

## **GROWTH AND STRUCTURAL CHANGES IN THE ECONOMY OF HARYANA**

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### **ABSTRACT**

Structural changes of an economy that lead to the dynamics of sector shares that are related to each other i.e. agriculture sector, industry sector, service sector and to economic growth as well. It indicates as a shift in the sectoral composition of National output and employment, while the economic growth denotes the rate of expansion in the National output. It contributes to accelerate economic growth with improvements in the productivity. Economic Development has been regarded as the process of structural transformation where the relative share of agriculture in National output falls and of industry and service sector rises. Haryana has also experienced structural changes in its output and employment structure during last four decade since its foundation. The study is carried out to find whether structural changes in the economy of Haryana exist. It is highlighted that sharp decline in the share of agriculture sector in the state income and there is increasing trend or it can be said that accelerated the growth rates is industrial and service sector also. The share of Agriculture and Allied Sectors in GSDP declined from 60.7 percent in 1969-70 to 21.3 percent in 2006-07 while the share of Industry Sector increased from 17.6 percent in 1969-70 to 32.1 percent in 2006-07 in Haryana. The share of Services Sector increased from 21.7 percent to 46.6 percent during this period. Since the 11th Five Year Plan, the pace of structural transformation of the State's economy remained continued. Consequent upon the dynamic growth recorded in Services Sector during this period and onwards, the share of Services Sector in GSVA further strengthened to 50.2 percent in 2018-19 with a decrease in the share of Agriculture and Allied Sectors at 17.5 percent. The present paper is focus on the basic changes facing by the economy of Haryana and the development of Haryana state.

**Keywords:** Haryana, Economic Growth, Structural change, GSDP, Agriculture, Industry, Service, GSVA.

## **INTRODUCTION**

Haryana as a state came into existence on 1<sup>st</sup> November 1966. Haryana is a landlocked state in northern India. The total geographical area of the state is 4.42 million hectares, which is 1.4% of the geographical area of the country. Cultivated area is under 80% while the irrigated area is under 84%. The predominant crops are rice, wheat, cotton, pearl millet. The cropping intensity is 81%. The total food grain production is 13.1 million tonnes. The altitude above sea level of Haryana varies between 700 and 3600 ft above sea level. Haryana has only 4% area under forests. Haryana is traditionally an agrarian society. The green Revolution in Haryana of 1960 combined with completion of Bhakra dam in 1963 and western Yamuna Command Network canal system in 1970 resulted in significantly increased food grain production. Agriculture sector is split across 3% crops and livestock, 4% commercial forestry and logging. At constant prices, the GSDP has been estimated as Rs. 4.78 lakh crore, which is 3.7 per cent of the all-India GDP of Rs.130.04 lakh crore, in 2017-18. The growth of GVA in the primary sector has been estimated at 2.5 per cent in 2017-18, 7.7 per cent in secondary sector, and 9.4 per cent in tertiary sector. Haryana is one of the leading states in terms of industrial production, especially passenger cars, two-wheelers, mobile cranes and tractors. Haryana is the second-largest contributor of food grains to India's central pool and accounts for more than 60 per cent of the export of Basmati rice in the country, third-largest exporter of software and one of the preferred destinations for IT/ITeS facilities. Between FY 2012-19(A), the state's GSDP (in Rs) grew at a CAGR of 12.16 per cent to Rs 7.07 trillion (US\$ 98.01 billion) in 2018-19 (A). The state accounted for 7.28 per cent of India's agricultural exports in FY19 (up to December 2018). Merchandise exports from Haryana reached US\$ 13.3 billion in FY18 and US\$ 10.2 billion in FY19 (up to December 2018). Haryana is a preferred destination for auto majors and auto-component manufacturers. The state is host to many large automotive players. The state produces two-thirds of passenger cars, 50 per cent of tractors, 60 per cent of motorcycles and 50 per cent of the refrigerators manufactured in the country. Automobiles and auto component exports from Haryana were around US\$ 1.39 billion in FY18 and have reached US\$ 945.55 million between Apr-Dec 2018.

