE D
ISSN: 2992-3727 Published 30th November, 2025

A COMPARATIVE ANALYSIS OF TERTIARIZATION IN DEVELOPING AND DEVELOPED COUNTRIES

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Abstract
The study analysed various literature associated with the tertiarization process and its purpose was to understand factors affecting it while aiming to show the differences in developing and developed countries. The work revealed that tertiarization compliments primary and secondary sectors of economies through service provision. Cities tertiarized faster than rural areas and factors affecting the process included physical and economic infrastructure, manpower and type of institutions that promote service activities. Engel's law is an important law used by economists to explain tertiarization, showing shifts in demand pattern as income rise with increased spending on non-food items. Data reviewed revealed that the U.S has the highest productivity rate in the world with $63,000 followed by the E.U with $43,000 and continued to rise while India and Nigeria have $13,000 and $6,000 per person per annum respectively and spaces needed for the process are lesser than those required for agriculture and manufacturing. For maximum benefits to be achieved, tertiarization must be backed by strong agricultural and manufacturing sectors. Studies on trend show that the tertiary sector will continue to increase in developed countries backed by improved technology, manpower and a rise in life expectancy while in developing countries it is pushed by strong urbanization, improving infrastructure, growing human capital that increases disposable incomes. It is therefore important that developing countries' administrators learn to incorporate policies that drives tertiarization in their overall development plans to maximize the benefits of the process.
Keywords: Urban centres, Engel's law, Tertiarization.

INTRODUCTION

As cities grow economic activities increases to cater for the increased number of people. This also leads to increase in services that is tertiarization. Many cities in both developing and developed countries continue to tertiarizing but the outcomes are different as the forces creating them do not follow the same path. Why should we care about tertiarization as a process? This study argues that the process in its correct form adds to cities' economy by providing diverse employment that is different from agriculture and manufacturing. As Nayyar et al. (2021) attests in 2019 the benefits from tertiarization accounted for 55% of GDP and 45% of employment in developing nations and is significant to understand these benefits especially in developing countries as employment from agriculture and manufacturing continue to decline.

In the light of the above this study intends to deepen the understanding of the tertiarization process. This it does by articulating a credible comparative analysis study of the process in developing and developed countries backed by a critical review of relevant literature. To achieve this goal, the study is divided into the following headings conceptual definitions of key terms, urbanization and tertiarization, tertiarization in developing and developed countries, future of tertiary sector in developed and developing countries, summary of review and conclusion.

CONCEPTUAL DEFINITION OF KEY TERMS

Urban centres

Urban centres are a phenomenon in all countries of the world because of their importance, acting as engines of growth and innovation. These centres are brought about by the process of urbanization or by deliberate government policies often for different economic or political reasons. Mela (2014) defines an urban centre as a geographical space characterized by a continuous settlement having population density higher than surrounding spaces, however the values of the density vary in different countries. Most countries in the world have one form of urban centre or another depending on the criteria used to explain these centres. According to Sadhu (2003) urbanization can imply changes occurring in different areas of life of the individual and population be it in urban or rural areas. The changes affect population concentration, ratio of people engaged in agricultural and manufacturing activities, population distribution according to types of settlements and the shaping of urban ways of life and its growing influence on other sections of the population. Urban areas are mainly the engines of growth and development having serious economic and political influence compared to other areas of a country. Some notable examples of urban centres in Africa include Lagos, Cairo, Johannesburg, Kinshasa, Nairobi and Dakar.

Engel's Law

This study sees man's main goal on earth is to progress and ensure survival. This he does by modifying his environment to improve his ability to attain better standards of living. The lowering of costs and increase in his income increases chances of growth and ability to meet life needs. So, as income changes it is reflected in changing tastes of higher demand for variety of goods and services that were not possible before. This change in purchasing habit is exemplified by Engel's Law, mathematically represented by the equation, $E = a + b\ Y$;

E = Expenditure
Y = Household income
a = Intercept or constant
b = Slope coefficient ($b > 0$).

