CHANGES IN THE COMPOSITION OF EMPLOYMENT OF THE SERVICE SECTOR IN ASSAM

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Abstract: Service sector has become the most important sector of economy, contributing half to Net State Domestic Product of Assam. Similar to the share of income, the sector has also provided large-scale employment. The objective of the paper is to understand the changes in the composition of employment of different sub-sectors of the service sector in Assam. It is noticed that, this sector is creating employment more in urban areas than the rural areas. Within the service sector, there are some sub-sectors with high output and employing proportionately smaller number of workers while the others produce lower output but employing fairly large number of workers. This paper attempts to capture the structure of employment created by this sector at disaggregated level.

Key words: Service sector, Composition of Employment, Distribution of Workers, Assam

1. Introduction:

In the recent years the Assam economy has undergone a dynamic structural transformation and rapid transition from primary sector to service sector. At present, the service sector has become the most important sector of economy, contributing half to Net State Domestic Product of Assam. It constitutes a large part of the Indian economy, especially in its contribution to national income (53.5 percent of Gross Value added in 2017-18). Similar to the share of income, the sector has also provided large-scale employment. The basic feature of this sector is the production of services instead of end products. The service sector involves the provision of services to other businesses as well as final consumers. Activities in the service sector include trade, transport & storage, banking and insurance, media, communication, hotel and restaurants, education, health, real estate, electricity, gas, water service, social work, personal services etc. The peculiarity of this sector is that it provides a service, not an actual product that could be held in hand. It is intangible in nature. With a view to examine the role of service sector in terms of employment, the paper seeks to analyse the employment pattern of service sector in Assam with the help of secondary data across different services. The changes in the structure of employment in service sector over the years has also been examined.

2. Review of Literature:

Early literature on the sectoral distribution of employment dates back to the works of Fisher (1935) and Clark (1940).

Baumol (1967) has identified the key theoretical foundation for the expansion of service sector employment. The expansion of the employment share in services relative to industry is the direct consequence of services’ lower productivity performance. This is later known as “Baumol’s disease”. So productivity difference is there and because of this difference, if the relative level of output in industry and services is maintained, greater proportion of the labour force must be channelled into services activities. The model suggested by Baumol (1967) has remained one of the principle theories on service sector employment.

Later Baumol’s work has been extended by Oulton (2001) and he studies the supply of intermediate. According to him a shift of primary inputs such as labour or raw materials from industry to intermediate service production augmented the economy’s productivity rate as long as the service sector has some positive productivity growth, however small.

According to Kuznets (1966), with economic development the share of tertiary employment in the labour force increases mainly because of slow growth of technical progress in services, a high income elasticity of demand for some of the tertiary activities and increasing urbanisation resulting in boost in the demand for services like transport and distribution.

Galenson (1963) has found that increases in manufacturing activities lead to increase in tertiary employment. Expansion of manufacturing activity reinforces income and as a result of that consumption of services and demand for service input for manufacturing will rise.
Fuchs (1980) has found that women participation in labour market plays a significant role in growth of the service sector. Compare to other sectors women workers prefer tertiary sector as this sector is more conducive to absorb more female worker. They can earn by doing the same jobs which they would have rendered within the household. This leads to increase their participation of women.

Mazumdar (1995) has found that there is an increasing share of the service sector in Gross Domestic Product (GDP). But the sector fails to generate employment in Indian economy. So, the author suggested the policy measures to be adopted for service sector so that it can expand employment opportunities along with the expansion of Gross Domestic Product (GDP).

Bhattacharya and Mitra (1997) in their work have analysed the nature of transformation of employment in tertiary sector in relation to economic development and trade openness. The cross-country evidence on tertiary sector employment by industrial and occupational classification, published by the ILO (1992) was utilised for this purpose. They find that although trade openness does not seem to have any significant effect on the relative size of the total tertiary sector, but at a disaggregated level it raises employment in consumer services as per the occupational classification.