The state has invested in the development of world class infrastructure facilities such as Special Economic Zones (SEZs), Kundli-Manesar-Palwal (KMP) global corridor and Delhi- Mumbai Industrial Corridor (DMIC). Haryana enjoys a location advantage, with nearly one-third of the state's area under the National Capital Region (NCR), a prominent trade and consumption centre. Between FY15- 18, Haryana has witnessed investments of around Rs 80,000 crore (US\$ 11.93 billion). The state offers a wide range of fiscal and policy incentives for businesses under the Industrial and Investment Policy, 2011. Moreover, it has sector-specific policies, particularly for IT and tourism. The Haryana State Industrial and Infrastructure Development Corporation

Ltd (HSIIDC) is the state's premier industrial promotion and investment facilitation agency, responsible for providing reliable and efficient facilities for entrepreneurs investing in the state.

So, with this brief background, it is crucial to understand the way in which the economy of Haryana grew over the period, which is analyzed in this paper.

## **LITERATURE REVIEW**

Structural transformation is defined as a change in the sectoral composition of employment and national output, while the economic growth denotes the rate of expansion in the national output. With consequent development, it is observed that the structure of the economy has changed from conventional methods to modern techniques of production. With transformation, the share of agriculture in output and employment decline, but the share of industrial sector improved with increase in output and employment. Consequently, after reaching a higher level of development, the share of services sector has increased and has become the most important section of the economy. The first literature on the structural change dates back to the works of Fisher and Clark. Clark (1940) experienced the movement of labour from agriculture to manufacturing and from manufacturing to commerce and services as “the most important associated of economic progress”. Structural change in output is also expected to be accompanied by similar changes in employment. Thus in line with the decline in the share of agriculture in national/state product, a decline in the share of agriculture in employment can be expected, in the first instance, involving a transfer of labour from agriculture to industry. In fact, such a transfer is seen by economists like Arthur Lewis (Lewis, 1954) [16] as a source of capital accumulation and a relatively costless process of economic growth. Economic development has been regarded as the process of structural transformation where the relative significance of agriculture output falls and also of labour force falls and industry was considered as an engine of growth. Different development economic theories led to the neglect of agriculture like Lewis (1954) [16], Ranis, fei (1961) [20], Raul Prebisch & Singer (1959) [22] established case against agriculture by proving that secular terms of trade go against countries that export primary products & import manufactured goods. Therefore agriculture sector has been viewed as a passive sector while industrial and service sector as dynamic growing sectors. Agriculture is a way of living, mode of life and occupation or business. It is the basic industry as it provides food for all & produces net surplus. Under the structural change hypothesis, an underdeveloped economy passes through three different stages of development. In the first stage, majority of the economic resources are engaged in the agricultural sector. With the growth of an economy, resource allocation increases in the industrial as well as service sector, which is known as the second stage. In the third stage, when the economy gets matured, it shifts the resources from agricultural and industrial sectors to

service sector, and gradually service sector becomes the highest contributing sector of the economy (Fisher, 1939; Clark, 1940; Kuznets, 1971; Chenery, 1982).

Therefore, structural change is a long run trend, and it involves nonstop shifts in sectoral share of economic activity. Structural change in the world economy indicates that world economy has undergone rapid change and service sector plays an important role in enhancing the world production. From 1970 to 2005, the share of global service sector has increased from 52 percent to 68 percent, whereas the share of agriculture sector has declined from 10 percent to 3.6 percent and that of industry has also declined from 38 percent to 29 percent. These trends clearly reflect that service sector has become a leading feature of structural change in the world economy (Memedovic and Lapadre, 2009).

However, this trend of structural change has not only been observed in the developed countries but also in the developing countries, which is observed in both product market as well as the factor market. In 2002, most of the developed countries like United Kingdom, the United States, France, Japan, Germany and Australia have revealed the homogenous pattern with less than 5 percent share of output and employment in agricultural sector. However, developing countries like Malaysia, Thailand, Korea Republic, China, Philippines, Indonesia, India, and Pakistan have revealed the various pattern of output and employment, in which the share of agricultural output and employment ranged from 3 to 23 percent and from 10 to 61 percent, respectively. The highest share of agriculture in output and employment suggest that agricultural sector still plays a dominant role in the developing countries (Datt, 2006).