The equation shows that as income (Y) increase, expenditure on food (E) increases at a decreasing rate to other goods especially services. The slope coefficient (b) represents the rate of change of food expenditure with respect to household income. Applying Sanchez (2010) explanation, the law states that the higher the income to households or individuals the smaller the proportion they are likely to spend on basic items such as food, that is a lot more resources are spent on non-food items with increase in the services portion of human wants. From its explanation this law reveals that as income increases, demand for essential products increases slower than those of services which amplifies the relevance of services in an economy.

Tertiarization

Coined from the word 'tertiary', tertiarization is a progressive process taking place after primary and secondary. It includes all the different forms of services provided for citizens, mainly made up of intangibles that forms a separate economic base of activity needed for better standards of living with emphasis on 'services' as opposed to traditional production or manufacturing. From a historical perspective Alfred Marshal in his 1890 work theorized that the tertiarization movement in the British economy was made up of different types of services as at 1851 including medical, education, musical, and theater as well as transportation activities. In terms of importance, he predicted that "if the necessities that these activities provide increase proportionately to general wealth, they are expected to absorb an increasing proportion of the industrial population" (p. 325), becoming an integral part of the British economy.

Marshal's work set the stage for Fisher (1933) who saw tertiarization from the progression of three stages; farming to manufacturing to services. Interestingly Clark (1940) is credited to be the first to use

the term "services" to encompass all activities within the tertiary sector treating it as a component of the economy. Another early analysis reflecting how tertiarization would eventually affect demand and supply in urban centres to overall economic calculations was laid down by Fuchs in a 1968 study, explaining that an increase in final demand involves a relation between expenditure patterns and level of income, that is due to income increases, the demand for products tend to increase more slowly than those of services which amplifies the relevance of services to an economy as envisaged in Engel's law.

Daniels (1993) believed that Fisher and Clark opened up new understanding of tertiarization, positing that services occurred as a result of high-income elasticity of services, that is, an increasing income would lead to an expanding demand for services which in turn would expand the tertiary sector to the extent that consumer preferences, priorities and price variations will inevitably occur. Kon (2004) expanded the explanation to include new innovations in the modern world that provided a distinct range of services that do not require the production of physical goods and classifying tertiarization into a category ranging from commerce and domestic services to health, education, entertainment, tourism, sports, information technology, and research and development activities. It is important to note that services have grown to play major roles in peoples' lives and the socioeconomic survival of many countries. Tertiarization is a complex process that requires understanding the factors that helps it to take root and add to an economy. Wolfl (2005) extended this line of thought that some of the factors include,

- Demographic transition of society, which alters demand structure of services – such as that of education and health with lower birth rates and population aging
- Increasing provision of public services of all kinds
- Changes in international trade services striking with the growing use of information and communication technologies.

Tertiarization is not just important on the economic level but has the ability to,

- Make efficient use of spaces in urban areas unlike in agriculture and manufacturing.
- Increase range of consumable goods available to citizens for a meaningful life.
- Reduce pollution associated with the agricultural and industrial process.

URBANIZATION AND TERTIARIZATION

Urban centres are products of urbanization and the increase in manufactured goods allow large populations to concentrate in an area. Outcomes of the process depends on how it emanated and what are the principal factors transforming the urban centre. This means that for some urbanization, its outcomes and conditions resulted in unprecedented growth and development while for others it aggravates poverty and inequality. The dynamism and complex nature of economic activities in urban areas and their interconnectedness tend to drive economic decisions that shapes the motives of residents. Larger population, industrial concentration, capital formation and income distribution aids growth as a motivating factor for migration that allows different types of goods and services to be easily transacted by residents. Thus, urbanization increases goods and services for people in urban areas.