Ghose (1999) has constructed an ‘employment quality index’ for India by analysing employment growth in four categories. These are regular wage employment in the organised sector, self-employment in the organised sector, regular wage employment in the unorganised sector, and casual wage-employment. He has found that during the period from 1977-78 to 1993-94; quality of employment was higher in services than agriculture and industry.

A study (2001) on the OECD economies shows that, relative to the industrial sector, the service sector is characterised by higher average earnings, longer average job tenure and higher job satisfaction.

Gordon and Gupta (2004) have studied the acceleration in growth of the service sector. But in the same paper they have also admitted that the services sector does not appear to have created many jobs as compare to the growth of share in GDP of India.

Services sector is heterogeneous in nature and this is emphasised in the study by Mazumdar and Sarkar (2008). They used the earning data for the period from 1983 to 1999-2000. They show that the gap between low and high earners is larger in services sector than industrial sector.

Many studies like Thomson and Black (1975), Mitra (1992) and Nord (1989) have tried to explain the relationship between workforce participation rate and tertiary sector employment share.

Sarkar and Mehta (2006) has pointed out that the growth of the ICT sector has led to the emergence of a “New Economy” in India. It has been a generator of new jobs for technical persons, and has been helping to earn foreign exchange through exports and attracting foreign investment.

But Planning Commission (2001) states that there is a slowdown in total employment. It is because of the fact that there is no growth in employment in agriculture and ‘community social and personal services’ as these sector absorbs almost 70 per cent of total employment in the period 1993-94 to 1999-2000.

Nayyar (2009) have studied the nature and quality of employment in different sub-sectors of services in India by using econometric analysis of household survey data for 1993-94 and 2004-05. They have found that in service sub-sectors with low educational qualification requirements have low quality of employment (wages, the probability of getting job contract and probability of social benefits) while with high educational requirements have high overall quality of employment. Employment expansion seems to be high in sub-sectors where educational requirements and quality of employment is low except a few cases.

Kumar and Bhatt (2012) have discussed the employment trend in India during 1983-2010 with the latest employment figure from NSS, 2009-10. It is found that among the industrial distribution, agriculture and manufacturing made negative contributions to the increase in employment. But construction, finance, insurance and real estate electricity, gas water supply and business services played the dominant role. The proportion of both male and female who engaged in industrial and service sector has increased.

Chahal (2015) analysed Indian service sector by examining its growth and contributions in the economy. He finds that the employment shares of service sector and industry sector is rising though in agriculture it is falling. Though the major proportion of population in India still engaged in agriculture, the next largest employer is service sector where trade, hotels and restaurants and community, social and personal services are significant employment provider. He suggested that India needs private investments in key infrastructure services like transport, energy and telecommunications.

Deshamukhya and Roy (2016) have analysed trend, contribution and structure of service sector at a disaggregated level in North East India during 1991 to 2014 and found a number of interesting facts about the service sector in the region. It is found that service sector SDP has been showing an increasing trend over time for each of the states of North East Region. They have observed that the average growth of transport, storage & communication is highest for the entire region, followed by banking & insurance; construction service while the average growth is lowest for trade, hotels and restaurants.
As the contribution of the service sector is very distinctive, many studies have emphasized the scope of employability of the service sector. However, there is a significant gap in the literature as most of the studies have been done on national and international basis. Limited studies have been done to explore the service sector employability at disaggregated level in Assam. The paper addresses the issue of employment generated by the service sector in the state. Hence this work is expected to fill the gap in the literature on the service sector in Assam.

3. Objective:
The objective of the paper is to understand the changes in the composition of employment of different sub-sectors of the service sector in Assam.

4. Sources of Data and Methodology:
The required data for analysis in the study have been collected from secondary sources. Data pertaining to various rounds of Employment and Unemployment Survey have been collected from the National Sample Survey Office (NSSO). The report of Sixth Economic Census (2013-14) has also been used which provides detailed information on operational and other characteristics such as number of establishments, number of persons employed, source of finance, type of ownership etc. of the state. Thus, the secondary data covers the entire state for analysis and the period of the study is from 1950-51 to 2014-15.

