

GROWTH OF EMPLOYMENT IN SERVICES SECTOR

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ABSTRACT

India is a vast country. Indian economy is classified in three sectors: Agriculture and allied services, Industrial sector and Services sector. India is the 2nd fastest growing economy after China. India is the 3rd largest economy on the basis of Purchasing Power Parity (PPP) and India is the 7th largest economy as per nominal GDP. Services sector has become important for many economies in the world and very important particularly in India. The services sector forms a backbone of social and economic development of a region. It is a large and most dynamic part of the Indian economy both in terms of employment potential and contribution to national income. Growth of the services sector is also an important aspect of economic development and is strongly associated with income and economic modernization. Services sector contributed around 60.20 per cent of employment in 1961-65 and 68.35 per cent of employment in 2006-12. From 1961 to 2012 there has been increase in employment by 220.9 lakh. The present paper shows employment in public and private sector by industry, employment in public and private sector by sub-sector of services sector, annual compound growth rate (ACGR) of employment in public and private sector by industry, annual compound growth rate (ACGR) of employment in public and private sector by sub-sector of services sector. The study takes time period of 52 years i.e. from 1961 to 2012. This paper aims to show that services sector has a favorable effect on the growth of Indian economy. There has been increase in employment through services sector.

Keywords: Services sector, Indian economy, Employment in public and private sector, Annual compound growth rate (ACGR) of employment.

INTRODUCTION

Indian economy is passing through a phase of jobless growth. National output has accelerated much ahead of employment constricting the employment generating effect of output during the 1990s as compared to the past. Similar to the economy - wide trend, the Indian manufacturing has also exhibited a declining trend in employment growth rate. The decelerating trend in

employment generation has led to a general concern in India about the impact of economic reforms on employment.

Though the growth of service sector in India is in line with the global trends, there are two unique characteristics of India's service sector growth. First, the entire decline in the share of agriculture sector in GDP, i.e., from 52.34 per cent in 1950-51 to 17.70 per cent in 2012-13, has been picked up by the services sector i.e., from 36.28 per cent in 1950-51 to 66.16 per cent in 2012-13 while manufacturing sector's share has remained more or less the same. In spite of the rising share of services in GDP and trade, there has not been a corresponding rise in the share of services in total employment. This jobless growth of India's service sector, with no corresponding growth in the share of manufacturing sector, has raised doubts about its sustainability in the long run. Employment in services has not been in proportion to their rising share in GDP in India. Services sector contributed around 60.20 per cent of employment in 1961-65 and 68.35 per cent of employment in 2006-12. There has been fluctuation in pattern of employment. The share of services sector in employment increased from 59.32 per cent in 1961 to 63.90 per cent in 1975. During this time period employment by services sector increased by 124.96 lakh. Further share of this sector in employment increased continuously to 66.32 per cent in 1989, 66.66 per cent in 1997, 67.88 per cent in 2008 and 68.55 per cent in 2012. From 1961 to 2012 there has been increase in employment by 220.9 lakh.

Employment generation has been a major objective of planning in India. The employment problem has two aspects: firstly, that a number of people are without work and; secondly, a much larger number are underemployed. The test of generating employment opportunities is two-fold: (a) providing avenues of work for the existing unemployed; and (b) absorbing the natural increase in the labour force through creation of employment generating prospects. The sectors with prospects for high growth in output, creation of new establishments and creation of new employment opportunities are services: IT enabled services, telecom services, tourism, transport services, health care, real estate, education and training, insurance, retail services, and media and entertainment services.

REVIEW OF LITERATURE

Ansari (1995) the growth in the service sector in India has been linked to the reforms of the 1990s. In the first 3 decades after independence in 1947, India was largely an agrarian economy. The service sector started to grow in the mid-1980s, but growth accelerated in the 1990s when India initiated a series of economic reforms after the country faced a severe balance of payments crisis. Reforms in the service sector were a part of the overall reform program which led to privatization, the removal of FDI restrictions, and streamlining of approval procedures among

others. After the 1990s, the service sector grew. In this respect, India has been considered as an outlier among South Asia and other emerging countries.

Banga (2005a) undertakes a selective review of both theoretical and empirical studies with respect to some of the conceptual issues regarding the role of services in the growth process of developing countries in the context of rising share of services in total output and employment in the global economy. She identifies the factors that lead to higher use of services in the growth process of developing countries, viz. higher income elasticity of demand for services, structural changes and trade liberalization along with other reforms and improved technology.

Singh (2006) reviews the recent growth experience of India, identifies the major contributing factors to its pattern of development, and examines the prospects of further “services-led” industrialization in India. The analysis draws on theoretical models as well as case studies of the India’s experience. In doing so; he provides a conceptual framework for the examination of the India’s experience. In particular’ he discusses the nature of services, their distinction from products, and their categorization. He argues that precise nature of the services being considered is important for any analysis of growth impacts, and that one, therefore, has to go beyond broad national income accounts categories to understand the role of services in industrialization. He provides a detailed examination of the contribution of the service sector to growth, and the performance of manufacturing and agriculture. He further examines the potential for spillovers from IT, ITES and other services sectors such as financial services, to the rest of the economy, both in terms of sectors and regions.

Shetty (2007) examines the issues relating to estimation, the issues concerning the quality of the data base and the nature and the extent of data gaps embedded in the estimation of various components of the services sector. He points out that of the seven major industrial categories for which the CSO regularly publishes the GDP series, four comprise the services sector, namely, (1) trade, hotels and restaurants; (2) transport, storage and communication; (3) financing, insurance, real estate and business services; and (4) community, social and personal services. Under each of these categories, there are very many sub-categories such as , “trade”, on the one hand and “hotels and restaurants”, on the other, or “financing”, “real estate” and “business services”, or in transport, “railways”, “road transport” and “transport by other means”.

Seema Joshi (2008) this study provides the overview of performance, prospects and problems encountered by the services sector in India’s economy. It is heartening to note that India is called the services hub of the world. The traditional perception of India stands changed today from a land of beggars, snake-charmers and cyber-coolies of yesteryear to a land of knowledge workers-thanks to IT and ITES. Telecom and ITES-BPO revolution have already hit the shores of India. A number of sector specific measures have been taken up by the government of India to promote

IT and ITES and other sun rise sector like telecoms, organized retail, hospitality, entertainment, and financial services sectors. That is why: the futurists are very optimistic regarding the bright future and performance a head of the sector. On the tourism front, incredible India, but on the economic front, it is clearly opportunity India.

Goldar & Mitra (2008) address two sets of issues. The first set is concerned with productivity growth in the services sector and how this has contributed to an accelerated economic growth in India. This part of the analysis is undertaken in the growth accountancy framework. The second set of issues addressed in the study is concerned with growth linkages – how growth in one sector of the economy promotes growth in other sectors. For them a critical question is: which sectors of the economy are playing a lead role and contributing to the growth of other sectors. They try to identify the lead sector which primarily takes on the role of engine of growth.

Jay Kandampully (2009) the service sector will play an important role in economic growth in developing countries like India. However, he said that as income levels increase people will be able to afford more services while they will be spending this additional income on quality services such as education, health, travel etc. On the other hand, small-scale entrepreneurs can step in to meet this need of the people for more and more services with growth in income levels and lifestyle changes while the service sector will provide more employment opportunities than manufacturing sector. Moreover, 80% of the employment opportunities in the U.S. are in the service sector whereas the 3 factors crucial to success for entrepreneurs in the service industry are customer focus, reliability and consistency of services.

Mukherjee Arpita, (2012) study on service sector in India, trends, issues and way forward identifies a number of barriers faced by the service sector and suggested policy measures which if implemented will lead to inclusive growth, increased productivity, employment generation, trade investment and it enhances India's global competitiveness in services.

Another working paper on the service sector as India's road to economic growth by **Barry and Gupta (2012)**, explores the growth, structural changes and Indian employment in service sector. This paper using national accounts statistics and cross country data shows that the growth of services has been broad based. This study observes that for sustaining economic growth and rising living standards require shifting of labour out of agriculture into both manufacturing and services and not just into one or the other.

OBJECTIVE OF THE STUDY

1. To study the growth of employment in services sector in India.

HYPOTHESIS

The study put forward the following hypothesis:

1. Growth in the share of services sector in GDP often followed by a corresponding growth in the share of services sector in total employment in the economy.
2. There has been increase in growth of employment through services sector in Indian economy.

SOURCES AND DATA COLLECTION

The present study is based on secondary data. In present study direct method of collecting data is not possible, thus study used secondary data which were collected from various published issues. The data of Gross Domestic Product (GDP), employment in services sector and manufacturing sector were collected from various issues Central Statistical Organization (CSO), Reserve Bank of India (RBI) Nation Income Statistics, Centre for Monitoring Indian Economy (CMIE), RBI Annual Reports, Ministry of Labour and Employment, Director General of Employment and Training (DGE&T), National Accounts Statistics.

Growth of Employment

Growth in the share of service sector in GDP is often followed by a corresponding growth in the share of services sector in total employment in the economy. However, in India we find that though there has been a phenomenal growth in the services sector, this growth has not been followed by a corresponding high growth in employment in the 1990s. This shows that while output generation has shifted to services, employment generation in services has lagged far behind.

One reason why some observers are unimpressed by the growth of the service sector is the presumption that modern services do not make significant use of unskilled and semi-skilled labour, the factor of production that India has in abundance. They downplay information technology and communications-related services sector employment on the grounds that these activities are small and use little unskilled labour, the implication being that a labour abundant economy cannot rely on them to move people out of low-productivity agriculture (Eichengreen, Gupta 2010).

The central Government provided employment to 33.50 lakh people in 1987, but after 1992, employment has decreased continuously and recorded minimum employment, i.e. 27.40 lakh people in 2008 and 25.2 lakh people in 2012. The employment scenario of state governments show increasing trend from 1987 to 2000 and employment reached at 74.60 lakh. There were

66.66 lakh people who were employed by the state governments in 1987, after 2000 it declined to 71.71 lakh people employed in 2008 and 71.8 lakh people in 2012. Quasi government employed 57.96 lakh people in 2008 and 58.04 lakh people in 2012. The Local bodies provided 19.68 lakh people work in 2008 and increased to 21.14 lakh people in 2012. Central Govt. and Local bodies shows positive growth in employment from 2011 to 2012, which was 0.3 per cent for Central Govt. and 0.3 per cent for Local bodies. State Govt. and Quasi Govt. recorded a negative growth of 0.36 per cent and 0.17 per cent, respectively.