As people come to cities, economic activities expand and income distribution grow allowing more services to be demanded. As exemplified by Engel's law, that is, the higher the income of residents the smaller the proportion that will be spent on food. This means that more money will be spent on non-food items of the economy with the multiplier effects that strengthens the services sector. Proper urbanization has direct links to Engel's law and tertiarization in cities as the United Nations (2018) study reveal that urbanization leads to increasing demand for services leading to growth in the service sector. This study reveals that as more people come to cities through urbanization, the demand for services will continue to increase and these services are essential for development of cities. Such services include healthcare, entertainment, finance, maintenance, education. Physical and economic infrastructure that is service based

is important in promoting tertiarization. The investments in infrastructure that increases efficiency of cities creates employment and draws people to cities leading to increased services demand (World Bank, 2019).

Hall (2009) identified the link between tertiarization and urbanization, as the former creates jobs and attracts people to cities in the process intensifying urbanization. His studies took him to London, New York and Tokyo, illustrating how the two processes are closely linked and revealing that growth of new urban occupants and industries change the urban socioeconomic landscape that increases the importance of urban amenities that affects quality of life. Hall in his conclusion argued that allowing urban planning and policy to adapt to this changing socioeconomic landscape created by urbanization allows cities to take opportunities presented by tertiarization.

TERTIARIZATION IN DEVELOPING AND DEVELOPED COUNTRIES

Both early and contemporary evidence exist on the differences of tertiarization in developing and developed countries and how it affects economies. Two early works that helps gain insights are Santos (1968) and Bell (1976). Santos (1968) comparing the process observed that tertiary activities in developing countries will be dominated by informal activities especially retail trade of basic commodities and imported goods if governments fail to expand industrial capacities to accommodate growing population. This scenario continues to play out as developing countries are dominated by large unskilled and uneducated population unable to create desired growth for modern economic development. For developed countries, Bell (1976) describes tertiarization as stemming from the emergence of the post-industrial society characterized by income growth and increased demand for services, such as healthcare, leisure, education and entertainment. Bell believed that in developed societies' proportion of unskilled labour will be low creating situations where many people are dedicated to producing high value services. This fueled by strong and stable industrial and agricultural base allows population to innovate through technology and expand the range of products and services needed for higher living standards.

Polese (1988) believe that tertiarization is not limited to particular economies as it is a global phenomenon with different characteristics depending on the nature and structure of an economy. Fergani et al. (2023) convincingly show that the process in developing countries have different characteristics to those of developed economies due to how integrated and mature an economy is. However, due to its peculiar requirements for progressing and sustaining economic processes, Awantis et al. (2014) speculate that successful tertiarization process predominates in developed countries due to preponderance of modern and knowledge-intensive services that creates multiplier effects in different aspects of the economy.

Urbanization and accumulation of capital in cities facilitates the process and nature of tertiarization as countries transition from simple economic activities to complex ones and the needs for living in concentrated spaces change peoples' lifestyles. Unfortunately, African countries' urbanization is not yet able to fully maximize these benefits. For example, countries like Ethiopia with only 20% of its population urbanized is expected to struggle in integrating tertiarization to its overall economy (Collier, 2016). True urbanization that promotes productivity and development cannot be achieved without proper industrial footing as is the case in most African countries today. African economies industrial capacity is still low compared to those of industrial revolution era of 18th century Europe and hardly promoting real urbanization. This means that the progressive outcomes for transforming regions into urban centres to drive development are yet to be met.

de Souza et al. from a 2016 study on medium income countries especially Brazil, revealed that variances in the tertiarization process manifest themselves in different ways according to the level of urban economic development of separate countries. They argued that the maturity of an urban economy consequently dictates the effective productive structure, composition and dynamism of the tertiary sector and its contribution to the urban economy and overall national economy. Their work consequently affirms that tertiarization constitutes a phenomenon that is worldwide and its economic determinants are present in many countries with features that include productivity, level of labour skill, growth level of value added

and value of gross output, and that these features are different for developed and developing countries since economic development and level of maturity are different for different countries.

