

# CHAPTER 1

## INTRODUCTION

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### 1.1 Background

Service sector is the fastest growing sector around the world, which provides more than 60 per cent output of world. The worldwide expansion of service sector led to services being considered as an engine of growth. In developing countries, the service sector can lead to inclusive growth through backward and forward links (Bangas 2005), by confirming equitable access to basic services at low prices (Deloitte 2011), by creating employment opportunities, and by developing human capital. In India, the contribution of service sector is about 57 per cent to the GDP and it is continually rising. In India 10.5 per cent service sector growth rate has observed in 2010 as compared to overall average growth rate of 7.5 per cent in emerging and developing economies. Although in 2011 overall growth rate of service sector of India has decreased to 7.2 per cent but it was still higher than the average growth rate of developing economies which was 6.2 per cent.<sup>1</sup>

The service sector has been a major catalyst to India's GDP and to its growth. Its employment's share is second largest after agriculture. In India trade of services has increased overtime and its share in FDI inflow and outflow is largest. The growth of service sector of India has drawn international consideration. The pattern of development is different in India where there has been a shift from agriculture to the service sector while on the other hand other countries led to a shift from agriculture to industries. In this respect , India has been considered as an outlier among South Asian and other developing countries (Ansari 1995), Gordan and Gupta (2003) and Jain and Ninan (2010) have however, pointed out that with the increase in per capita income, the service's share in GDP increases. The increase in urbanization, privatization and extra demand for intermediate and final consumer services caused the growth of service sector. Availability of quality services is important for the wellbeing of the economy. India has achieved the position of one of the five exporters of services amongst developing countries in less than two decades with a market share of 9.2 per

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<sup>1</sup>Ashish Kumar "Retail Sector in India"

cent in 2012-13 as against 2.6 per cent in 2007. The contribution of service sector in employment and total trade is 35 per cent and 25 per cent respectively and over half of the foreign investment inflows.

The services especially comprise a set of highly heterogeneous economic activities. It includes different types of services either those which are more complex services like IT or some financial services to those services offered by Barber, Rickshaw puller or by plumber etc. The service sector is an aggregate term, a large group of activities that include trade, hospitality (hotels, restaurants), transportation, communication, entertainment, health education, public services and so on are involve in service sector. It has been seen, that at aggregate level service sector is more heterogeneous than the other two sectors of economy i.e. agriculture and industry. Thus if the goods produced directly from natural resources (agriculture, fishing, hunting, mining, and so on) comes in primary sector and secondary sector involves modifying material goods into other more useful products and commodities, then the tertiary sector the service sector includes all activities that do not produce or modify material goods (Iieris, 2007). The output of services sector such as teaching, cleaning, selling, curing and entertaining have no physical form and therefore they are immaterial or intangible while on the other hand the output of agriculture , mining or manufacturing are material and tangible (Noon, 2003).

The classification of service sector can be done by using the country's own definition or by the United Nations Central Product Classification (UNCPC). National Industrial Classification provides the classification for India's services which incorporates trade, hotel and restaurants; transport, storage and communication; financing, insurance, real estate and business services; and community, social and personal services. Construction is also included in World Trade Organisation (WTO) and Reserve Bank of India (RBI) classification. Since the sector is evolving, both the UNCPC and NIC have undergone changes.<sup>2</sup> At present the NIC 2008 classification is under use. Large variation has been seen among the sub sectors of service sector either in terms of their share in GDP or in terms of their growth rate. Few services are increasing much faster than others. Banking, insurance and telecommunication are the sub sectors that witnessed massive improvement in the post-reform period. At present two sub

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<sup>2</sup>Arpita Mukherjee, "The service sector in India."

sectors trade, hotels and restaurant and financing, insurance, real estate and business services are dominant in services.

The existing literature shows that the share of service sector increases when economy matures. This process starts from the increasing share of industry. Thereafter services grow more rapidly, associated by a stagnant or decreasing share of the secondary sector. Cross country suggests that the first stage occurs unless the country reaches lower middle income status, while the second stage starts once it becomes an upper middle income country.

