

## **GROWTH OF THE SERVICE SECTOR IN INDIA – WHAT DOES IT AUGUR FOR THE FUTURE**

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### **ABSTRACT**

The existence of a strong service sector is one of the pre-conditions of economic progress of any country. The service or tertiary sector covers a wide range of services ranging from the most sophisticated ones to those provided by the unskilled workers in the unorganized sector. India has made substantial progress on this front since the attainment of independence and is credited with having the second fastest growing service sector in the world.

Several factors have contributed to the growth of this sector in India. These include growing affluence, improving status of women, growth of IT sector, development of markets, health care consciousness, opening up of the economy etc. However, the sector has to face a number of hurdles in the form of inadequate infrastructure, absence of customer friendly attitude, bureaucratic inertia, existence of multiple public bodies and slow implementation of reforms.

What is worse is that the contribution of this sector to employment is much less as compared to its share of India's GDP. Two important socio economic problems are plaguing the economy in the form of poverty and population. However, this sector has a lot of potential and with just the right policy mix can take the economy to global heights in the near future.

**KEYWORDS:** Services, GDP, Liberalization, IT Sector, Women Empowerment