

1. India's service revolution has shown that industrialization is not the only route to rapid economic development. Do you agree? comment.

The natural economic progression of country moves ^{through} from primary economy, secondary economy and service economy. However India leap-frogged from primary economy to service economy. India contributes ≈ 53% of its GDP from service economy.

Contribution of service economy

→ India has outperformed China in service economy.

→ Its service economy is growing faster than US.

→ It attracts major FDI's and inflow of investments is to great extent.

→ The major keys for improving is BTs, tradability, technology innovation,

transport.

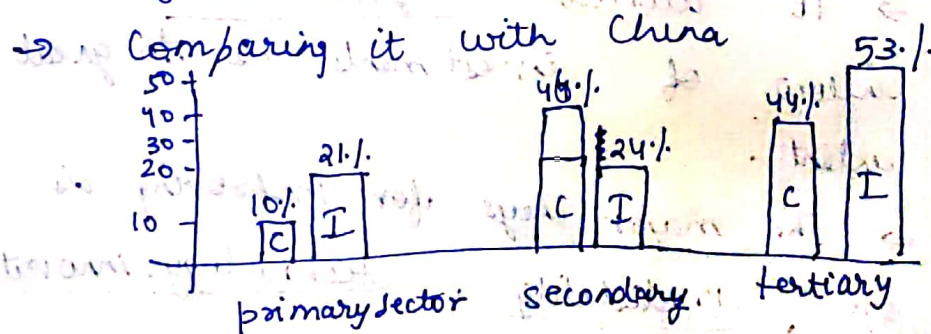
→ The ~~core~~ major advantage is that it doesn't ^{have} any export barrier as exports are done in 2 ways. impersonal exports and personal export.

→ This sector gave life to skilled and educated people. Hyderabad, Bangalore, Mumbai, Noida and many more are major hub for IT sector.

Issues with service sector

Though it increases economy, but also increases job disparities. There is an increase in jobs growth wherein with increase in economy there is no improvement in jobs. Rich are becoming richer and poor are turning poorer because of low skill, education etc.
Manufacturing sector needs a boost

India is pool of labour it requires rich manufacturing sector to absorb it. Because the unskilled labour remain in primary sector increasing disguised labour force.
→ India contributes only $\approx 24\%$ to manufacturing sector.



C → China I → India

Thereby to keep our economy sustainable there is need for boost in manufacturing sector. The increase in manufacturing sector is key rise for GDP growth in China.

Thus India's service revolution should take initiatives like 'Make in India' to catch route of industrialization for rapid economic growth.