Services that drive tertiarization continued to improve, contributing to the overall economy and GDP growth rate, though benefits are different for different countries. The World Bank (2019) comparative analysis on tertiarization found that the service sector in developing countries grew at an annual average rate of 5.5% from 2000 to 2015 while in developed countries it grew by 2.5%. Tertiarization process is deeply entrenched in developed countries having a long history of integrating with other sectors and the incremental expansion is lesser compared to developing countries. Tertiarization is important to the urban economies as noted by the UN (2018) estimates that total urbanization rate will increase from 47% in 2015 to 60% by 2030 influencing GDP percentages. Table 1 shows the share of tertiary sector in GDP percentage in the following countries; US, UK, India and Brazil as an example.

Table 1

Share of tertiary sector in GDP (%) in the United States, UK, India and Brazil.

Country	Tertiary sector share (in GDP Percentage).
USA	77.1
United Kingdom	79.2
India	54.3
Brazil	58.1

Note. Data from World Bank (2020). *World Development Indicators.*

The International Labour Organization (2018) report is in line with Santos (1968) study above which reveal that tertiarization in developing countries is mostly characterized by informal services such as street vending, informal transportation, roadside artisanal craftsmen and small-scale enterprises generally done under government radar. According to the report informal sector accounts for an estimated 93% of employment in sub-Saharan countries and 85% for south East Asia (ILO, 2018). Countries like India, Pakistan and Nigeria have extremely high rates of street trading and hawking in their cities carried out by young able-bodied men with little or no education or skills with little benefit to formal tertiary sector unlike developed countries. Table 2 shows percentage employment in tertiary sector in the following countries the US, UK, India and Brazil.

Table 2

Employment in tertiary sector of developed countries (USA and UK) and developing countries (India and Brazil).

Country	Tertiary sector employment (in Percentage)
USA	77.2
UK	79.5
India	31.4
Brazil	44.1

Note. Data from International Labour Organization (2020). *World Employment and Social Outlook: Employment by Sector.*

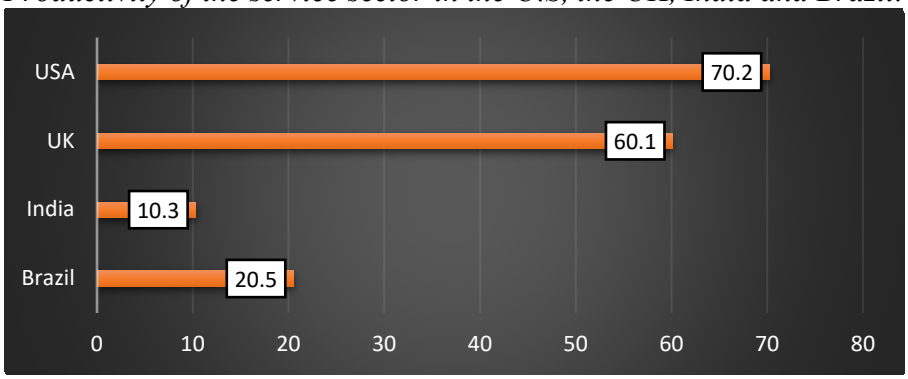
Problems of underdevelopment in developing countries affect productivity such as limited access to finance, inadequate infrastructure and lack of skilled labour. Harper College (n.d.) observed that efficient

infrastructure such as good transport networks, efficient communication and efficient energy distribution systems promotes tertiary sector in developed countries unlike in developing ones. Also, adequate skilled manpower is very important in driving the sector, i.e. high human capital index is critical for its growth and development. Strong institutions that protect investments with easy access to returns on investments create favourable business environment which unfortunately is lacking in many developing economies.

Due to the state of infrastructure development there are bound to be productivity gaps between developed and developing countries and the World Bank (2020) state that productivity in high income countries is approximately 2.5 times higher than in low-income countries. For productivity in the tertiary sector to be enhanced it is important to have the factors articulated by Harper College (n.d.) above to promote economic growth. The factors include human capital, appropriate technology, institutional framework and adequate infrastructure.

Figure 1

Productivity of the service sector in the U.S, the UK, India and Brazil.