It has been noted that the share of agriculture sector is decreasing in GDP of Indian economy while the share of industry and service sector are increasing but the share of service sector is increasing faster so it is right to say that the movement of workforce is more towards the service sector as compare to industry, it is not commensurate to the case of total output. Nature of employment being created in the service sector in terms of wage and nonwage attributes is affected by the productivity of services. For some analysts, the tremendous growth of the services in India reflects rapid pace made by educated professionals employed in software, business process outsourcing, financial and telecommunication services. Whether, some other see that the expansion of unorganised sector as an employer is the reason of growth of services because sufficient employment opportunities has not being created through economic growth. Hence it can be seen that the nature of employment generated by service sector is likely to vary across different sub-sector of services at large extent.

## **1.2 Stages of Economic Development**

Economic development is a normative concept. Economic development is an increase in quality of life, improvement in self-confidence needs and freedom from repression as well as a greater choice (Michael Todaro). It refers to both more output or production and changes in the technical and official arrangements through which factors of production are produced and distributed.

Economic development is a continuous process so it involves different stages. Many economists gave their theories on economic development but Rostow and Marx talked about stages of economic development. They have talked about five stages but their stages' perspectives are different. Marx talked in a social perspective while on the

other hand Rostow focused on economic perspective. Mostly, Rostow's stages of economic development are followed.

But here the concern is broadly about sector theory of economic development which argues that there are three stages of economic development which are primary, secondary and tertiary. A.G.B Fisher was the first who introduced the concept of primary, secondary and tertiary sector.<sup>3</sup> The expansion of sectoral shares in output, consumption and employment as economies growth has been studied by economists since 1950. Primary sector is incorporated with agriculture, postoral production, fishing, forestry, hunting and mining. Secondary sector is consists of manufacturing and construction. By many economists mining is also included in this category. Finally tertiary sector is defined as different services which are transportation, communications, trade, government and personal services. According to Fisher an economy can be characterized with respect to the proportion of its labour force employed in three sectors.<sup>4</sup>Kuznets (1966) and Chenery (1975) also suggests that development would be associated with a sharp fall in the proportion of GDP created by the primary sector counter balance by a significant rise in industry, and by a more moderate rise in sectors also follows same pattern . For any economy it is essential that it should move on the path of growth smoothly and for this it is important and the development pattern should be followed by an economy as suggested by Kuznets. Every sector has its own relevance and it varies according to the process of development.

Primary sector also known as agriculture sector plays a vital role in the process of economic development of a country. The history of England, USA and Japan is clear proof of the fact that agricultural development has assisted to a greater extent in the process of their industrialization. When an economy shifts to secondary sector, new farm techniques are used and industrialisation changed in to the process of transformation, distribution and selling of goods.

### **1.3 Economic Development and Indian Economy**

The picture of economic development of India is much different till mid 1980's as compare to present scenario. It followed socialist policies. In the three decades after

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<sup>3</sup>Service Management: An integrated approach to supply chain management and operations.

<sup>4</sup>CengizHaksever and Barry Render(2013), 'The important role services play in an economy.'

independence India's per capita income increased only around 1 per cent annualised rate and it was agrarian economy. Economic liberalisation was the way through which India has slowly opened up its market in 1990; afterward the country faced a balance of payments crisis. Privatization, the removal of FDI limitations and rationalization of approval procedures among others have led by reform and the impact of reform was also observed in service sector. India has progressed towards a free economy after economic reforms of 1991. Growth of Indian economy reached at 7.5 per cent in 2000s which will double the average income in a decade. India has placed as a 7<sup>th</sup> largest economy in the world and the 3<sup>rd</sup> largest by purchasing power parity adjusted exchange rates (PPP). It has 140<sup>th</sup> rank in terms of per capita income and 129<sup>th</sup> rank in terms of Purchasing power parity in the world ranking. Expansion of services worked as a catalyst in the economic growth of India. Services have been growing consistently faster than other sectors. It is argued that the pattern of development of Indian economy is unique and different from rest of economies; it has skipped the intermediate industrialization led phase in the transformation of its economic structure. Serious concerns have been focused about the jobless nature of economic growth.