5. Discussion:
5.1. Distribution of Workers in the Service Sector: An Overview
An overview of the performance of the service sector of Assam in terms of employment will be discussed. Different rounds of employment of National Sample Survey viz. 50th Round (1993-94), 55th Round (1999-00), 60th Round (January 2004-June 2004), 64th Round (2007-08), 66th Round (2009-10), 68th Round (2011-12) have been taken into consideration for examining the share of service sector in generating employment in Assam.

Table 1 shows the percentage share of service sector during different rounds of employment. To have a vivid picture of the employment scenario generated by the service sector, it is important to consider the employment share at different levels. Share of employment can be analysed for rural male, rural female, aggregate rural (rural male+ rural female), urban male, urban female, aggregate urban (urban male+ urban female), aggregate male (rural male + urban male), aggregate female (rural female + urban female) and finally the total employment.

It is found that the share of service sector in generating employment in case of rural male has increased over the years. Its share is 18.3 percent in the 50th round which has increased to 30.4 percent in the 55th round. In the year 2004, during the 60th round, the share has fallen again to 25.6 percent which further decreased to 18.5 percent in 64th round. From the report of 66th round it is found that the share of this sector starts increasing till 25.1 percent and again to 28.07 percent in the 68th round.

Looking at the percentage share for rural female, it is observed that the share of employment of this sector is lesser than the rural male. It was only 8 percent in the 50th round which increased to 12.2 percent in the 55th round. But it decreased to 8.9 percent in the year 2004 i.e. 60th round. Further it increased to 10.2 percent in 66th round and 14.17 percent in 68th round.

Furthermore, we get aggregate rural employment by combing the rural male and rural female. From different rounds of employment, it is found that the employment share of service sector has increased from 16.1 percent in 50th round to 26.2 percent in 55th round.
It was 76.4 percent in 50th round, which increased to 77.3 percent in the 55th round as employment increased for all categories over the previous round unlike the other rounds. It is observed that in the recent round, it again confronted in its share to 76.6 in 66th round. It is found that in the year 2004, employment share decreased for both rural male workers and rural female workers as a result of which the aggregate employment shares for rural workers also decreased. Though the share decreased to 14.4 percent in 64th round, it starts increasing to 22.2 percent in 66th round and 25.72 percent in 68th round.

In case of urban employment, a large share of employment is generated by the service sector and this is reflected in its share. In case of urban male workers in the 50th round, 77.3 percent share of employment was provided by the service sector which increased to 79.2 percent in the 55th round and to 80.1 percent in 60th round. A drop to 61.1 percent in the share was experienced in the 64th round which again met a substantial increase in the share to 76.6 in 66th round. It is observed that in the recent round, it again confronted in its share to 72.85 percent.

The trend in share is not same if we look at the share for urban female workers. It was 76.4 percent in 50th round which increased to 87 percent in 55th round. It means only 13 percent share of employment for urban female was generated by the other sectors in the economy. However, it fell down to 66.7 percent in 60th round, again increased to 71.3 percent in 64th round and to 70.2 percent in 66th round. In the recent 68th round, it has increased considerably to 80.04 percent.

If we see the overall urban employment share, it is 77.1 percent in 50th round. An upward surge in the share can be seen in the 55th round i.e. 80.5 percent. Ups and downs in the share of employment have been experienced for urban employment. It creates 78.1 percent in 60th round, 81.9 percent in 64th round, 75.7 percent in 66th round and 73.78 percent in the recent 68th round.

Data on the overall share of employment which combines the rural, urban, male and female workers is not available for the 50th round, 55th round and 60th round. It is 27.9 percent in the 64th round which has increased to 30.71 percent in 68th round. So 30.71 percent is the share of service sector in generating overall employment.