Note. Data from World Bank (2020). *World Development Indicators.*

The United States has the highest productivity rate in the service sector with approximately $63,000 per worker per annum reflecting the high-quality service that is associated with the sector (BLS, 2020). The Eurostat (2020) reveals that productivity for the service sector in the European Union is $43,000 per worker per annum, driven by high percentage of human capital development and advanced infrastructure development. For developing countries such as India and Nigeria, it is inevitable for them to have lower productivity for service sector as data from the World Bank (2020) shows that India's productivity in the service sector is approximately $13,000 per worker per annum while that of Nigeria is approximately $6,000 per worker per annum, a significant different between developing and developed countries' productivity in the service sector and is reflective of the investment commitments of these countries.

The level of investment affects development in the tertiary sector for developed and developing countries and is generally higher for developed countries. According to United Nations Conference on Trade and Development (2020) the average annual foreign direct investment (FDI) flow to service sector in developed countries was $543 billion from 2015-2019 compared to $133 billion for developing countries. Factors enhancing investments flow to any country include political and economic stability and efficient infrastructure necessary for growth allowing greater chances for returns on investments (OECD, 2019). Investments in infrastructure such as efficient transport network, electricity and telecommunication networks enhance business activities by reducing operating costs while increasing returns on investment that encourages more private investment to the sector (Asia Development Bank, 2019).

Figure 2

Investment in tertiary sector of GDP % in the US, UK, India and Brazil.



Note. Data from OECD. (2020). *Education at a Glance 2020.*

Access to finance is important if service sector opportunities are to increase and raise income for citizens. This includes medium- and long-term credit to increase the range of services. However, a World Bank (2019) survey in developing countries reveals that only about 35% of the population have access to any type of formal financial and credit services when compared to developed countries with over 90% having access to finance. This severely limits the rate at which services can grow in developing countries.

Table 3

Access to finance in developed and developing countries for service sector improvements.

Characteristics	For developed countries	For developing countries
Access to formal financial services in %.	90% (World Bank, 2019).	35% (World Bank, 2019).
Financial sector development index (1-100).	80.3(World Bank, 2019).	44.8 (World Bank, 2019).
Credit to private sector (% to GDP).	140.6% (World Bank, 2019).	44.1% (World Bank, 2019).
Service sector growth rate (% annual).	3.5% (OECD, 2019).	5.5% (World Bank, 2019)[1].

Note. Data from World Bank (2019) *World Development Report 2019*; World Bank (2019)[1] *Global Financial Development Report 2019/2020*; OECD (2019) *OECD Economic Outlook*.

Tertiary services are largely driven by technology and innovation, requiring specialized training mostly from specialized formal institutions. Lack of tertiary education in basic areas with specialization that help deepen services sector is also a distinguishing factor between developing and developed countries. This is so because new innovative trends that help grow and develop new service products are often driven by research from higher institutions and are lacking in developing countries. It is estimated that developed countries have 40% of workforce with tertiary education compared to developing countries with just 10% (OECD, 2019).

Table 4

Status of tertiary education in developing and developed countries.

Characteristics	For developed countries	For developing countries
Tertiary education enrollment rate (%).	74.3% (OECD, 2020).	24.8% (World Bank, 2020).
Tertiary education completion rate (%).	44.1% (OECD, 2020).	14.5% (World Bank, 2020).
Share of service sector employment requiring tertiary education (%).	55.6% (OECD, 2019).	23.4% (ILO, 2018).
Gross enrollment ratio in tertiary education for business administration and law (%).	34.6% (World Bank, 2020).	14.1% (World Bank, 2020).
Gross enrollment ratio in tertiary education for information and communication technologies.	12.1% (World Bank, 2020).	4.5% (World Bank, 2020).