#### **1.4 Historical Perspective**

Several turns and twists have been observed in economic development of India in post-independence period. The period of economic reforms has been observed as the sole of turning points, which broke the concept of Hindu growth rate from the low growth to extraordinary growth and divide the post-independence economic history into two clear phases: The pre reform period and the post-reform period.

The post-independence period took a major break in history of economic development of India. The commencement of economic planning in 1950, when Britishers had not even leave country was the outcome of this turning point. Period of 1980s also noticed as a structural break period when growth rate of GDP accelerated from about 3 to 3.5 per cent to between the ranges of 5 per cent to 6 percent. In this context, introduction of economic reform in early 1990 was not a break as the growth rate in the post-reform period was not significantly higher than the period of 1980. In fact, Growth rate, backed off in the early years of 21st century, yet fundamentally grabbed after 2004. The period since 2004, even in the wake of representing moderate down

during the financial crisis in 2008-09 speaks to a unique period of high development in the post-reforms period.<sup>5</sup>

Same time pattern has been followed by structural changes in the share of agriculture, industry and services as the changes in the growth rate but the contents of change have varied from period to period. It has been recorded that the share of agriculture sector is continually decreasing over the past six decades. The share of agriculture was 57 per cent in 1950-51 and it decreased to 40 per cent in 1980-81. It has further declined to 24 per cent in 1995-96 and 16 per cent in 2009-10. As availability of current data its share is 17 per cent (2013-14). The share of industries and services have increased but at different pace and in different period. Their importance and share to the growth as varied over different periods. The pattern of structural changes in the post-independence period of India can be divided into the following four phases.

#### **1.4.1 Phase 1: Independence to Mid 1960s**

This is a period of high growth rate of industry and a significant large increase in the share of non-agricultural sector, particularly of the industry in the national output. Growth rate acceleration had recorded in this decade. (Papola, 2008).

#### **1.4.2 Phase 2: Mid 1960s to 1980.**

Sharp decline in growth of industry had found in this period with a slower growth of GDP. This period was accompanied by slower step of structural shift from agriculture to non-agriculture and a very small increase in the industry's share. (Papola, 2008).

#### **1.4.3 Phase 3: 1980 to early 1990s.**

Growth rate had accelerated in this period which was due to services. This was the phase when the structural change had placed at very large extent. Share of agriculture decreased drastically with a very little increase in the share of industry- services picking up the major share of the shift. (Papola, 2008).

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<sup>5</sup> T S Papola, 'Structural Changes in the Indian Economy', Working paper 2012/02 (June 2012)

#### **1.4.4 Phase 4: 1990s onwards:**

During the period of 2000 to 2004 the growth declined, before this growth continued at similar rate as 1980s. Structural change continued at an accelerated step with the declining share of agriculture. Service sector has emerged as the major sector and the share of industry was small. The period of 2005 to 2010 within this phase has been a sharp acceleration in growth rate, despite a slowdown in 2008-09. Industry has stagnated and agriculture share has declined from 20 to 16 per cent while the service's share increased from 54 to 59 per cent. (Papola, 2008).

Hence in the initial three decades, rate of economic growth took after that of the industrial sector. Since 1980's it has been primarily services led. The industry's share has remained at nearly the same level (around 25 for each penny) since 1987-88. Inside industry, share of manufacturing has been consistent at 15 per cent; construction has expanded its share fundamentally at the expense of mining. Gross domestic product was evaluated to be 24 per cent during 1950-51 to 1979-80 and just 18 per cent during 1980-81 to 2007-08. Construction has seen a little decrease in its contribution from 10 to 9 for every penny. Industry including development saw a decrease in its commitment from 40 per cent in prior period to 31 for each penny in the letter.<sup>6</sup>