The state level analysis indicates the facts that there is wide disparity in structural changes and economic performance across the states. Economic reforms in the country have played a major role in the economic growth across the states. There is shift in the distribution of labour force from the low productivity sector or activities to higher productivity areas. Structural change contributes to accelerate economic growth with improvements in productivity (Papola 2006), (Justin 2011). Gujarat has experienced fastest growth in the industrialized economy followed by Haryana, Punjab, and Himachal Pradesh. Most of these states have experienced structural change; the share of agricultural sector has declined in all the states. The highest decline in the agricultural sector has been observed in Orissa, Karnataka, Kerala, and Gujarat. But in the case of Punjab and Haryana, the decline is relatively lower. Major shift has been observed in the favor of manufacturing sector, especially in Gujarat and Orissa (Papola, 2011).

The review of literature shows that the development process has led to fall in the share of agriculture in GDP and increasing the share of industry and service sector. But the significance of agriculture sector in the process of sustainable development can never be underestimated.

## DATA SOURCE AND METHODOLOGY

The study is mainly based on secondary data. Data has been collected from various sources such as Central Statistical Organization, Data published by Economic and Political weekly research foundation, Government of Haryana, National Sample Survey Organization, Statistical Abstract of Haryana. Data on shares of agriculture, Agriculture Allied sectors, Industrial sector, service sector all obtained from the same source. Moreover, the stylized facts of Industrial and agricultural development in the state have been provided in the study.

## GROWTH IN THE ECONOMY OF HARYANA

The Department of Economic & Statistical Analysis, Haryana prepares the estimates of Gross State Domestic Product (GSDP). As per the Advance Estimates for the year 2018-19, the GSDP of the State at current prices has been estimated as 707,126.33 crore, recording growth of 12.9 percent in 2018-19 as against the growth rate of 12.5 percent achieved in 2017-18. The GSDP at constant (2011-12) prices is expected to reach the level of 5 26,055.24 crore with a growth of 8.2 percent in 2018-19 as compared to the growth of 7.9 percent recorded in 2017-18. The real growth of 8.2 percent recorded in GSDP of the State in 2018-19 is higher than the All India GDP growth of 7.2 percent. The GSDP of the State at current and constant (2011-12) prices is given in Table 1. It is stated that the growth of Gross State Value Added (GSVA) decreased from 9.6 percent in 2015-16 to 8.6 percent in 2016-17 and further declined to 7.6 percent in 2017-18. The low growth during the year 2018-19, the growth in GSVA improved to 7.8 percent. The year on year (YOY) growth in GSVA in real terms is shown in Table 2 & Fig 1. Both tables and figure states that in Haryana, GSDP is continuously increasing timely.

Fig 1 reveals Sector wise composition of state economy and show that the share of Agriculture and Allied Sectors in economy of Haryana declined from 60.7 percent in 1969-70 to 17.5 percent in 2018-19 at constant prices while the share of Industry Sector increased from 17.6 percent in 1969-70 to 32.3 percent in 2018-19. The share of Services Sector increased from 21.7 percent to 50.2 percent during this period.

**Table 1: Gross State Domestic Product of Haryana.**

(<sup>^</sup> In Crore)

year	Gross State Domestic product At current prices	At constant(2011-12) Prices
2011-12	297538.52	297538.52

2012-13	347032.01	32011.1
2013-14	399268.12	347506.60
2014-15	437144.71	370534.51
2015-16	495249.01	413175.07
2016-17(P)	556324.58	450667.68
2017-18(Q)	626053.52	486238.67
2018-19(A)	7 07,126.33	5 26,055.24

P: Provisional Estimates, Q: Quick Estimates,  
A: Advance Estimates

Source: Department of Economic & Statistical Analysis, Haryana, Economic Survey, 2018-19