Note**.** Data from OECD (2020). *OECD Economic Outlook*; OECD. (2019). *OECD Economic Outlook*; World Bank. (2020). *World Development Report Indicators. GDP by Sector;* ILO (2018). *Global Employment Trends for Youth 2018.*

An enabling environment characterized by efficient infrastructure (physical and technology) is critical in advancing service sector activities. This helps in reducing time for meeting the needs of a range of clientele and for seamless integration with other sectors of the economy. Communication, transport and banking infrastructure meant to improve the service sector are efficient and replete in developed countries compared to developing countries. Countries like the United States, Qatar, UAE, Japan and members of the EU according to the World Bank (2019) invested an average of $1,500 per capital on infrastructure development between 2000 and 2015 to improve their service sectors, creating higher integration of modern infrastructure for efficient service delivery within the service sector.

Table 5
Infrastructure analyses for tertiarization in developed and developing countries.

Characteristics	For developed countries	For developing countries
Quality of infrastructure index (0-100)	82.4 (World Economic Forum, 2019).	39.4 (World Economic Forum, 2019).
Road density (km/1000km^2).	185.1 (World Bank, 2020).	34.6 (World Bank, 2020).
Internet penetration rate (%).	84.2% (World Bank, 2020).	22.5% (World Bank, 2020).
Mobile cellular subscription (per 100 person).	133.5 (World Bank, 2020).	73.4 (World Bank, 2020).
Electricity access (% of population).	100% (World Bank, 2020).	83.5 (World Bank, 2020).
Logistics performance index (LPI) score (0-5)	3.9 (World Bank, 2018).	2.4 (World Bank, 2018).

Note. Data from World Economic Forum. (2019). *The Global Competitiveness Report 2019*; World Bank. (2018). *Connecting to Compete 2018: Trade Logistics in Global Economy;* World Bank. (2020). *World Development Report Indicators. GDP by Sector.*

FUTURE OF TERTIARY SECTOR IN DEVELOPED AND DEVELOPING COUNTRIES.

From the data presented in this study it is important to note that tertiarization adds value to a country's economy especially in urban areas and as stated the process's effect depend on how developed and mature an economy is. Though developing countries are lagging behind there is still room for maximizing the benefits as factors pushing it continue to be put in place. The section of the study looks at the future of the tertiarization in both developed and developing countries.

Developed countries

The future of tertiary sector in developed countries is more encouraging with increased impact on economies. With high human capital index, effective technology innovation, efficient infrastructure and capable institutions readily available, it will likely to,

- Improved labour productivity.
- Increase benefits of globalization.
- Create income elasticity.
- Raise real income.
- Create more leisure time.
- Deepen technological innovation (Pettinger, 2017).

As digitalization and automation continue to rise, the ease for which services reach greater number of people will increase diversifying growth in the sector. Reports from OECD (2019) contend that digitization and use of automation increases the rate of flow of revenue and credit and as the rate of productive efficiency of the service industry increases, this increases income distribution to more people and multiplying the benefits of the service sector.

With improved health care services, developed countries' life expectancy will continue to rise increasing the ratio of older people within the population. The World Bank (2020) believes that this will increase the number of people needing specialized health care services to support meaningful lifestyles

during old age. Therefore, this is expected to increase the demand for services in this category in developed countries potentially increasing service sector.

As many developed countries continue to make breakthroughs in technology and communication in the service sector, the range of services provided will continue to increase. As the world shifts from traditional economic activities and focuses on electronic finance, artificial intelligence, cross border business relations and consulting, McKinsey Global Institute (2019) predicts that there will be a monumental shift towards the tertiary sector as more opportunities are created within the sector due to this shift.

The services sector will continue to grow in developed countries and many firms and individuals continue to see benefits associated with the sector, there is the tendency for more types of services to be introduced within each subsector and expanding services. Several analytical studies show that the sector will continue to increase and according to the OECD (2019) it will grow at a rate of 2.5% per annum from 2020-2025 in developed countries.

