

# **ECONOMICS (CLASS—12 )**

## **Chapter -2**

### **INDIAN ECONOMY**

#### **1950–1990**

## **The Service Sector**

As a country develops, it undergoes ‘structural change’. In the case of India. The **structural change** is peculiar. Usually, with development, the share of agriculture declines and the share of industry becomes dominant. At higher levels of development, the service sector contributes more to the GDP than the other two sectors. In India, the share of agriculture in the GDP was more than 50 per cent—as we would expect for a poor country. But by 1990 the share of the service sector was 40.59 per cent, more than that of agriculture or industry, like what we find in developed nations. This phenomenon of growing share of the service sector was accelerated in the

**post 1991 period (this marked the onset of globalisation in the country)**

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