

**Within in 2009-10.
within the secondary
sector,**



**ASSIGN
BUSTER**

Within the primary sector, the share of agriculture and allied activities in GDP has gone down from 57 per cent to around 15 per cent over these years. One thing is to be noted that it is a decline only in percentage share of agriculture in national income, the total volume of agriculture production is actually rising. The growth has fallen in percentage terms because industrial output and value of products in the service sector has grown faster than the pace of growth of agricultural production. The share of the secondary sector has almost doubled from 13 per cent in 1950-51 to 24.

5 per cent in 1990-91. However, its share in GDP has not shown much change in the later years. It has varied around 24 to 26 per cent since 2000-01. The share of the registered manufacturing units has gone up from about 4 per cent in 1950-51 to over 12 per cent in 2009-10. Within the secondary sector, the percentage share of manufacturing especially registered manufacturing and construction has been rising and that of gas, electricity and water supply has remained almost constant. The service sector (tertiary sector) has grown substantially since 1950-51, with its share in GDP going up from 28 per cent in 1950-51 to over 57 per cent in 2009-10. Within the tertiary sector, all sectors have been growing rapidly. Trade, hotels, transport and communication is the largest sector which contributes about 22.

5% share to GDP. Financial sector has been the fastest growing sector after independence and especially after nationalisation of banks in 1969 and 1980. Since the 1980's growth process in India has been marked by a robust performance of services sector. Growth rate of this sector improved from 6.6 per cent during the decade 1981-90 to 7.6 per cent during 1991-2000.

During 2001-02 and 2009-10, services sector grew by nearly 10 per cent. Though both secondary and tertiary sectors have grown faster than the primary sector but increase in the share of tertiary sector has been higher than that in secondary sector. The average growth rate of primary sector has been 2.5% per annum while that of secondary sector and tertiary sector has remained around 5% during the planning period. Earlier the primary sector was dominant but now tertiary sector is dominant in the economy. The secondary sector never remained dominant in the economy. This pattern of structural changes has deviated from the development pattern of the western countries. Those countries experienced first a shift from primary to secondary sector and only in their advanced stage they experienced a significant shift in favour of tertiary sector.

Thai pattern of development enabled them to transfer growing labour force from primary to secondary sector. In India this has not been possible because secondary sector has not expanded fast enough to absorb growing labour force. Public and Private Sectors: After independence India adopted mixed economy with more place for public sector (government sector). Since then significance of public sector has been rising. At the time of independence, share of public sector in GDP was merely 7% which rose to around one fourth in 1990-91.

In 2004-05 its share stands at 23.0%. During 1990s i. e.

, after the introduction of the New Economic Policy the share of public sector has been almost stagnant and is expected to fall in the future in the wake of privatisation and globalisation.