Acceleration took place since 1980s when the growth rate of services was 4.6 per cent during 1950-51 to 1979-80, 6.5 per cent during 1995-96 to 2007-08. Share of services to the growth of non-agricultural GDP was 78 per cent during 1979-80 to 2007-08, as compared to 69 per cent in 1950-51 to 1979-80. Growth of Indian economy was primarily services drive over the last 30 years this growth pattern of Indian economy pointed out two questions, First, is the growth pattern of Indian economy follows the normal process of development? And second, is whether such services led growth is sustainable. Service sector is a group of heterogeneous services and it is essential to look at the composition of the services sector to observe which services have contributed to the growth and dominance of the sector.

Since 1980 the increase in the growth of services was led by transport, communication and financial services. In the latter part of period 1995-96 to 2007-08

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<sup>6</sup> T S Papola, 'Structural Changes in the Indian Economy', Working paper 2012/02 (June 2012)

trade also joined as the fast growing group except community, social and personal services, and public administration and defence all other services showed a sharp acceleration in growth rate.

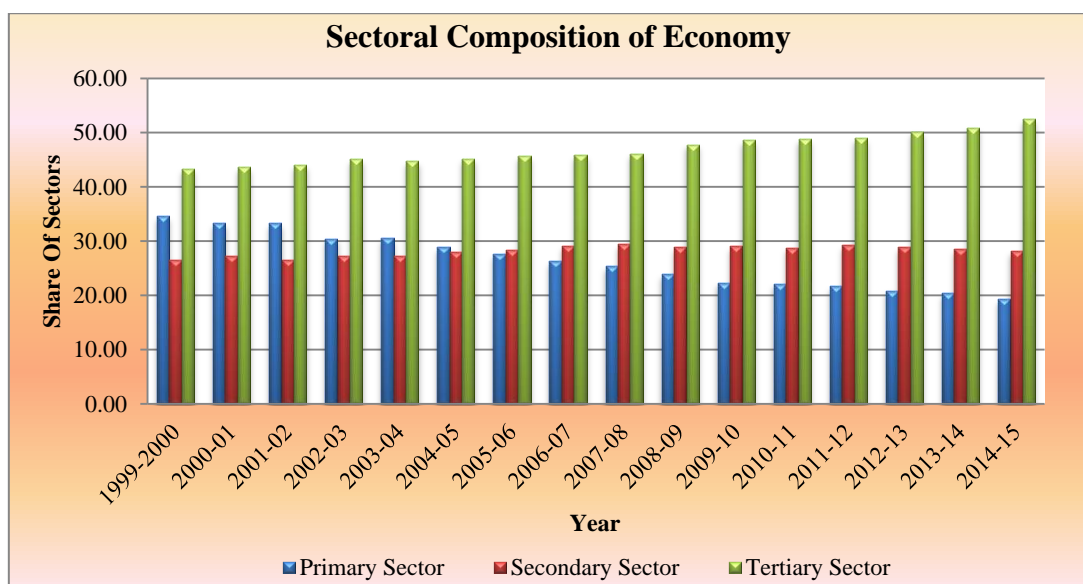
### 1.5 Sectoral Composition of GDP

Share of agriculture has been declining since 1960's. Share of industry and services has increased. In the last decade, the share of services had compressed the combined share of agriculture and industry making it the most essential contributor to the country's output. In fiscal year 2014, services accounted for 57 per cent of India's GDP which was less than that of countries such as United Kingdom (UK) at 78.4 per cent and United States 78.3 per cent but higher than that of the China at 41 per cent.

Table 1.1 depicts the share of different sectors in economy since 1999-2000 to 2014-15. It can be easily seen that share of services has beaten the combined of agriculture and industry. In 2015 the share of agriculture, industry and service sector are 19 per cent, 28 per cent and 52 per cent respectively.

Initially the growth rate of secondary sector was high when transition had been took place during the period of 2000-01 but after this year growth of service sector has started increasing with high rate.