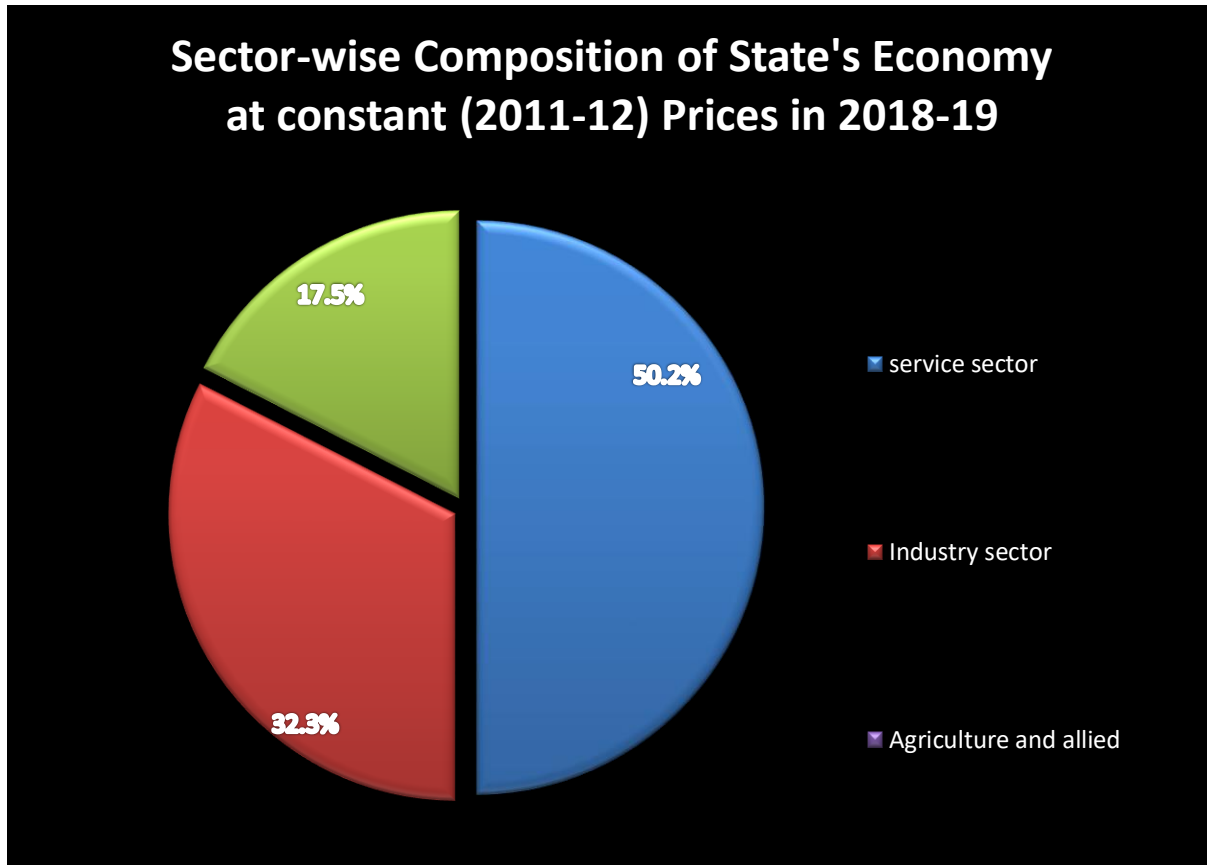
**Table 2: Growth in Gross State Value Added at Constant (2011-12) Prices.**

sector	2013-14	2014-15	2015-16	2016-17 (P)	2017-18 (Q)	2018-19 (A)	All INDIA 2018-19(A)
Agriculture & Allied	2.8	-2.2	3.8	10.4	5.5	5.5	3.8
Industry	7.4	4.7	11.4	10.4	5.5	8.6	7.8
Service Sector	10.1	10.4	10.7	6.8	9.8	8.2	7.3
GVA	7.6	6.0	9.6	8.6	7.6	7.8	7.0

P: Provisional Estimates, Q: Quick Estimates,  
A: Advance Estimates

Source: Department of Economic & Statistical Analysis, Haryana, Economic Survey, 2018-19