As the size of population increases, the percentage share of labour force engaged in services sector also increase because population pressures compel the surplus labour to shift to relatively labour- intensive and low productivity services activities like trade, transport and a wide field of personal services which have a possible for job opportunities (Mitra, 1992).

IT enabled services created million jobs. When the IT sector, telecom sector, the retail trade sector, the automobile sector, etc. grow and expand, in turn these directly create demand for skilled labour. But the later would in turn employ more and more of drivers, car cleaners, domestic help, security personnel, and a host of other low skill workers. Such employment generation, which would help in poverty alleviation, will follow the growth of sectors employing high skill workers in the first place (Joshi, 2008).

Table 1.1 and Graph 1.1 show employment in the public sector by industry. It shows clearly that employment in public sector by agriculture, hunting etc. has increased from 1.80 lakh persons in 1961 to 5.73 lakh persons in 1992 and after this period it has slowly declined from 5.73 lakh persons in 1992 to 4.68 lakh persons in 2012. The share of employment in the public sector by mining and quarrying has also increased from 1.29 lakh persons in 1961 to 9.74 lakh persons in 1985. After this it declined to 9.66 lakh persons in 1990 and increased to 10.16 lakh persons in 1995, while after this time it has declined from 9.93 lakh persons in 1996 to 8.47 lakh persons in 2003. But since then it started increasing to 11.46 lakh persons in 2006 and declined to 10.78 lakh persons in 2012. The share of employment in the public sector by manufacturing has increased from 3.79 lakh persons in 1961 to 18.70 lakh persons in 1990 after this period it started declining and, came down to 10.69 lakh persons in 2012. The share of employment in the public sector by services has been vastly increasing from 63.72 lakh persons in 1961 to 164.05 lakh persons in 1999, though after this it started declining and came down to 147.11 lakh persons in 2012.

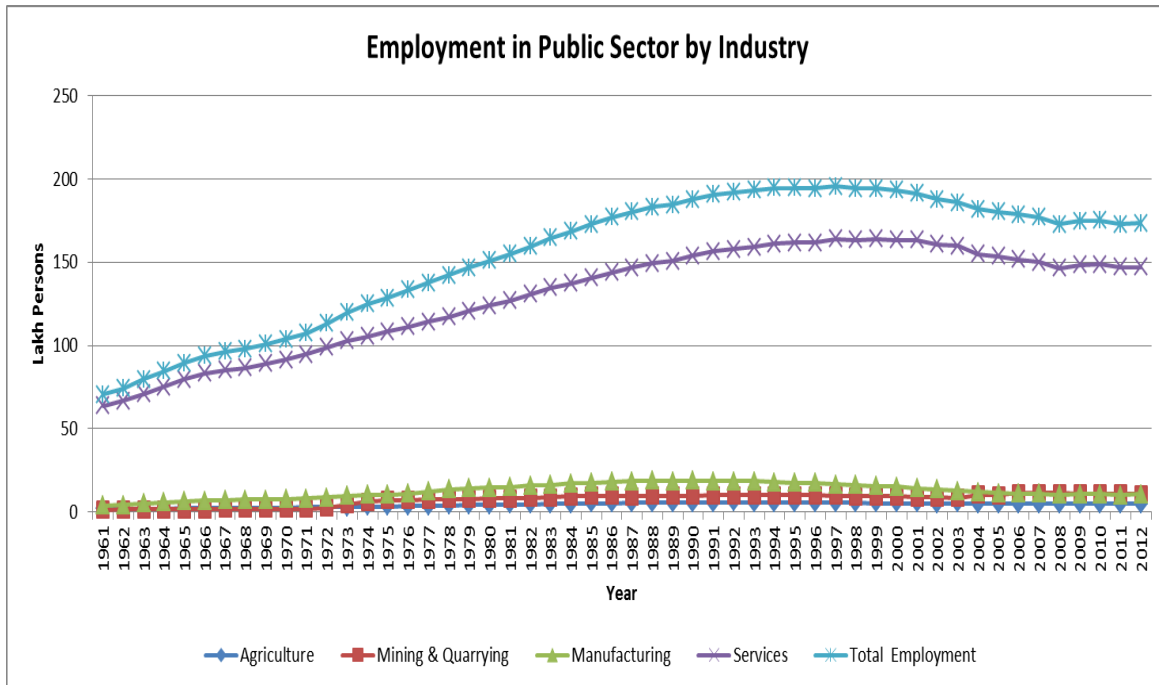
Table 1.1: Employment in Public Sector by Industry**(Lakh Person as on 31st March)**

Year	Agriculture	Mining & Quarrying	Manufacturing	Services	Total Employment
1961	1.80	1.29	3.79	63.72	70.60
1962	1.74	1.45	4.21	66.77	74.17
1963	1.82	1.60	5.09	71.02	79.53
1964	2.03	1.57	5.81	75.13	84.54
1965	2.09	1.61	6.35	79.52	89.57
1966	2.27	1.60	6.70	83.22	93.79
1967	2.32	1.76	6.95	85.31	96.34
1968	2.46	1.74	7.31	86.51	98.02
1969	2.61	1.74	7.57	89.03	100.95
1970	2.64	1.77	7.82	91.51	103.74
1971	2.76	1.82	8.06	94.67	107.31
1972	2.89	2.56	8.85	98.75	113.05
1973	3.01	4.36	9.62	102.72	119.71
1974	3.18	6.06	10.27	105.29	124.80
1975	3.34	6.94	10.19	108.15	128.62
1976	3.59	7.19	11.13	111.31	133.22
1977	3.66	7.57	12.26	114.17	137.66
1978	3.87	7.58	13.55	117.00	142.00
1979	4.08	7.71	14.16	120.81	146.76
1980	4.31	7.97	14.46	124.04	150.78
1981	4.63	8.18	15.02	127.01	154.84
1982	4.57	8.32	15.92	130.65	159.46
1983	4.76	8.84	16.34	134.63	164.57
1984	4.80	9.27	17.17	137.36	168.60
1985	4.98	9.74	17.61	140.37	172.70
1986	5.26	9.66	18.15	143.77	176.84
1987	5.57	9.42	18.62	146.63	180.24
1988	5.54	9.56	18.67	149.43	183.20
1989	5.55	9.56	18.63	150.73	184.47
1990	5.49	9.66	18.70	153.77	187.62
1991	5.56	9.99	18.52	156.51	190.58

1992	5.73	9.87	18.61	157.89	192.10
1993	5.62	9.97	18.51	159.16	193.26
1994	5.45	10.15	17.84	161.01	194.45
1995	5.39	10.16	17.56	161.55	194.66
1996	5.40	9.93	17.38	161.58	194.29
1997	5.33	9.78	16.61	163.87	195.59
1998	5.30	9.37	16.16	163.35	194.18
1999	5.15	9.26	15.69	164.05	194.15
2000	5.14	9.24	15.31	163.45	193.14
2001	5.02	8.75	14.30	163.31	191.38
2002	4.83	8.61	13.50	160.79	187.73
2003	5.06	8.47	12.60	159.67	185.80
2004	4.93	10.30	11.89	154.84	181.96
2005	4.96	10.14	11.30	153.67	180.07
2006	4.69	11.46	10.92	151.66	178.73
2007	4.75	11.37	10.87	149.89	176.88
2008	4.71	11.21	10.44	146.48	172.84
2009	4.77	11.12	10.60	148.26	174.75
2010	4.78	11.03	10.66	148.58	175.05
2011	4.77	10.90	10.16	146.88	172.71
2012	4.68	10.78	10.69	147.11	173.26

Sources: Economic Survey, Various Issues.

Graph 1.1



Graph 1.1 shows that employment in public sector by services has increased vastly.

Table 1.2 and Graph 1.2 show employment in the private sector by industry. It shows clearly that employment in private sector by agriculture, hunting etc. has increased from 6.7 lakh persons to 9.0 lakh persons in 1966. But since then it started declining to 8.05 lakh persons in 1974. Thereafter it increased to 8.60 lakh persons in 1980. It has been steadily declining during the period 1981 to 1985. It was 8.58 lakh persons in 1981 and declined to 8.07 lakh persons in 1985. Since then it shows a continuously increasing trend and reached up to 9.31 lakh persons in 2001, but after this period it has been declining to 9.17 lakh persons in 2004. Thereafter it increased to 10.28 lakh persons in 2006, but then declining to 9.19 lakh persons in 2012. The share of employment in the private sector by mining and quarrying has also increased from 5.5 lakh persons in 1961 to 5.1 lakh persons in 1966, and after this period it has been declining from 4.8 lakh persons in 1967 to 0.99 lakh persons in 1990, thereafter it increased to 1.07 lakh persons in 1996, but declined to 0.65 lakh persons in 2004, after that it increased to 1.39 lakh persons in 2012. The share of employment in the private sector by manufacturing has increased from 30.2 lakh persons in 1961 to 46.56 lakh persons in 1983, but thereafter it has declined from 44.73 lakh persons in 1984 to 43.83 lakh persons in 1989 and after that it increased to 52.33 lakh persons in 1998, but again it declined to 44.89 lakh

persons in 2005 and then increased to 55.29 lakh persons in 2012. The share of employment in the private sector by services has been vastly increasing from 8.0 lakh persons in 1961 to 53.49 lakh persons in 2012.