**Fig. 1: Sectoral Composition of Economy**





<b>Table1.1.Sectoral Composition of Economy at Constant Base Price (2011-12)</b>			
Year	Primary Sector	Secondary Sector	Tertiary Sector
1999-00	34.58	26.65	43.35
2000-01	33.28	27.25	43.63
2001-02	33.33	26.56	43.99
2002-03	30.51	27.37	45.09
2003-04	30.58	27.35	44.80
2004-05	28.89	28.12	45.21
2005-06	27.62	28.42	45.73
2006-07	26.36	29.23	45.83
2007-08	25.44	29.48	46.19
2008-09	23.92	28.91	47.82
2009-10	22.35	29.14	48.66
2010-11	22.23	28.80	48.79
2011-12	21.75	29.28	48.97
2012-13	20.87	28.89	50.23
2013-14	20.43	28.61	50.96
2014-15	19.33	28.15	52.51
Source: Economic Survey of 2015-16. Note: Gross Value Added at base Prices 2011-12			

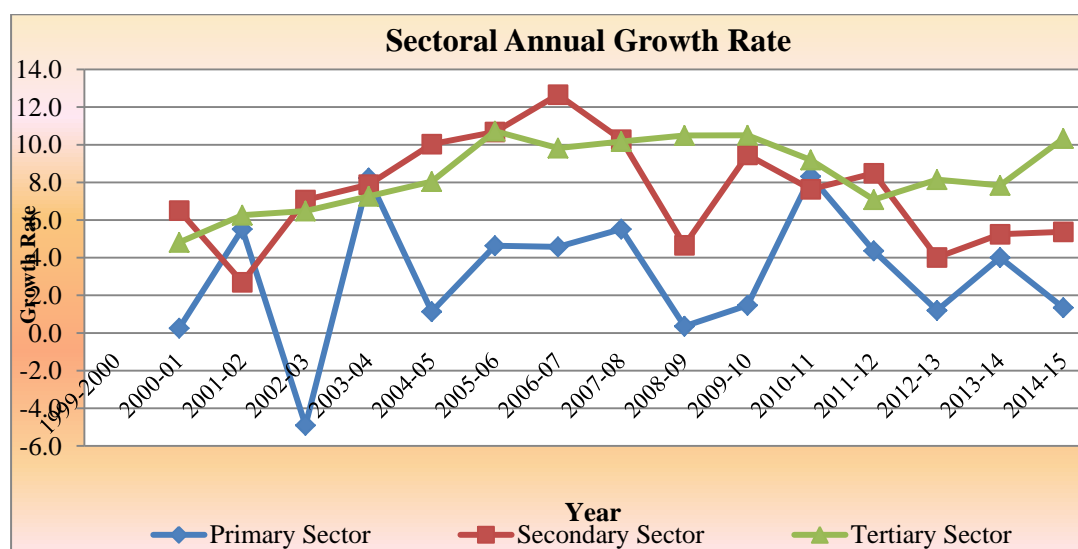
Table 1.2 represents the GVA annual growth rate of all sectors separately. So much fluctuations has been seen in the growth rate of these three sectors only primary sector is the one which also got through a negative growth rate. After financial crisis the growth rate of secondary sector didn't reach at two digit level of growth rate and this was the period when service sector grew with two digit level of high growth rate. Industries grew at high rate during the period of 2004-05 to 2007-08.

Year	Primary Sector	Secondary Sector	Tertiary Sector	Year	Primary Sector	Secondary Sector	Tertiary Sector
1999-00	–	–	–	2007-08	5.5	10.3	10.2
2000-01	0.3	6.5	4.8	2008-09	0.4	4.7	10.5
2001-02	5.5	2.7	6.3	2009-10	1.5	9.5	10.5
2002-03	-4.9	7.1	6.5	2010-11	8.3	7.6	9.2
2003-04	8.2	7.9	7.3	2011-12	4.4	8.5	7.1
2004-05	1.1	10.0	8.0	2012-13	1.2	4.0	8.1
2005-06	4.6	10.7	10.7	2013-14	4.0	5.3	7.8
2006-07	4.6	12.7	9.8	2014-15	1.3	5.4	10.3

Source: Economic Survey of 2015-16.  
Note: Gross Value Added at base Prices 2011-12.