Fig 1: Sector- wise composition of State`s Economy at constant prices



### STRUCTURAL TRANSFORMATION OF THE STATE'S ECONOMY

At the time of formation of Haryana State, the State's economy was primarily an agrarian economy. At the beginning year 1969-70 of 4th Five Year Plan, the contribution of Agriculture and Allied Sectors (crops, livestock, forestry and fishing) to the GSDP at constant prices was the largest (60.7%) followed by Services (21.7%) and Industry(17.6%) Sectors. During the period of 37 years (1969-70 to 2006-07) intervening 4th and 10th Five Year Plans, Industry and Services Sectors registered higher average annual growth than the Agriculture and Allied Sectors which resulted in the increased share of Industry and Services Sector and decreased share of Agriculture and Allied Sectors in the GSDP. The share of Agriculture and Allied Sectors in GSDP declined from 60.7 percent in 1969-70 to 21.3 percent in 2006-07 while the share of Industry Sector increased from 17.6 percent in 1969-70 to 32.1 percent in 2006-07. The share of Services Sector increased from 21.7 percent to 46.6 percent during this period.



Since the 11th Five Year Plan, the pace of structural transformation of the State's economy remained continued. Consequent upon the vigorous growth recorded in Services Sector during this period and onwards, the share of Services Sector in GSVA further strengthened to 50.2 percent in 2018-19 with a decrease in the share of Agriculture and Allied Sectors at 17.5 percent.

### **AGRICULTURE & ALLIED SECTORS**

Agriculture is an important sector of our State economy and majority of the population is directly or indirectly dependent on agriculture and its allied activities. Accordingly, the State has accorded high priority to Agriculture Sector since its creation on 1st November, 1966. Strong infrastructure facilities such as rural electrification, extensive network of canals, roads development of market yards etc. were created which provided much needed movement to agriculture development in the State. Creation of these facilities together with agricultural research support and excellent extension network to disseminate information related to improved farm practices for farmers yielded tangible results. The State has been converted from a food deficient to a food surplus State. The Agriculture and Allied Sectors has always been an important contributor to the Gross State Domestic Product (GSDP). However, as a consequence of rapid structural transition of the State's economy over the years, the contribution of the Agriculture and Allied Sectors at constant (2011-12) prices went down to only 17.5 percent of the GSVA during the year 2018-19. The economic growth of the State has become more dependent on the growth in Industry and Services Sectors during the past few years. However, recent experience suggests that high GSVA growth without sustained and rapid agricultural growth is likely to accelerate inflation in the State jeopardizing the larger growth process. Therefore, the growth of Agriculture and Allied Sectors continue to be a critical factor in the overall performance of the State's economy.

Agriculture and Allied Sectors consists of agriculture, forestry & logging and fishing sub-sectors. Agriculture including crop husbandry and dairy farming is the main component contributing about 93 percent in GSVA of Agriculture and Allied Sectors. The contribution of forestry and fishing subsectors in GSVA of Agriculture and Allied Sectors is merely around 5 and 2 percent respectively resulting in very low impact of these two sub-sectors on the overall growth of Agriculture and Allied Sectors. The GSVA along with the growth rates recorded by the State's economy at constant (2011-12) prices in Agriculture and Allied Sectors over the years has been shown in Table 3. The estimates of Agriculture and Allied Sectors indicate that the growth rate increased from 3.8 percent in 2015-16 to 10.4 percent in 2016-17 but it fell to 5.5 percent in 2017-18. As per the Advance Estimates for 2018-19, the GSVA from this sector has been recorded as 81,113.67 crore with the growth of 5.5 percent. The GSVA from Agriculture Sector including crops and livestock has been estimated as 75,230.36 crore with the growth of 5.6



percent whereas the GSVA from forestry & logging and fishing sub-sectors has been recorded as 4,200.00 crore and 1,683.31 crore with the growth of 2.2 percent and 7.4 percent respectively during the year 2018-19.