Developing countries

Unlike developed countries developing countries still face high rates of birth and rural urban migration that continues to change the socioeconomic activities of cities. This rapid urbanization is characterized by extreme concentration of people and according to UN-Habitat (2019) will likely lead to increased demand for urban services such as housing, health care, transportation, financial services, entertainment and the likes. Developing countries continue to urbanize at higher rates with more people gaining employment and improving ratio of income distribution. If there is sustained income distribution over long periods of time affecting more people, this leads to growth of the middle class led by greater disposable incomes. This fulfils Engel's law that states that as individual and household's income increases, the ratio of the amount of income spent on food and other basic goods generally decline in proportion to expenditure on non-basic goods. The non-basics are mostly made up of services such as education, healthcare, entertainment, tourism (World Bank, 2020[1]).

In sub-Saharan Africa and India, the tertiary sector is far more informalized with significant parts under the radar of government scrutiny. For some this is the only means of getting ahead and these activities are integral to the functioning of the urban system as they close the gap between formal services and poor citizens. However, with growing specialization and formal skills acquisition that are geared towards service provision the ILO (2018[1]) projects that the informal nature of these services in these countries is expected to decline as a consequence of growth in specialized skills that are important for formal service sector.

As developing countries put efforts in meeting development indices such as improved infrastructure, increased human capital development and business friendly institutions that promote good working environment, the services sector in these countries are expected to increase. The World Bank (2020[1]) projects that the rate of growth of the service sector is expected at 5.5% per annum from 2020 to 2025. This will continue to increase as long as these countries sustain improvements in their infrastructure and strengthen institutions that promote economic activities.

SUMMARY

This study shows that,

1. Tertiarization is a progressive form of economic activity that compliments both primary and secondary sectors of the economy dealing mainly with the provision of services.

2. Urbanization has direct links to tertiarization and is more pronounced in urban areas.

3. Engel's law explains tertiarization meaning that as income of citizens' rise more resources are spent on non-food items especially on services.

4. Tertiarization is a global phenomenon taking place in any economy but with different characteristics depending on the nature, integration and maturity of the economy.
5. Factors affecting tertiarization include efficient physical and economic infrastructure, skilled manpower and strong, reliable institutions that promote transactions in service-oriented activities.
6. It is estimated that service sector productivity is 2.5 times higher in developed countries than in developing countries with the U.S having highest productivity rate of $63,000, the E.U averaging $43,000 while India and Nigeria have $13,000 and $6,000 per person per annum respectively.
7. Foreign direct investment (FDI) in service sector is higher for developed countries accounting for $543 billion and $133 billion for developing countries as calculated from 2015 to 2019.
8. Access to credit facilities for service activities show disparity as 90% of population in developed countries have access while only 30% have access in developing countries.
9. Tertiary education by those in service sector accounts for 40% of the workforce in developed countries and just 10% in developing countries.
10. Growth in tertiarization in developed countries will be driven by digitization, higher aging population, increased skilled manpower, efficient financial services and globalization and expected to grow at a rate of 2.5% per annum from 2020 to 2025. For developing countries it will be driven by strong urbanization, improving infrastructure, increasing human capital with growing disposable income and expected to grow at the rate of 5.5% per annum from 2020 to 2025.

CONCLUSION

This study has been able to show that tertiarization is more advanced in developed countries contributing enormously to their economies. These benefits are the result of well-developed infrastructure, political stability, high human capital development, technological innovations, good banking services and high-income distribution, all important for overall socioeconomic development. Unfortunately developing countries are yet to maximize the benefits of tertiarization because necessary conditions for its growth are lacking. For developing countries to benefit from this process deliberate policies to maximize the process must be put in place by governments.

The fact that globalization and information technology is changing the way business is conducted continue to help diversify economies creating multiple types of employment should spur developing nations take advantage of the growing trend to increase their economic capacity. Ultimately this study is consequential to policy makers because it has the ability to re-orient the direction of political and business leaders in the developing world away from only traditional economic activities that are not providing adequate employment to those that can. Importantly for the benefits of tertiarization to be well established, the revitalization of the agricultural and industrial sectors is important to support growing population and minimize revenue spent on importation as they are currently not contributing much to the economy of developing countries.

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