Now in 2015 the growth rate of service sector is highest with 10.3 per cent followed by secondary and primary sector with the growth rate of 5.4 and 1.3 respectively (Table 1.2).

**Fig. 2: Sectoral Annual Growth Rate**



## 1.6 Classification and Governance

Classification of service sector in every country is purely depends on country either it use its own definition and classification or classification provided by United Nations Central Product Classification (UNCPC). CPC is a product classification for goods and services disseminated by the United Nations Statistical Commission This classification is of international negotiations for establishing and analysing data on industrial production, national accounts trade, prices etc.<sup>7</sup> National Industrial Classification has used in India for classification of Services. NIC 2008 is being used at present. The classification of NIC and UNCPC is much different. In India construction isnot a part of classification while it takes place in UNCPC.NIC 2008 of services with their code is as follows.<sup>8</sup>

<b>BOX 1: Services Included in the Service Sector in the National Industrial Classification 2008<sup>9</sup>.</b>	
<b>NIC Code</b>	<b>Services</b>
G	Wholesale and retail trade; repair of motor and motorcycles
H	Transport and Storage
I	Accommodation and food service activities
J	Information and Communication
K	Financial and Insurance activities
L	Real estate activities
M	Professional, scientific and technical activities
N	Administrative and support services
O	Public administration and defence; compulsory social security
P	Education
Q	Human health and social work activities
R	Arts, entertainment, and recreation
S	Other service activities
T	Activities of household as employers; undifferentiated goods and services producing activities of household for own use

Source: National Industrial classification 2008.

<sup>7</sup>Arpita Mukherjee, ‘ The service sector in India.

<sup>8</sup>National Industrial classification 2008.

<sup>9</sup>Arpita Mukherjee, ‘ The service sector in India.’

To study the overall growth of service sector it is essential to look at every sub service sector. Its fact that service sector generates informal sector at a large extent, so it is very difficult to collect data of informal or unorganised sector. Reserve Bank of India(RBI), National Sample Survey Organisation (NSSO), Central Statistical Organisation (CSO), Ministry of Statistics and Programme Implementation (MOSPI) has been trying to collect data at decentralized level. Due to India's federal structure services in India comes under three list of Union, State and Concurrent list.<sup>10</sup>

Because of quasi federal structure of governance of India services are considered in three different lists of jurisdictions. Few are under the central government influence (Union list), some are under the state influence (State list), and remaining are under the combined controlling of central and state governments (Concurrent List). These all jurisdiction list can be explained under the following box<sup>11</sup>:

<b>Box: Jurisdictions in the Service Sector</b>
<b>Union List</b> Telecommunications, Postal, broadcasting, financial services (including insurance and banking), national highways, mining services
<b>State List</b> Healthcare and related services, real estate services, retail, services incidental to agriculture, hunting, and forestry
<b>Concurrent List</b> Professional services, education, printing and publishing, electricity.

### **1.7 Sub Sectors of Service Sector**

Service sector incorporates various services in itself but the contribution of all sub sectors is not equal in the growth of services and GDP. The three major services shares are mostly consider as a wheel of service sector which are as follows:

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<sup>10</sup> Mukherjee, A. 'Service sector in India'.

<sup>11</sup> Mukherjee, A. 'Service Sector in India'.

- Trade, hotels, transport and communication
- Community, social and personal services
- Financing, insurance, real estate and business services

Community, social and personal services have highest growth rate on the other hand growth rate of ‘Trade, hotels, transport and communication’ have been showing highest growth rate. All services are growing in a substantial way and contributing in the growth of service sector.