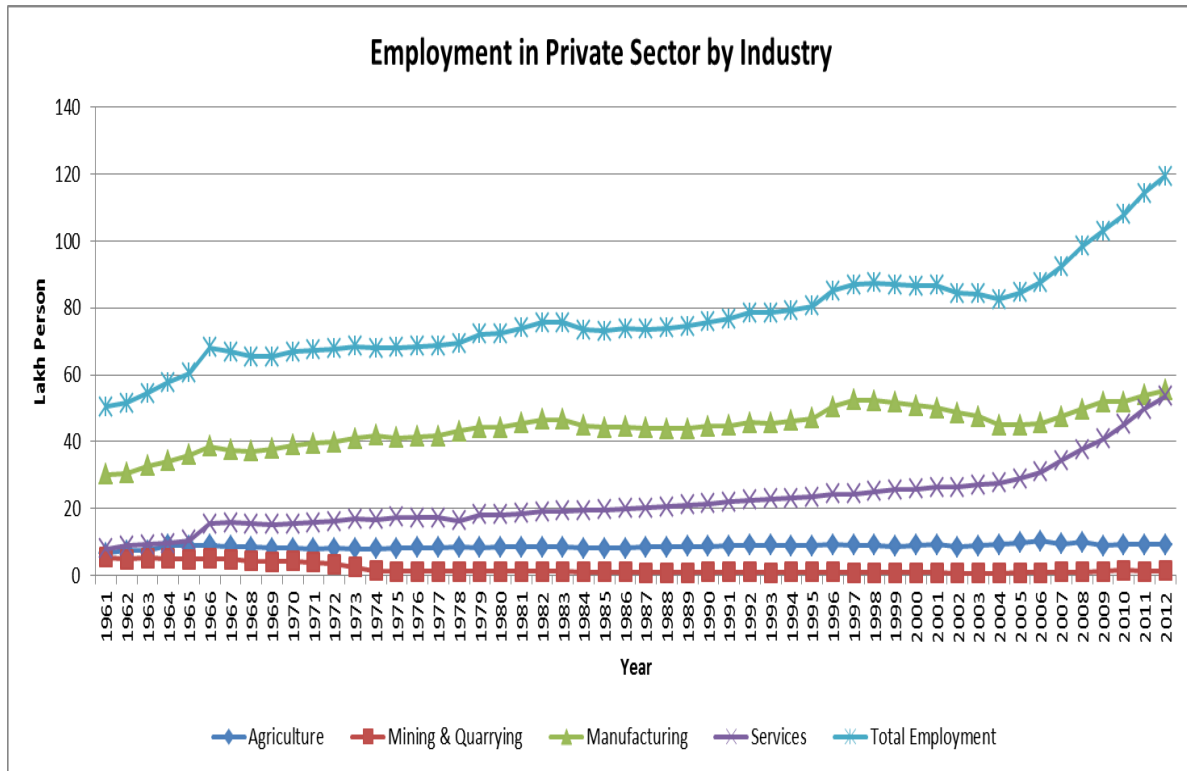
Table 1.2: Employment in Private Sector by Industry**(Lakh Persons as on 31st March)**

Year	Agriculture	Mining & Quarrying	Manufacturing	Services	Total Employment
1961	6.7	5.5	30.2	8.0	50.4
1962	7.4	4.8	30.5	8.9	51.6
1963	7.4	5.2	32.7	9.2	54.5
1964	9.0	5.0	34.2	9.6	57.8
1965	8.9	4.9	36.1	10.5	60.4
1966	9.0	5.1	38.6	15.4	68.1
1967	8.7	4.8	37.5	15.8	66.8
1968	8.5	4.3	37.1	15.4	65.3
1969	8.1	4.2	37.8	15.2	65.3
1970	8.2	4.3	39.00	15.4	66.9
1971	7.98	4.04	39.55	15.85	67.42
1972	8.11	3.49	39.82	16.27	67.69
1973	8.06	2.51	41.04	16.88	68.49
1974	8.05	1.34	41.79	16.76	67.94
1975	8.18	1.23	41.11	17.54	68.06
1976	8.27	1.32	41.58	17.28	68.45
1977	8.38	1.30	41.65	17.34	68.67
1978	8.53	1.27	43.21	16.42	69.43
1979	8.41	1.24	44.33	18.10	72.08
1980	8.60	1.25	44.17	18.25	72.27
1981	8.58	1.30	45.45	18.62	73.95
1982	8.51	1.29	46.61	19.16	75.57
1983	8.47	1.20	46.56	19.29	75.52
1984	8.19	1.13	44.73	19.41	73.46
1985	8.07	1.13	44.21	19.68	73.09
1986	8.22	1.11	44.48	19.93	73.74
1987	8.48	0.91	44.10	20.15	73.64
1988	8.44	0.93	43.95	20.60	73.92
1989	8.68	0.96	43.83	21.06	74.53
1990	8.76	0.99	44.57	21.50	75.82
1991	8.91	1.00	44.81	22.05	76.77
1992	9.12	1.07	45.66	22.61	78.46

1993	9.16	0.96	45.45	22.94	78.51
1994	8.83	1.01	46.30	23.16	79.30
1995	8.94	1.03	47.06	23.56	80.59
1996	9.19	1.07	50.49	24.37	85.12
1997	9.12	0.92	52.39	24.43	86.86
1998	9.04	0.91	52.33	25.20	87.48
1999	8.71	0.87	51.78	25.62	86.98
2000	9.04	0.81	50.85	25.76	86.46
2001	9.31	0.79	50.13	26.47	86.70
2002	8.55	0.68	48.67	26.42	84.32
2003	8.95	0.66	47.44	27.16	84.21
2004	9.17	0.65	44.89	27.75	82.46
2005	9.83	0.79	44.89	29.01	84.52
2006	10.28	0.95	45.49	30.99	87.71
2007	9.50	1.00	47.50	34.40	92.40
2008	9.92	1.11	49.70	37.65	98.38
2009	8.96	1.15	51.98	40.82	102.91
2010	9.23	1.61	51.84	45.19	107.87
2011	9.18	1.32	53.97	49.75	114.22
2012	9.19	1.39	55.29	53.49	119.36

Sources: Economic Survey, Various Issues.

Graph 1.2



Graph 1.2 shows that employment in private sector by services has continuously increased from 1961 to 2012. Employment in private sector by manufacturing fluctuated during the period 1961 to 2012, but remain high than services sector.

Table 1.3 and graph 1.3 show the employment in both (public and private) sectors by industry. The share of employment in agriculture and hunting etc. has been increasing during the period 1961 to 2012. It increased from 8.5 lakh persons in 1961 to 11.25 lakh persons in 1966, but after this period it came down to 11.02 lakh persons in 1967 to 10.71 lakh persons in 1969. It increased from 10.74 lakh persons in 1970 to 14.97 lakh persons in 2006, but again it declined to 13.87 lakh persons in 2012. The share of employment in mining and quarrying has been declined from 6.79 lakh persons in 1961 to 5.82 lakh persons in 1971, but it increased from 6.05 lakh persons in 1972 to 11.19 lakh persons in 1995, then it started declining and came down to 9.13 lakh persons in 2003. Thereafter that it increased to 12.64 lakh persons in 2010 and came down to 12.17 lakh persons in 2012. The share of employment in manufacturing has been increasing from 33.89 lakh persons in 1961 to 69 lakh persons in 1997 then it started declining and to 56.19 lakh persons in 2005, since then it increased to 65.98 lakh persons in 2012. The share of

employment in public and private sector by services has been rapidly increasing from 71.72 lakh persons in 1961 to 188.30 lakh persons in 1996, and 189.21 lakh persons in 2000 but after this it started decline and reached to 182.68 lakh persons in 2005, but it increased to 200.60 lakh persons in 2012.

Table 1.3: Employment in Public & Private Sectors by Industry

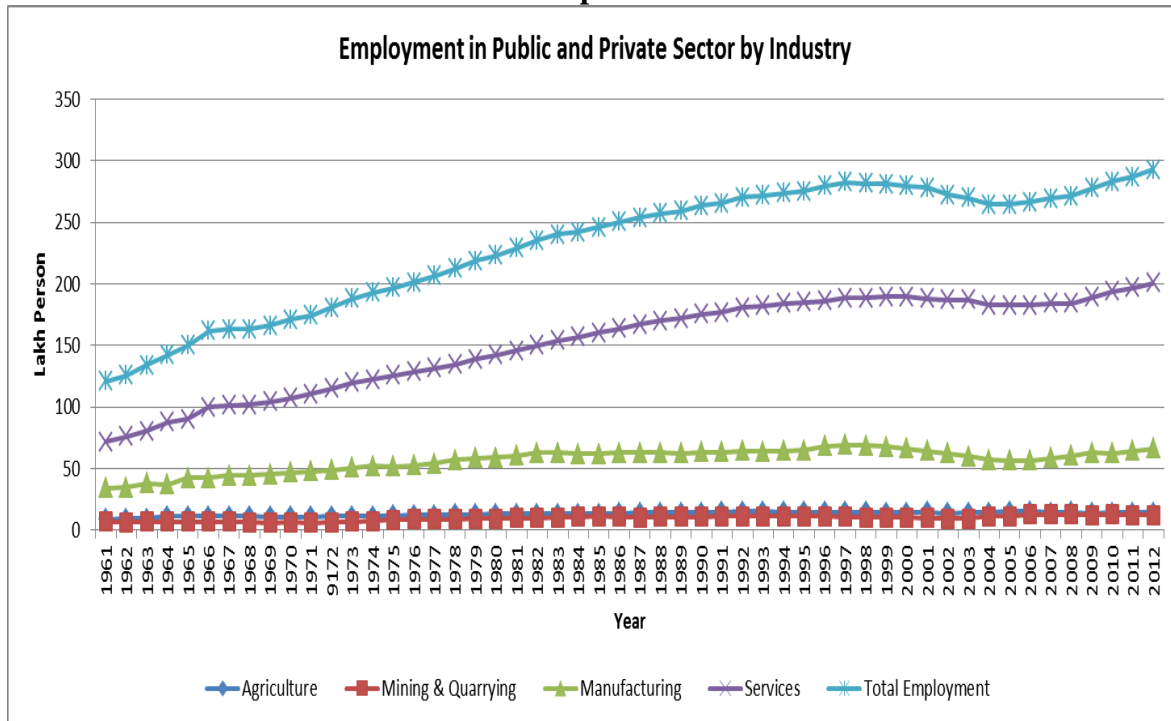
(Lakh Person as on 31st March)

Year	Agriculture	Mining & Quarrying	Manufacturing	Services	Total Employment
1961	8.5	6.79	33.89	71.71	120.9
1962	9.14	6.25	34.71	75.67	125.77
1963	9.22	6.80	37.79	80.22	134.03
1964	11.03	6.57	37.01	87.73	142.34
1965	10.99	6.51	42.45	90.02	149.97
1966	11.25	6.70	42.20	99.74	161.89
1967	11.02	6.56	44.45	101.11	163.14
1968	10.96	6.04	44.41	101.81	163.22
1969	10.71	5.94	45.37	104.23	166.25
1970	10.74	6.07	46.82	106.91	170.74
1971	10.75	5.82	47.63	110.52	174.51
1972	11.00	6.05	48.67	115.02	180.74
1973	11.07	6.87	50.66	119.60	188.20
1974	11.23	7.40	52.06	122.05	192.74
1975	11.52	8.17	51.30	125.69	196.68
1976	11.89	8.51	52.71	128.59	201.17
1977	12.04	8.87	53.91	131.51	206.33
1978	12.40	8.85	56.76	134.42	212.43
1979	12.49	8.95	58.49	138.91	218.84
1980	12.91	9.22	58.63	142.29	223.05
1981	13.21	9.48	60.47	145.63	228.79
1982	13.08	9.61	62.53	149.81	235.03
1983	13.23	10.04	62.90	153.92	240.09
1984	13.08	10.40	61.90	156.77	242.15
1985	13.05	10.87	61.82	160.05	245.79
1986	13.48	10.77	62.63	163.70	250.58
1987	14.05	10.33	62.72	166.78	253.88