**Table 3: GSVA from Agriculture and Allied Sector at Constant (2011-12) Prices.**

(in Crore)

Sector	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 (P)	2017-18 (Q)	2018-19 (A)
Crop & Livestock	59785.53	5858.94 (-2.0)	60492.59 (3.2)	58778.74 (-2.8)	61034.66 (3.8)	67665.6 3(10.9)	71229.7 5(5.3)	75230.36 (5.6)
Forestry & Logging	3894.90	3772.16 (-3.2)	3677.45(- 2.5)	3897.24( 6.0)	3984.8(2. 2)	4065.17 (2.0)	4110.70 (1.1)	4200.00( 2.2)
Fishing	858.43	902.89( 5.2)	855.10(- 5.3)	900.64(5. 3)	1003.17( 11.4)	117837( 17.5)	1567.81 (33.0)	1683.31( 7.4)
Agriculture And Allied	64538.36	63264.9 9(-2.0)	65025.14 (2.8)	63576.61 (-2.2)	66022.21 (3.8)	72909.1 8(10.4)	76908.2 6(5.5)	81113.67 (5.5)

P: Provisional Estimates, Q: Quick Estimates,

A: Advance Estimates

Figures in bracket show the percentage growth over previous years

Source: Department of Economic & Statistical Analysis, Haryana, Economic Survey, 2018-19

### **INDUSTRY SECTOR**

The sub-sector wise Gross State Value Added (GSVA) along with the growth rates recorded by the Industry Sector in the State at constant (2011-12) prices during different years has been shown in Table 4. As per Quick Estimates for 2017-18, the GSVA for Industry Sector has been recorded as 1,37,736.37 crore as against the Provisional Estimates of 1,30,500.56 crore in 2016-17 recording a growth of 5.5 percent in 2017-18 as compared to the growth of 10.4 percent in 2016-17. As per the Advance Estimates for 2018-19, the GSVA from Industry Sector is estimated to be 1,49,559.23 crore recording a growth of 8.6 percent over previous year.

**Table 4: GSVA From Industry sector at constant (2011-12) prices**

(in Crore)

Sector	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 (P)	2017-18 (Q)	2018-19 (A)
Mining & Quarrying	118.82	91.94(-12.6)	272.40(196.3)	330.902(1.5)	695.23(110.1)	1060.96(52.6)	1310.02(22.6)	1358.97(4.5)
Manufacturing	5386.09	63311.66(18.8)	67459.01(6.6)	72320.84(7.2)	84936.38(17.4)	96000.29(13.0)	101235.78(5.5)	110589.96(9.2)
Electricity Gas Water Supply & Other Utility Services	3446.04	3775.07(-2.1)	2917.19(-13.6)	3267.77(12.0)	296061(-9.4)	3696.69(24.9)	4453.60(20.5)	5233.64(17.5)
Construction	29759.66	27614.98(-7.2)	30686.76(11.1)	30146.78(-1.8)	29581.79(-1.9)	29742.62(0.5)	30745.98(3.4)	32376.65(5.3)
Industry	86610.61	94393.65(9.0)	101335.36(7.4)	106066.30(4.7)	118174.01(11.4)	130500.56(10.4)	137736.37(5.5)	149559.23(8.6)

P: Provisional Estimates, Q: Quick Estimates, A: Advance Estimates

Figures in bracket show the percentage growth over previous years

Source: Department of Economic & Statistical Analysis, Haryana, Economic Survey, 2018-19

### SERVICES SECTOR

The importance of the Services Sector can be gauged by looking at its contribution to the Gross State Value Added (GSVA) of the economy. The share of Services Sector in the GSVA at constant (2011-12) prices has increased to 50.2 percent in 2018-19. The rise in the Services Sector's share in GSVA marks a structural shift in the State's economy and takes it closer to the fundamental structure of a developed economy. During the period of 11th Five Years Plan, the Services Sector grew at the average annual growth rate of 12.2 percent. This growth rate of Service Sector was significantly higher than the average annual growth recorded for combined Agriculture and Industry Sectors during this period. The trend of faster and sustained growth of Services Sector as compared to other two sectors also remained on the same path during the period of 12th Plan (2012-17) and thereafter.

After recording the excellent growth throughout the 11th Five Year Plan, the Services Sector recorded a growth of 10.6 percent, 10.1 percent, 10.4 percent, 10.7 percent and 6.8 percent in 2012-13, 2013-14, 2014-15 2015-16 and 2016-17 respectively. As per Quick Estimates of 2017-18, the real GSVA from this sector has been recorded as 2,14,592.56 crore as against the provisional Estimates of 1,95,488.47 crore in 2016-17, registering a growth of 9.8 percent. As per the Advance Estimates for 2018-19, the GSVA from Services Sector has been estimated as 2,32,246.29 crore recording a comparatively slower growth of 8.2 percent. The slow growth recorded in trade, repair, hotels & restaurants (9.4%), transport, storage, communication & services related to broadcasting (6.3%), real estate, ownership of dwellings & professional services (7.2%) and other services (8.8%) sectors is the main reason of low growth recorded in 2018-19 (Table 5).