‘Trade, hotels, transport and communication’ provide services related to tourism, exchange of goods and service between two or more than two people or states or countries in exchange for remuneration of goods or services and connectivity between people or territory. Activities similar to recreational, cultural and sporting, sewage and refuse disposal, sanitation, membership organisations etc. are included in ‘Community, social and personal services’ and ‘Financing, insurance, real estate and business services’ include banking and non-banking institutions whose principal functions include the sale of bonds, securities or obligations of any kinds; the lending, investing or placement of funds or evidence of equity deposited with them etc. Whereas Insurance - comprises insurance carriers of all kinds such as life, fire, marine, accident, health, consultants for policy holders; adjusting agencies; independently organized pension (superannuation) funds etc. Real Estate includes letting and operating real estate such as non-residential buildings, apartment building and dwellings etc. and lastly Business Services not elsewhere includes legal services; accounting, auditing and bookkeeping services; engineering, architectural and technical services etc.

Table 1.3. shows that all services are growing at different growth. Many variations have found in respective of their contribution in the GDP and Service sector.

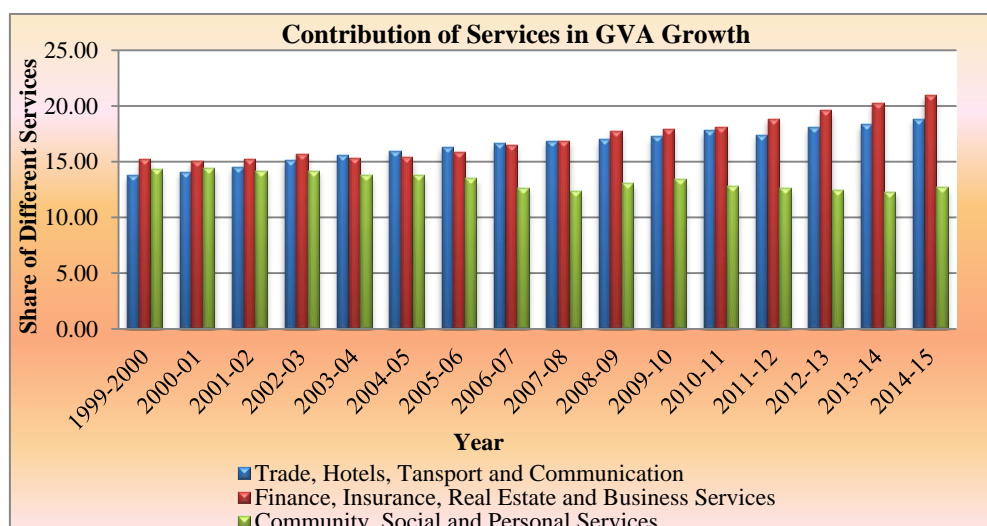
Share of Financing, Insurance, Real Estate and Business Services is highest with the 20.97 per cent of share in GDP followed by Trade, Hotels, Transport and communication and Community, Social and Personal Services with the share of 18.85 and 12.69 per cent respectively. It has been noticed that the contribution of community, social and personal services is decreasing, it has fell from 14.34 per cent of 1999-2000 to 12.69 per cent of 2014-15 while other two services have been

showed increasing share in GDP. The reason behind the rise in trade and financial services are encouragement of tourism and financial inclusion respectively.

Year	Trade, Hotels, Transport and Communication	Finance, Insurance, Real Estate and Business Services	Community, Social and Personal Services
1999-2000	13.82	15.20	14.34
2000-01	14.12	15.11	14.40
2001-02	14.55	15.23	14.21
2002-03	15.17	15.72	14.20
2003-04	15.62	15.33	13.85
2004-05	15.98	15.42	13.82
2005-06	16.35	15.86	13.52
2006-07	16.66	16.50	12.68
2007-08	16.90	16.89	12.40
2008-09	17.02	17.73	13.07
2009-10	17.30	17.91	13.45
2010-11	17.83	18.09	12.87
2011-12	17.43	18.88	12.66
2012-13	18.13	19.61	12.49
2013-14	18.38	20.30	12.28
2014-15	18.85	20.97	12.69

Source: Researcher's calculations based on Economic Survey of India 2015-16.