1988	13.98	10.49	62.62	170.03	257.12
1989	14.23	10.52	62.46	171.79	259.00
1990	14.25	10.65	63.27	175.27	263.44
1991	14.47	10.99	63.33	176.56	265.35
1992	14.85	10.94	64.27	180.50	270.56
1993	14.78	10.93	63.96	182.10	271.77
1994	14.28	11.16	64.14	184.17	273.75
1995	14.33	11.19	64.62	185.11	275.25
1996	14.59	11.00	67.87	185.92	279.41
1997	14.45	10.70	69.00	188.30	282.45
1998	14.34	10.28	68.49	188.55	281.66
1999	13.86	10.13	67.47	189.67	281.13
2000	14.18	10.05	66.16	189.21	279.60
2001	14.33	9.54	64.43	187.78	277.90
2002	13.38	9.26	62.17	187.21	272.05
2003	14.01	9.13	60.04	186.83	270.01
2004	14.10	10.95	56.78	182.60	264.43
2005	14.79	10.93	56.19	182.68	264.59
2006	14.97	12.41	56.41	182.65	266.44
2007	14.25	12.37	58.37	184.29	269.28
2008	14.63	12.32	60.14	184.13	271.22
2009	13.73	12.27	62.58	189.08	277.66
2010	14.01	12.64	62.50	193.77	282.92
2011	13.95	12.22	64.13	196.63	286.93
2012	13.87	12.17	65.98	200.60	292.62

Sources: Economic Survey, Various Issues.

Graph 1.3



Graph 1.3 shows that employment in public and private sector by services has increased vastly, but employment provided by manufacturing sector has fluctuated during the period 1961-2012.

Table 1.4 and Graph 1.4 show employment in the public sector by sub-sector of services sector. The share of employment in electricity, gas and water supply has increased from 2.24 lakh persons in 1961 to 9.62 lakh persons in 1999, after this it declined to 7.96 lakh persons in 2008, then again it declined from 8.39 lakh persons in 2009 to 8.16 lakh persons in 2012. The share of employment in construction has increased from 6.03 lakh persons in 1961 to 10.17 lakh persons in 1973, 10.32 lakh persons in 1979 and to 12.14 lakh persons in 1988 but after this it declined to 8.34 lakh persons in 2012. The share of employment in wholesale and retail trade has increased steadily during the period 1961 to 1974. It increased from 0.94 lakh persons in 1961 to 4.49 lakh persons in 1974, but after this it came down to 0.53 lakh persons in 1975. Then it increased to 1.64 lakh persons in 1998, but then declined to 1.57 lakh persons in 2002. But then it started increasing to 1.84 lakh persons in 2005 and declined to 1.74 lakh persons in 2012. The share of employment in transport storage and communication has increased from 17.24 lakh persons in 1961 to 31.06 lakh persons in 1995. But since then it started declining from 30.92 lakh persons in 1996 to 24.88 lakh persons in 2012. The share of employment in finance, insurance and real estate etc. has been continuously increasing from

3.34 lakh persons in 1977 to 12.94 lakh persons in 1997, after this it started declining and came down to 12.30 lakh persons in 2002. Employment in this sector reached the peak of 14.08 lakh persons in 2005 and declined to 13.63 lakh persons in 2012. The share of employment in community, social and personal services has been almost continuously increasing from 37.27 lakh persons in 1961 to 98.3 lakh persons in 2001. But after this, it started declining and came down to 88.54 lakh persons in 2008 and increased to 90.36 lakh persons in 2012.

Table 1.4: Employment in Public Sector by Sub-Sector of Services Sector

(Lakh Person as on 31st March)

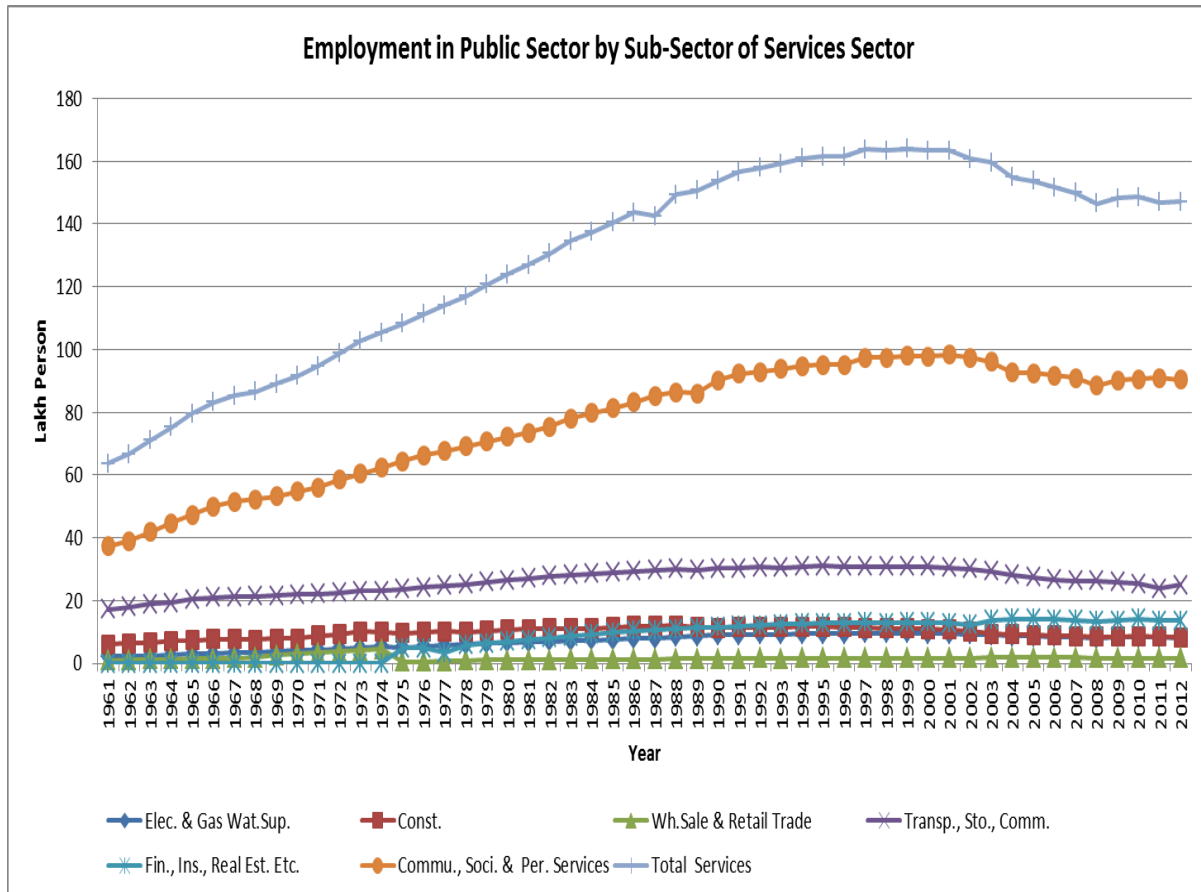
Year	Elec. & Gas Wat.Sup.	Const.	Wh.Sale & Retail Trade	Transp., Sto., Comm.	Fin., Ins., Real Est. Etc.	Comm., Soci. & Per. Services	Total Services
1961	2.24	6.03	0.94	17.24	*	37.27	63.72
1962	2.34	6.41	1.09	17.97	*	38.96	66.77
1963	2.44	6.62	1.20	18.86	*	41.90	71.02
1964	2.64	7.15	1.33	19.37	*	44.64	75.13
1965	2.91	7.40	1.43	20.44	*	47.34	79.52
1966	3.03	7.66	1.55	20.94	*	50.04	83.22
1967	3.37	7.64	1.66	21.15	*	51.50	85.31
1968	3.46	7.56	1.77	21.37	*	52.36	86.51
1969	3.69	7.88	2.64	21.60	*	53.21	89.03
1970	4.02	7.97	2.89	21.88	*	54.71	91.51
1971	4.35	8.80	3.28	22.17	*	56.07	94.67
1972	4.63	9.22	3.79	22.56	*	58.57	98.75
1973	4.94	10.17	4.16	23.03	*	60.41	102.72
1974	5.37	9.97	4.49	23.14	*	62.32	105.29
1975	5.07	9.56	0.53	23.63	4.92	64.44	108.15
1976	5.36	9.92	0.56	24.18	4.90	66.39	111.31
1977	5.63	10.09	0.76	24.69	3.34	67.69	114.17
1978	5.99	9.98	0.83	25.20	5.80	69.18	117.00
1979	6.34	10.32	0.99	25.97	6.47	70.71	120.81
1980	6.61	10.68	1.10	26.51	6.91	72.24	124.04
1981	6.83	10.89	1.17	27.09	7.48	73.55	127.01

1982	6.98	11.12	1.13	27.81	8.15	75.47	130.66
1983	7.21	11.20	1.18	28.26	8.72	78.06	134.63
1984	7.33	11.20	1.24	28.64	9.14	79.81	137.36
1985	7.60	11.46	1.31	28.94	9.83	81.23	140.37
1986	7.85	11.81	1.31	29.29	10.30	83.21	143.77
1987	7.89	11.85	1.34	29.70	10.56	85.29	142.63
1988	8.49	12.14	1.39	30.11	10.95	86.35	149.43
1989	8.69	11.46	1.50	29.74	11.23	86.11	150.73
1990	8.97	11.34	1.50	30.23	11.54	90.19	153.70
1991	9.05	11.49	1.50	30.26	11.94	92.27	156.51
1992	9.16	11.51	1.57	30.64	12.14	92.87	157.89
1993	9.31	11.54	1.48	30.55	12.52	93.77	159.16
1994	9.38	11.67	1.61	30.84	12.73	94.78	161.01
1995	9.35	11.64	1.62	31.06	12.83	95.04	161.55
1996	9.46	11.59	1.62	30.92	12.80	95.20	161.58
1997	9.56	11.34	1.64	30.92	12.94	97.47	163.87
1998	9.54	11.09	1.64	30.84	12.88	97.37	163.35
1999	9.62	11.07	1.63	30.84	12.95	97.94	164.05
2000	9.46	10.92	1.63	30.77	12.96	97.71	163.45
2001	9.35	10.81	1.63	30.42	12.81	98.30	163.31
2002	9.23	10.26	1.57	30.09	12.30	97.35	160.79
2003	9.13	9.48	1.82	29.39	13.77	96.09	159.67
2004	8.74	9.32	1.81	28.15	14.08	92.76	154.85
2005	8.60	9.11	1.84	27.51	14.08	92.52	153.67
2006	8.49	8.94	1.82	26.75	13.90	91.76	151.66
2007	8.49	8.66	1.78	26.37	13.69	90.90	149.89
2008	7.96	8.52	1.65	26.34	13.47	88.54	146.48
2009	8.39	8.45	1.74	26.01	13.56	90.11	148.26
2010	8.35	8.59	1.71	25.29	14.13	90.51	148.58
2011	8.31	8.47	1.70	23.84	13.61	90.95	146.88
2012	8.16	8.34	1.74	24.88	13.63	90.36	147.11

Sources: Economic Survey, Various Issues.