**Table 5: GSVA FROM SERVICES SECTOR AT CONSTANT (2011-12) PRICES**

(in Crore)

Sector	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 (P)	2017-18 (Q)	2018-19 (A)
Trade, Repair & Restaurants	33107.42	36239.29 (9.5)	38434.40 (6.1)	43097.44 (12.1)	50324.65 (16.8)	55530.40 (10.3)	62645.05 (12.8)	68525.50 (9.4)
Transport, Storage, Communication & Services Related To Broadcasting	17107.89	18744.22 (8.5)	20469.79 (9.2)	22937.61 (12.1)	24341.30 (6.1)	24725.77 (1.6)	26699.41 (8.0)	28377.48 (6.3)
Financial, Real Estate & Professional Services	52584.59	59475.62 (13.1)	68666.72 (15.5)	74026.89 (7.8)	81730.00 (10.4)	86700.77 (6.1)	93125.40 (7.4)	100219.14 (7.6)
Public Administration, Defence And Other	19956.26	21482.82 (7.6)	22127.24 (3.0)	25264.26 (14.2)	26587.59 (5.2)	28531.53 (7.3)	3212271 (12.6)	35124.18 (9.3)

Service								
Overall Services	122925.16	125941.9 3(10.6)	149698.1 6(10.1)	16536.20 (10.4)	18298.53 (10.7)	195488.4 7(6.8)	214592.5 6(9.8)	232246.2 9(8.2)

P: Provisional Estimates, Q: Quick Estimates,

A: Advance Estimates

Figures in bracket show the percentage growth over previous years

Source: Department of Economic & Statistical Analysis, Haryana, Economic Survey, 2018-19

### **Growth of Different Sub-Sectors in Services Sector**

#### **Trade, Repair, Hotels & Restaurants**

As per the Quick Estimates of 2017-18, the growth of this sector has been recorded as 12.8 percent as compared to the growth of 10.3 percent recorded in 2016-17. As per the Advance Estimates for 2018-19, the growth of this sub-sector is likely to be 9.4 percent.

#### **Transport, Storage, Communication and Services related to Broadcasting**

As per the Quick Estimates of 2017-18, the growth of this sub-sector has been recorded as 8.0 percent as compared to the growth of 1.6 percent in 2016-17. As per the Advance Estimates for 2018-19, the growth of this sub-sector is likely to be 6.3 percent.

#### **Financial, Real Estate and Professional Services**

This sub-sector recorded the growth of 6.1 percent and 7.4 percent in 2016-17 and 2017-18 respectively. As per the Advance Estimates for 2018-19, this sub-sector is likely to achieve the growth of 7.6 percent.

#### **Public Administration, Defence and Other Services**

This sub-sector recorded a growth of 7.3 percent and 12.6 percent in 2016-17 and 2017-18 respectively. As per the Advance Estimates for 2018-19, the growth of this sub-sector is likely to be 9.3 percent.

### **CONCLUSIONS**

The paper concludes that the economy of Haryana has showed very high rate of growth due to industries activities, transport, communication, trade, hotel and restaurants, banking and insurance, public administration, defense and other services. Agricultural development started almost during the 70s, with the introduction of Green revolution and the growth of industries and

service sector were noted after the introduction of economic reforms done by the central government and sector specific industrial policies by the state government. Agriculture sector has experienced a reasonable decline of agriculture's share in GSDP. Despite a fall in its share, agricultural sector is a major source of income in the state, particularly for rural people. All the indicators of structural change in Haryana prove that the state economy has undergone structural change, accelerating the economic growth rate, but reducing the significance of agriculture in the development process. Haryana economy has undergone the process of structural transformation at a faster rate, leading to higher growth rates of the various sectors.

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