**Fig. 3: Contribution of Services in GVA Growth**



## 1.8 Employment in Service Sector

Employment in service sector is continuously increasing. Work force is shifting from agriculture sector to other two sectors. The picture of sectoral share of employment has changed over the last decades when the share of agriculture was 59.9 per cent during the period of 1999-2000 to 2004-05 and it decreased to 52.9 per cent during the period of 2004-05 to 2009-10. In this period the share of employment has increased from 23.7 per cent to 24.4 per cent in above respective period.

*“As per the National Sample Survey Office’s (NSSO) report on employment and unemployment situation in India 2009-10, on the basis of usually working persons in the principal and subsidiary statuses, for every 1000 people employed in rural India, 679 people are employed in the agriculture sector, 241 in the services sector (including construction), and 80 in the industrial sector. In urban India, 75 people are employed in (including construction) and 242 in the industrial sector. Construction; trade, hotels, and restaurants; and public administration, education, and community services are the three major employment- providing services sector.”*(Verma,2014)

Employment generated by service sector is organised and unorganised both sector. Finance, insurance, real estate, and business services and community, social and personal services largely provide organised employment while retail and wholesale trade largely provide unorganised employment.<sup>12</sup>

In FY 2004-06, 17.4 million people were employed in organised sector while in the same year the absolute number of employed people in unorganised sector was 83.2 million.<sup>13</sup> Trade hotels and restaurants are the only activities in which the contribution of the public sector is lower than that of the private sector. Service sector is creating an informal sector at a large extent.

Labour productivity in service sector differs among the various services. Some service’s employment is productive while few have lower labour productivity;It all depends on the nature of services and employment.

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<sup>12</sup>Arpita Mukherjee, ‘The Service sector in India.’ (2013)

<sup>13</sup> Data book for PC; 4<sup>th</sup> august 2014.

## **1.9 Statement of Problem**

Growth of service sector in an economy is a vital indicator of development. The service sector with the tremendous growth has the highest labour productivity, but employment has not kept step with the large share of the sector in GDP has not created the number or qualitative jobs needed. With the lot of heterogeneity this sector has large variation in the share of sub-sectors and labour productivity among sub-sectors. Growth rate of 8.2 per cent was achieved due to services, so it is essential to understand the nature, problem and their solutions of service sector. Now in this scenario service sector is the main catalyst for every economy and especially for developing economy like India. It is very important to understand the growth pattern and structural breaks in respect of service sector because in last few decades the growth pattern of economy has changed due to the change in economy structure through the movement of concentration from agriculture to service sector. To focus on these aspects there are few objectives of study.

## **1.10 Rational of the Study**

The present study is an attempt to highlights the performance of service sector and its services in India which are the main sources of development in present scenario. So, in such case it is essential to focus on this sector and find out the problems in order to take it in a forward path of development. The findings of study will provide benefit to policy makers; government and research scholars considering the service sector as an important indicator of economic growth at aggregate and disaggregate level.

## **1.11 Scope of the Study**

The study re-examines the structural change and labour productivity of service sector and its different services of Indian economy by applying theoretical consideration of the shift share analysis using annual data covering from period 1999-00 to 2014-15, Which is a period of 15 years. The sources of data of study are Central Statistical Organisation (CSO), Economic Survey of 2015-16, Ministry of Statistics and Programme Implementation (MOSPI), Director General of employment and training, Ministry of labour and employment and National Sample Survey Organisation (NSSO) database.



### **1.12 Objectives of the Study**

The objectives of the study are:

- To study the recent trend and performance of service sector and its sub sectors.
- To measure the labour productivity of service sector.

### **1.13 Organisation of Study**

The organisation of the study is as follows:

Chapter 1: Introduction

Chapter 2: Review of Literature

Chapter 3: Research Methodology of Study

Chapter 4: Recent trend and pattern of service sector and its sub sectors

Chapter 5: Labour productivity of service sector

Chapter 6: Major Findings, Conclusion, Policy Implications and Limitations of the Study

Bibliography

Appendix