(*) Data not available.

Graph 1.4



Graph 1.4 shows that sub-sector of services sector i.e. community, social and personal services increased vastly during 1961-2012 followed by transport, storage and communication.

Table 1.5 and Graph 1.5 show employment in the private sector by sub-sector of services sector. The share of employment in electricity, gas and water supply remains between the ranges of 0.40 to 0.70 lakh persons. It has increased from 0.40 lakh persons in 1961 to 0.65 lakh persons in 2012. The share of employment in construction has decreased from 2.4 lakh persons in 1961 to 1.7 lakh persons in 1964, and increased 2.3 lakh persons in 1967, but thereafter this period it stable three years 1.5 lakh persons in 1968 to 1970, and after this it has been decreasing to 0.94 lakh persons in 1976, further remains constant continuously for three years to 0.83 lakh persons in 1977 to 1979, but 0.73 lakh persons in 1980 while further declined and became 0.69 lakh persons in 2008 and then increased to 1.19 lakh persons in 2012. The share of employment in wholesale and retail trade has increased from 1.6 lakh persons in 1961 to 3.5 lakh persons in 1968, and thereafter it has almost declined from 2.9 lakh persons in 1969

to 2.75 lakh persons in 1983, but after this period it has been increasing from 2.76 lakh persons in 1984 to 4.10 lakh persons in 2007, but then declined to 5.99 lakh persons in 2012. The share of employment in transport storage and communication has increased from 0.8 lakh persons in 1961 to 1.4 lakh persons in 1963, but after this period it remains constant for two years as 1.1, 1.2 and 1.1 lakh persons in 1964-65, 1966-67 and 1968-69, respectively. It has declined 1.00 lakh persons in 1970 to 0.51 lakh persons in 1989, but after this it has increased during the period of 0.51 lakh persons in 1989 to 2.08 lakh persons in 2012. The share of employment in finance, insurance and real estate etc. are available after 1974, and it has been increasing from 1.68 lakh persons in 1975 to 19.09 lakh persons in 2012. The share of employment in community, social and personal services has been almost continuously increasing from 2.80 lakh persons in 1961 to 24.49 lakh persons in 2012.

Table 1.5: Employment in Private Sector by Sub-Sector of Services Sector

(Lakh Person as on 31st March)

Year	Elec. & Gas Wat.Sup.	Const.	Wh.Sale & Retail Trade	Transp., Sto., Comm.	Fin.,Ins., Real Est. Etc.	Commu., Soci. & Per. Services	Total Services
1961	0.4	2.4	1.6	0.8	*	2.8	8
1962	0.4	1.8	1.9	1.2	*	3.6	8.9
1963	0.4	1.8	1.9	1.4	*	3.7	9.2
1964	0.4	1.7	2.0	1.1	*	4.3	9.5
1965	0.4	1.9	2.2	1.1	*	4.8	10.4
1966	0.4	2.5	3.3	1.2	*	8.0	15.4
1967	0.4	2.3	3.5	1.2	*	8.5	15.9
1968	0.5	1.5	3.5	1.1	*	8.8	15.4
1969	0.4	1.5	2.9	1.1	*	9.2	15.1
1970	0.4	1.5	2.9	1.0	*	9.6	15.4
1971	0.46	1.39	3.04	0.96	*	10.00	15.85
1972	0.45	1.64	2.96	0.85	*	10.37	16.27
1973	0.45	1.76	3.11	0.79	*	10.77	16.88
1974	0.42	1.21	3.18	0.77	*	11.18	16.76
1975	0.39	1.27	3.09	0.79	1.68	10.32	17.54
1976	0.35	0.94	2.87	0.74	1.83	10.55	17.28
1977	0.35	0.83	2.75	0.71	1.86	10.86	17.34

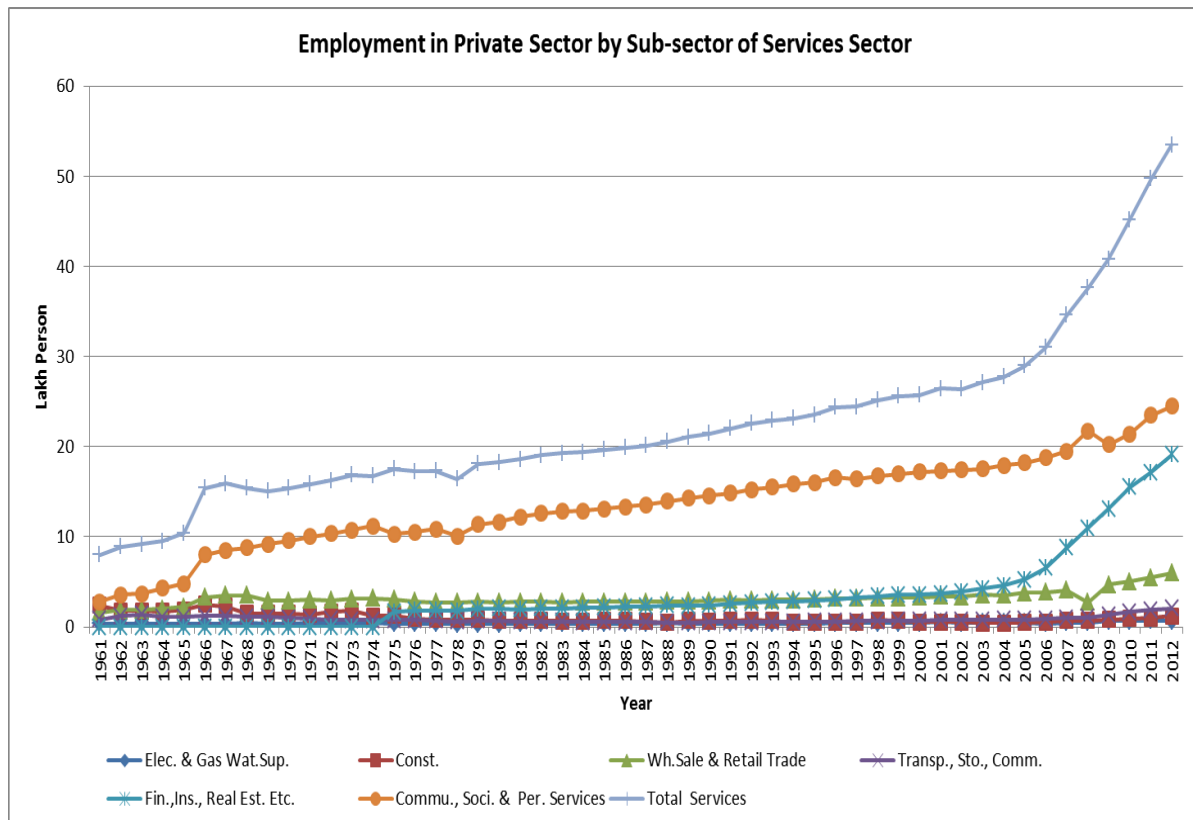
1978	0.34	0.83	2.74	0.61	1.80	10.10	16.42
1979	0.34	0.83	2.81	0.71	2.01	11.40	18.10
1980	0.34	0.73	2.74	0.71	2.06	11.67	18.25
1981	0.35	0.72	2.77	0.60	1.96	12.22	18.62
1982	0.36	0.71	2.77	0.6	2.04	12.59	19.07
1983	0.37	0.68	2.75	0.59	2.07	12.83	19.29
1984	0.39	0.66	2.76	0.57	2.14	12.89	19.41
1985	0.39	0.70	2.77	0.54	2.19	13.09	19.68
1986	0.40	0.69	2.77	0.54	2.21	13.32	19.93
1987	0.40	0.58	2.77	0.52	2.29	13.59	20.15
1988	0.41	0.50	2.83	0.51	2.38	13.97	20.60
1989	0.39	0.69	2.86	0.51	2.34	14.29	21.06
1990	0.40	0.68	2.91	0.52	2.39	14.60	21.50
1991	0.40	0.73	3.00	0.53	2.54	14.85	22.05
1992	0.40	0.78	2.96	0.54	2.66	15.27	22.61
1993	0.38	0.73	3.01	0.55	2.77	15.50	22.94
1994	0.40	0.51	3.02	0.56	2.82	15.85	23.16
1995	0.40	0.53	3.08	0.58	2.93	16.03	23.56
1996	0.42	0.53	3.17	0.60	3.06	16.58	24.37
1997	0.41	0.54	3.17	0.63	3.22	16.44	24.43
1998	0.42	0.74	3.21	0.65	3.41	16.77	25.20
1999	0.41	0.71	3.23	0.69	3.58	17.00	25.62
2000	0.41	0.57	3.30	0.70	3.58	17.23	25.76
2001	0.52	0.57	3.39	0.76	3.70	17.34	26.47
2002	0.42	0.56	3.35	0.76	3.91	17.42	26.42
2003	0.50	0.44	3.60	0.79	4.26	17.56	27.16
2004	0.47	0.45	3.51	0.81	4.58	17.92	27.75
2005	0.49	0.49	3.79	0.85	5.23	18.20	29.01
2006	0.40	0.55	3.87	0.87	6.52	18.78	30.99
2007	0.50	0.70	4.10	1.00	8.80	19.50	34.60
2008	0.51	0.69	2.72	1.04	10.96	21.73	37.65
2009	0.64	0.80	4.72	1.32	13.11	20.23	40.82
2010	0.64	0.91	5.06	1.66	15.52	21.40	45.19
2011	0.70	1.02	5.46	1.89	17.18	23.50	49.75

2012	0.65	1.19	5.99	2.08	19.09	24.49	53.49
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Sources: Economic Survey, Various Issues.

(*) Data not available.

Graph 1.5



Graph 1.5 shows that employment in community, social and personal services increased followed by employment in transport, storage and communication. But employment in electricity & gas, water supply and construction remains same.

Table 1.6 and Graph 1.6 show employment in both (public and private sector) by sub-sector of services sector. The share of employment in electricity, gas and water supply has increased from 2.64 lakh persons in 1961 to 10.03 lakh persons in 1999, after this its start declining, and came down 8.81 lakh persons in 2012. The share of employment in construction has increased from 8.43 lakh persons in 1961 to 10.16 lakh persons in 1966, after this it started declining 9.06 lakh persons in 1968, but thereafter this period it increased from 9.47 lakh persons in

1970 to 12.64 lakh persons in 1988, and after this it has been decreasing to 9.53 lakh persons in 2012. The share of employment in wholesale and retail trade has increased from 2.54 lakh persons in 1961 to 7.67 lakh persons in 1974, and thereafter it came down to 3.43 lakh persons in 1976, but after this period it has been increasing from 3.51 lakh persons in 1977 to 7.73 lakh persons in 2012. The share of employment in transport storage and communication has increased from 18.04 lakh persons in 1961 to 31.53 lakh persons in 1999, but after this period it declined and reached at 26.96 lakh persons in 2012. The share of employment in finance, insurance and real estate etc. has declined from 6.6 lakh persons in 1975 to 5.2 lakh persons in 1977, after this it increased from 7.60 lakh persons in 1978 to 32.72 lakh persons in 2012. The share of employment in community, social and personal services has been almost continuously increasing from 40.07 lakh persons in 1961 to 115.64 lakh persons in 2001. But after this period, it started declining and came down to 114.85 lakh persons in 2012.

Table 1.6: Employment in Public & Private Sector by Sub-Sector of Services Sector

(Lakh Person as on 31st March)

Year	Elec. & Gas Wat.Sup.	Const.	Wh.Sale & Retail Trade	Transp., Sto., Comm.	Fin.,Ins., Real Est. Etc.	Commu., Soci. & Per. Services	Total Services
1961	2.64	8.43	2.54	18.04	*	40.07	71.79
1962	2.74	8.21	2.99	18.99	*	42.56	75.49
1963	2.84	8.42	3.10	20.26	*	45.60	80.22
1964	3.04	8.85	3.33	20.47	*	48.94	84.63
1965	3.31	9.30	3.63	21.54	*	52.14	89.92
1966	3.43	10.16	4.85	22.14	*	58.04	98.62
1967	3.77	9.94	5.16	22.35	*	60.00	101.22
1968	3.96	9.06	5.27	22.47	*	61.16	101.92
1969	4.09	9.38	5.54	22.70	*	62.41	104.12
1970	4.42	9.47	5.79	22.88	*	64.35	106.91
1971	4.80	10.20	6.28	23.17	*	66.07	110.52
1972	5.13	10.83	6.78	23.46	*	68.97	115.17
1973	5.39	11.93	7.27	23.82	*	71.18	119.59
1974	5.79	11.18	7.67	23.90	*	73.50	122.04
1975	5.46	10.83	3.62	24.42	6.60	74.76	125.69
1976	5.71	10.86	3.43	24.92	6.73	76.94	128.59

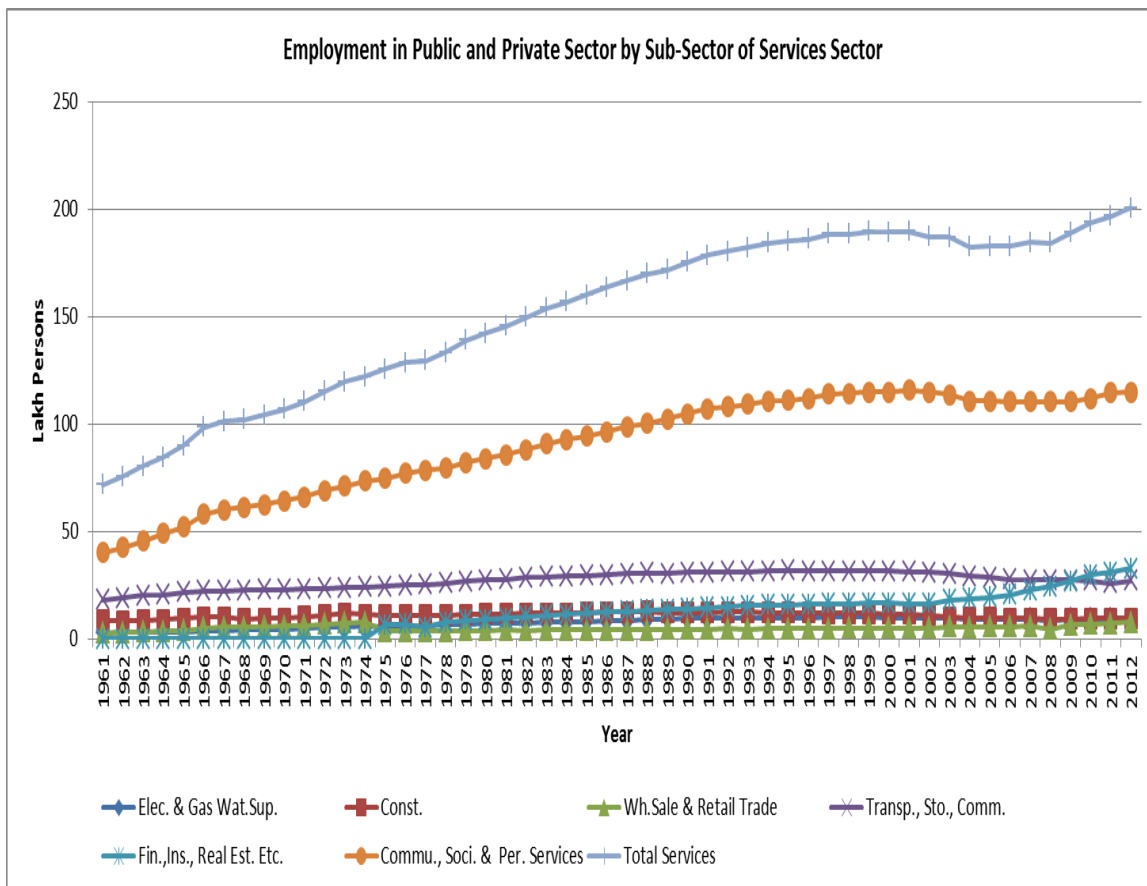
1977	5.98	10.92	3.51	25.35	5.20	78.55	129.51
1978	6.33	10.81	3.57	25.81	7.60	79.28	133.40
1979	6.68	11.15	3.80	26.68	8.48	82.11	138.90
1980	6.95	11.41	3.84	27.22	8.97	83.91	142.30
1981	7.18	11.61	3.94	27.69	9.44	85.77	145.63
1982	7.34	11.83	3.90	28.41	10.19	88.06	149.73
1983	7.58	11.88	3.93	28.85	10.79	90.89	153.92
1984	7.72	11.86	4.00	29.21	11.28	92.70	156.77
1985	7.99	12.16	4.08	29.48	12.02	94.32	160.05
1986	8.25	12.50	4.08	29.83	12.51	96.53	163.70
1987	8.29	12.43	4.11	30.22	12.85	98.88	166.78
1988	8.90	12.64	4.22	30.62	13.33	100.32	170.03
1989	9.08	12.15	4.36	30.25	13.57	102.40	171.79
1990	9.37	12.02	4.41	30.75	13.93	104.79	175.27
1991	9.45	12.22	4.50	30.79	14.48	107.12	178.56
1992	9.56	12.29	4.53	31.18	14.80	108.14	180.50
1993	9.69	12.27	4.49	31.10	15.29	109.27	182.10
1994	9.78	12.18	4.63	31.40	15.55	110.63	184.17
1995	9.75	12.17	4.70	31.64	15.76	111.07	185.11
1996	9.88	12.12	4.79	31.52	15.86	111.78	185.92
1997	9.97	11.88	4.81	31.55	16.16	113.91	188.30
1998	9.96	11.85	4.85	31.49	16.29	114.14	188.55
1999	10.03	11.78	4.86	31.53	16.53	114.94	189.67
2000	9.87	11.49	4.93	31.47	16.54	114.94	189.21
2001	9.87	11.38	5.02	31.18	16.15	115.64	189.60
2002	9.65	10.82	4.92	30.85	16.21	114.77	187.21
2003	9.63	9.92	5.42	30.18	18.03	113.65	186.83
2004	9.21	9.77	5.32	28.99	18.66	110.68	182.60
2005	9.09	9.60	5.63	28.36	19.31	110.72	182.71
2006	8.89	9.49	5.69	27.62	20.42	110.54	182.65
2007	8.99	9.36	5.88	27.37	22.49	110.40	184.49
2008	8.47	9.21	4.37	27.38	24.43	110.27	184.13
2009	9.03	9.25	6.46	27.33	26.67	110.34	189.08
2010	8.99	9.50	6.77	26.95	29.65	111.91	193.77

2011	9.01	9.49	7.16	25.73	30.79	114.45	196.63
2012	8.81	9.53	7.73	26.96	32.72	114.85	200.60

Sources: Economic Survey, Various Issues.

(*) Data not available.

Graph 1.6



Graph 1.6 shows that employment in community, social and personal services has increased vastly during 1961-2012. Graph shows a cross pattern between transport, storage and communication and finance, insurance, real estate etc.

Table 1.7 and Graph 1.7 present the annual compound growth rate (ACGR) of employment in Public sector by industry. This table shows that the ACGR of employment in agriculture and mining and quarrying sectors has the highest value of 5.39 per cent and 16.22 per cent, respectively, in 1971-81 decade, and the minimum growth value of -1.02 per cent and -1.32 per

cent, respectively, in 1991-2001 decade. The ACGR of employment in manufacturing and services sectors has maximum growth of 7.84 per cent and 4.04 per cent, respectively, in 1961-71 decade, but the minimum growth of -2.61 per cent and -0.95 per cent, respectively, in 2001-12 decade. It is clear from this table that the growth in total employment in public sector of India has been continuously declining.

Table 1.7: ACGR of Employment in Public Sector by Industry

(Per Cent)

Year	Agriculture	Mining & Quarrying	Manufacturing	Services	Total Employment
1961-1971	4.37	3.50	7.84	4.04	4.29
1971-1981	5.39	16.22	6.42	2.98	3.73
1981-1991	1.85	2.02	2.12	2.11	2.10
1991-2001	-1.02	-1.32	-2.55	0.43	0.04
2001-2012	-0.64	1.91	-2.61	-0.95	-0.90

Graph 1.7

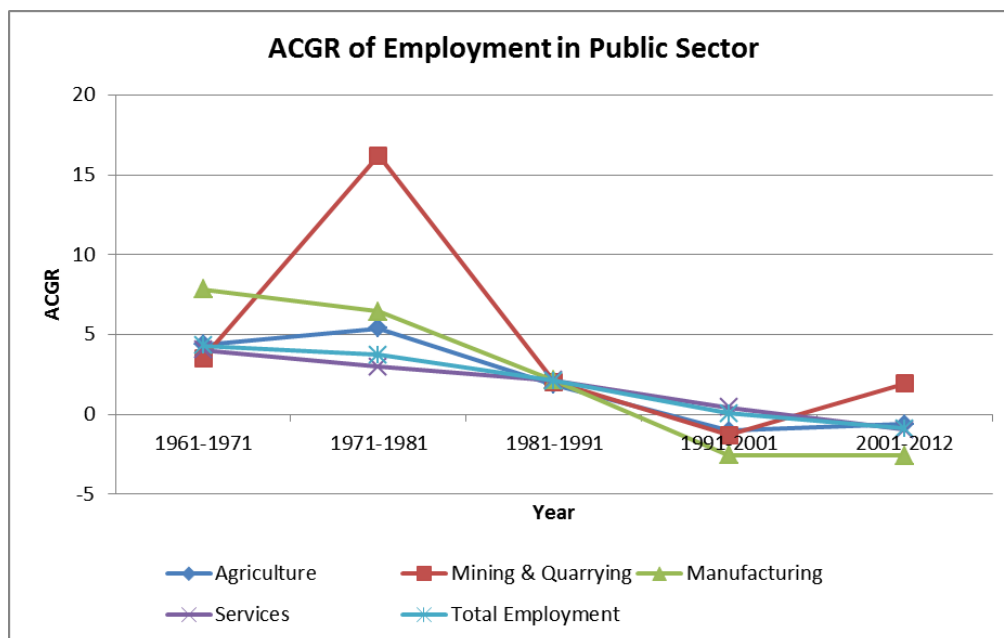


Table 1.8 and Graph 1.8 present the compound growth rate of employment in Private sector by industry. This table shows that the annual compound growth rate (ACGR) for agriculture, manufacturing and services sectors has the highest growth rate of 1.76 per cent, 2.73 per cent and 7.08 per cent in 1961-71 decade, respectively. But the lowest growth rate of agriculture has -0.12 per cent in 2001-12 decade and manufacturing -0.14 per cent in 1981-91 decade. The annual compound growth rate of employment in services sector has lowest employment growth 1.62 per cent in 1971-81 decade. The annual compound growth rate (ACGR) of employment by mining and quarrying sector has maximum growth of 5.27 per cent in 2001-12 decade, but the minimum growth of -10.72 per cent in 1971-81 decade.

Table 1.8: ACGR of Employment in Private Sector by Industry

(Per Cent)

Year	Agriculture	Mining & Quarrying	Manufacturing	Services	Total Employment
1961-1971	1.76	-3.04	2.73	7.08	2.95
1971-1981	0.73	-10.72	1.40	1.62	0.93
1981-1991	0.38	-2.58	-0.14	1.71	0.37
1991-2001	0.44	-2.33	1.13	1.84	1.20
2001-2012	-0.12	5.27	0.89	6.60	2.95

Graph 1.8

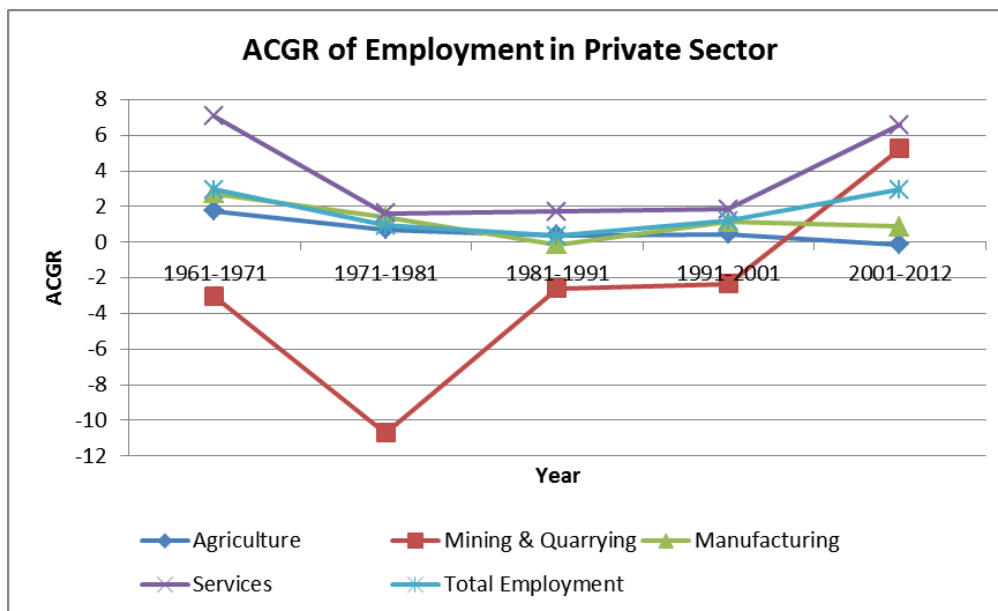


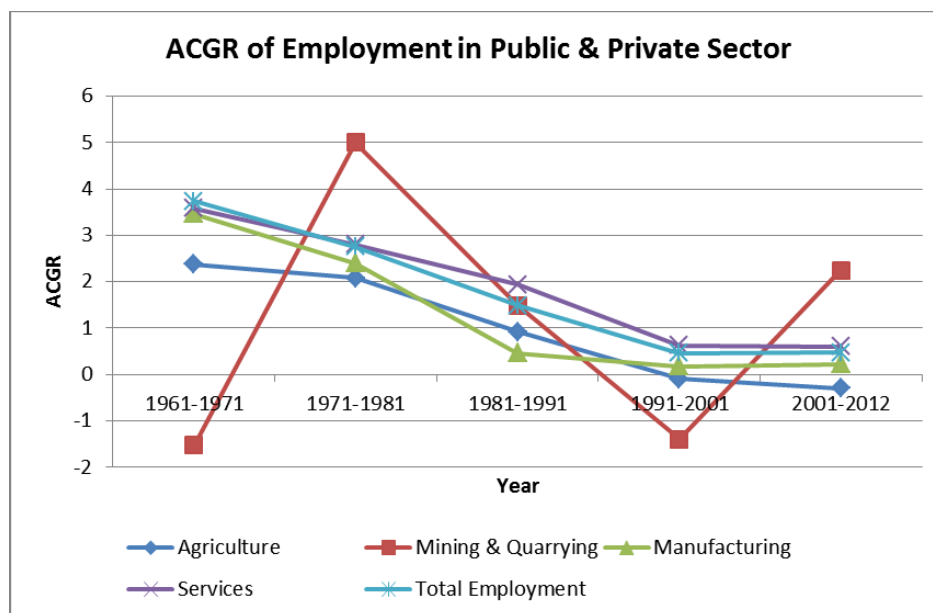
Table 1.9 and Graph 1.9 present the compound growth rate of employment in both (public and private) sectors by industry. This table shows that the compound growth rate of employment for agriculture, manufacturing and services sectors has the highest growth rate of 2.38 per cent 3.46 per cent and 3.58 per cent in 1961-71 decade, respectively. But the lowest growth of agriculture and services sector has -0.30 per cent, 0.60 per cent in 2001-12 decades, respectively. The compound growth rate of employment by mining and quarrying sector has maximum growth of 5.00 percent in 1971-81 decade. The minimum growth of employment for mining and quarrying and manufacturing has -1.40 percent and 0.17 percent in 1991-2001 decade, respectively.

Table 1.9: ACGR of Employment in Public and Private Sector by Industry

(Per Cent)

Year	Agriculture	Mining & Quarrying	Manufacturing	Services	Total Employment
1961-1971	2.38	-1.53	3.46	3.58	3.74
1971-1981	2.08	5.00	2.40	2.80	2.75
1981-1991	0.92	1.49	0.46	1.94	1.49
1991-2001	-0.10	-1.40	0.17	0.62	0.46
2001-2012	-0.30	2.24	0.22	0.60	0.47

Graph 1.9



The annual compound growth rate of employment in public sector by sub-sector of services sector in India during the period (1961 -71 to 2001-12) is presented in Table 1.10 and Graph 1.10.

This shows that maximum compound growth rate of employment in sub- sectors of the services sector i.e. electricity and gas, water supply, construction, whole sale and retail trade etc., transport, storage, communication, and community, social and personal services has a value of 6.86 per cent, 3.85 per cent, 13.31 per cent, 2.55 per cent, and 4.17 per cent in 1961-71 decade, respectively. But the minimum growth of employment in electricity and gas, water supply, construction, transport, storage, communication, and community, social and personal services sub sectors has value of -1.23 per cent,-2.33 per cent, -1.81 per cent and -0.76 per cent in 2001-12 decade, respectively and wholesale and retail trade etc. has lowest growth is -9.79 per cent in 1971-81 decade.

The part of sub sector of services; finance, insurance, real estate etc. has recorded growth rate of 4.79 per cent highest in 1981-91 decade and 0.57 per cent lowest growth in 2001-12 decade.

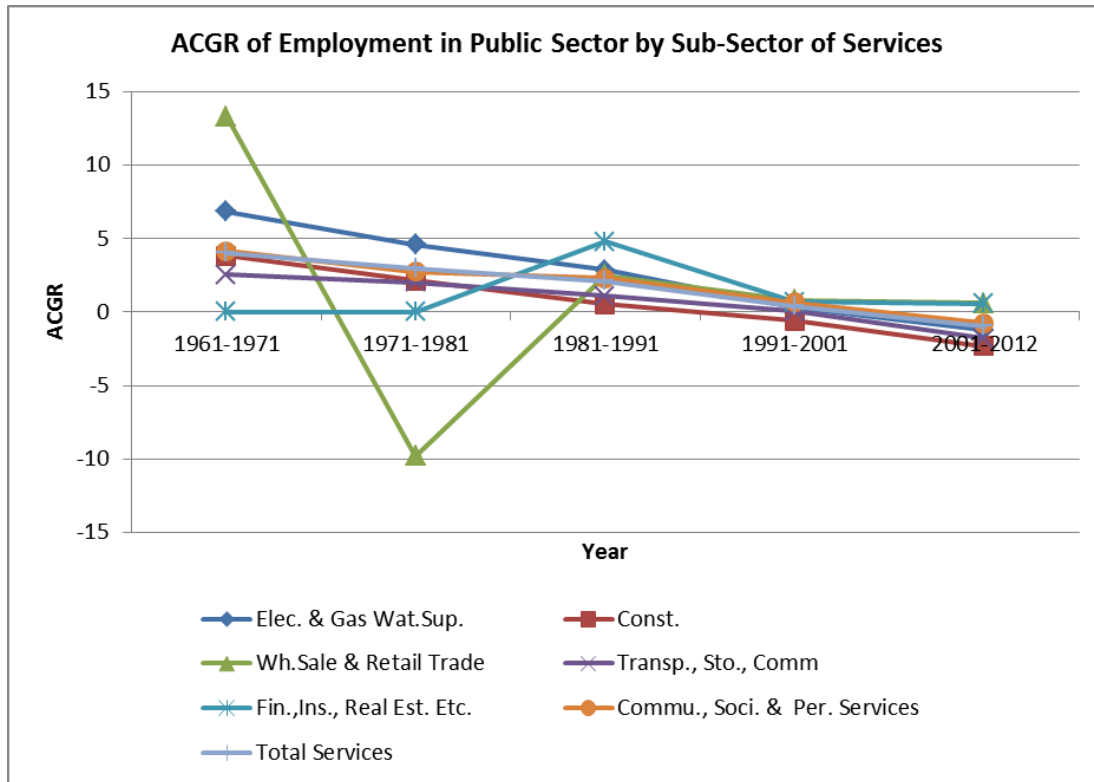
Table 1.10: ACGR of Employment in Public Sector by Sub-sector of Services Sector

(Per Cent)

Year	Elec. & Gas Wat.Sup.	Const.	Wh.Sale & Retail Trade	Transp., Sto., Comm	Fin.,Ins., Real Est. Etc.	Commu., Soci. & Per. Services	Total Services
1961-1971	6.86	3.85	13.31	2.55	*	4.17	4.04
1971-1981	4.61	2.15	-9.79	2.02	*	2.75	2.98
1981-1991	2.85	0.54	2.52	1.11	4.79	2.29	2.11
1991-2001	0.33	-0.61	0.83	0.05	0.71	0.64	0.43
2001-2012	-1.23	-2.33	0.60	-1.81	0.57	-0.76	-0.95

(*) Data not available.

Graph 1.10



The annual compound growth rate of employment in private sector by sub-sector of services sector in India during the period (1961-71 to 2001-12) is presented in Table 1.11 and Graph 1.11.

This shows that maximum compound growth rate of employment in sub- sectors of the services sector i.e. electricity and gas, water supply has value of 2.66 per cent in 1991-2001 decade. The maximum growth in construction, transport, storage, communication, has value of 6.92 per cent, and 9.58 per cent in 2001-12 decade. The highest growth in whole sale and retail trade etc. has value of 6.63 per cent in 1961-71 decade. But the minimum growth of employment in electricity and gas, water supply, construction, whole sale and retail trade etc., and transport, storage, communication sub sectors has -2.70 per cent, -6.37 per cent, -0.93 per cent and -4.59 per cent, respectively in 1971-81 decade

The part of sub sector of services; finance, insurance, real estate etc. has recorded growth rate of 16.09 per cent highest in 2001-12 decade and 2.63 per cent lowest growth in 1981-91 decade. The part of sub sector of services; community, social and personal services has

recorded highest growth rate of 13.58 per cent in 1961-71 decade and 1.56 per cent lowest growth in 1991-2001 decade

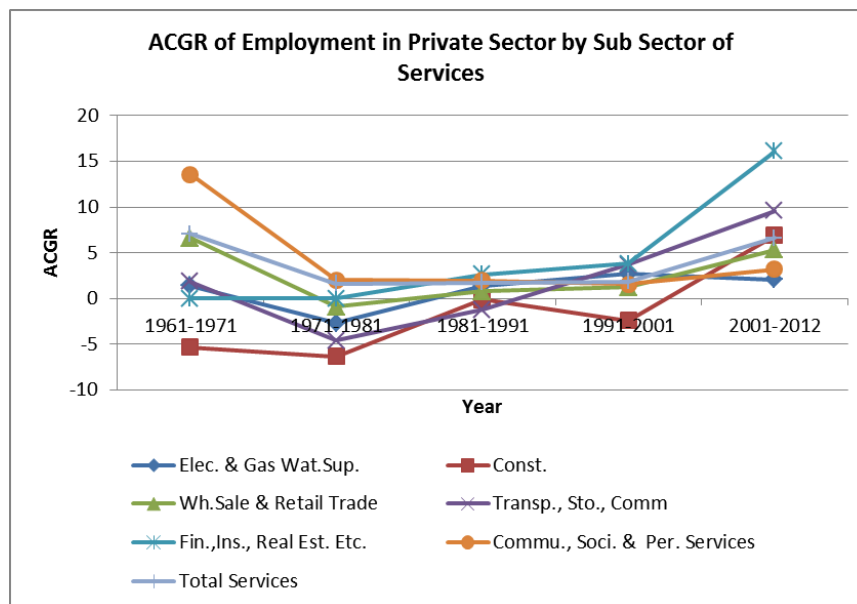
Table 1.11: ACGR of Employment in Private Sector by Sub-sector of Services Sector

(Per Cent)

Year	Elec. & Gas Wat.Sup.	Const.	Wh.Sale & Retail Trade	Transp., Sto., Comm	Fin.,Ins., Real Est. Etc.	Commu., Soci. & Per. Services	Total Services
1961-1971	1.41	-5.32	6.63	1.84	*	13.58	7.08
1971-1981	-2.70	-6.37	-0.93	-4.59	*	2.03	1.62
1981-1991	1.34	-0.14	0.80	-1.23	2.63	1.97	1.71
1991-2001	2.66	-2.44	1.23	3.67	3.83	1.56	1.84
2001-2012	2.05	6.92	5.31	9.58	16.09	3.19	6.60

(*) Data not available.

Graph 1.11



The annual compound growth rate of employment in public & private sector by sub-sector of services sector in India during the period (1961 -71 to 2001-12) is presented in Table 1.12 and Graph 1.12.

This shows that maximum compound growth rate of employment in sub- sectors of the services sector i.e. electricity and gas, water supply, construction, whole sale and retail trade etc., transport, storage, communication, and community, social and personal services has a value of 6.16 per cent, 1.92 per cent, 9.47 per cent, 2.53 per cent, and 5.13 per cent in 1961-71 decade, respectively. But the minimum growth of employment in electricity and gas, water supply, construction, transport, storage, communication, and community, social and personal services sub sectors has value of -1.03 per cent,-1.60 per cent, -1.31 per cent and -0.06 per cent in 2001-12 decade, respectively and wholesale and retail trade etc. has lowest growth is -4.55 per cent in 1971-81 decade.

The part of sub sector of services; finance, insurance, real estate etc. has recorded growth rate of 6.63 per cent highest in 2001-12 decade and 1.10 per cent lowest growth in 1991-2001 decade.

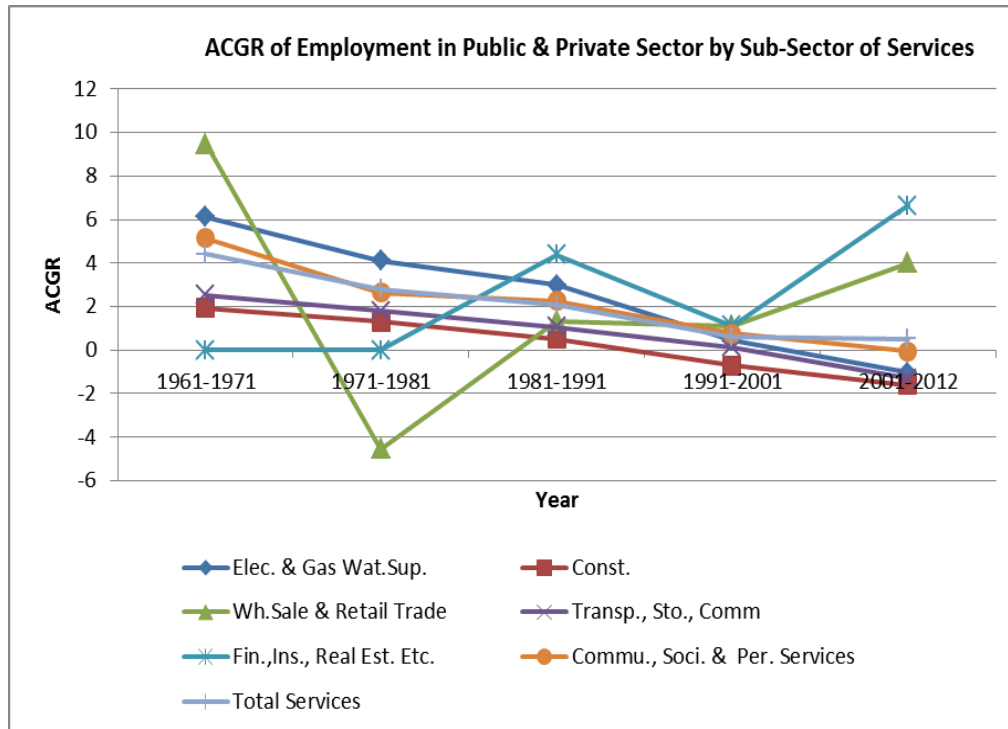
Table 1.12: ACGR of Employment in Public & Private Sector by Sub-sector of Services Sector

(Per Cent)

Year	Elec. & Gas Wat.Sup.	Const.	Wh.Sale & Retail Trade	Transp., Sto., Comm	Fin.,Ins., Real Est. Etc.	Commu., Soci. & Per. Services	Total Services
1961-1971	6.116	1.92	9.47	2.53	*	5.13	4.41
1971-1981	4.11	1.30	-4.55	1.80	*	2.64	2.80
1981-1991	3.00	0.51	1.34	1.07	4.37	2.25	2.06
1991-2001	0.44	-0.71	1.10	0.13	1.10	0.77	0.60
2001-2012	-1.03	-1.60	4.00	-1.31	6.63	-0.06	0.51

(*) Data not available.

Graph 1.12



SIGNIFICANCE

The significance of the present paper lies in the fact that services sector have become an engine of employment generation in India, i.e., India is having a services-led growth.

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