It is interesting to look at the 55th round as employment increased for all categories over the previous round unlike the other rounds. It is seen that during the decade ‘1990-91 to 2000-01’, NSDP growth rate was mostly driven by the services sector. After introduction of ‘New Economic Policy’ in the year 1991, many new and sophisticated services in the areas like communication, IT and IT Enable Services, civil aviation, education, medical and health, legal services, recreational and entertainment services came up and this might be the reason for increase in employment for all categories.

As indicated in the Table 1, over the years, employment share of both rural service sector workers has witnessed an increase. However, it is noticed that, this sector is creating employment more in urban areas than the rural areas. In urban areas, almost equal percent of male workers and female workers are working in service sector. It can be mentioned here that though during 1990’s the number of female employment were lesser than the male counterpart, it has increased with the passage of time and in the recent time more number of female are working. Thus, in the 50th round the share of employment of service sector for urban male workers and urban female workers were 77.3 percent and 76.4 respectively which has revamped to 72.85 percent and 80.04 percent in the 68th round. In the rural areas, the percentage share of female employment is lesser than the male employment though in the course of time, the share has increased. Consequently, in the 50th round the share of employment of service sector for rural male workers and rural female workers were 18.3 percent and 8 respectively which has changed to 28.07 percent and 14.17 percent in the recent 68th round. The combined share service sector in terms of employment (rural + urban + male +female) for the 68th round is 30.71 percent which is far less than share of the sector in state income.

### Table 1

<table>
<thead>
<tr>
<th>Round</th>
<th>Year</th>
<th>Rural Male</th>
<th>Rural Female</th>
<th>Rural Male + Female</th>
<th>Urban Male</th>
<th>Urban Female</th>
<th>Urban Male + Female</th>
<th>Rural + Urban Male</th>
<th>Rural + Urban Female</th>
<th>Rural + Urban Male + Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>50th Round</td>
<td>1993-94</td>
<td>18.3</td>
<td>8</td>
<td>16.1</td>
<td>77.3</td>
<td>76.4</td>
<td>77.1</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>55th Round</td>
<td>1999-00</td>
<td>30.4</td>
<td>12.2</td>
<td>26.2</td>
<td>79.2</td>
<td>87</td>
<td>80.5</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>60th Round</td>
<td>January 2004-June 2004</td>
<td>25.6</td>
<td>8.9</td>
<td>22.2</td>
<td>80.1</td>
<td>66.7</td>
<td>78.1</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>64th Round</td>
<td>2007-08</td>
<td>18.5</td>
<td>9.2</td>
<td>14.4</td>
<td>61.1</td>
<td>71.3</td>
<td>81.9</td>
<td>30.9</td>
<td>14.6</td>
<td>27.9</td>
</tr>
<tr>
<td>66th Round</td>
<td>2009-10</td>
<td>25.1</td>
<td>10.2</td>
<td>22.2</td>
<td>76.6</td>
<td>70.2</td>
<td>75.7</td>
<td>30.4</td>
<td>14.8</td>
<td>27.2</td>
</tr>
<tr>
<td>68th Round</td>
<td>2011-12</td>
<td>28.07</td>
<td>14.17</td>
<td>25.72</td>
<td>72.85</td>
<td>80.04</td>
<td>73.78</td>
<td>32.9</td>
<td>19.54</td>
<td>30.71</td>
</tr>
</tbody>
</table>

Source: Compiled from different rounds of NSSO

# The figures indicate the percentage share of workers in Service Sector to the total number of workers in of that category

# UPSS relates to the activities status of a person during the reference period of last 365 days preceding the date of survey

# NA is Not Available

It is interesting to look at the 55th round as employment increased for all categories over the previous round unlike the other rounds. It is seen that during the decade ‘1990-91 to 2000-01’, NSDP growth rate was mostly driven by the services sector. After introduction of ‘New Economic Policy’ in the year 1991, many new and sophisticated services in the areas like communication, IT and IT Enable Services, civil aviation, education, medical and health, legal services, recreational and entertainment services came up and this might be the reason for increase in employment for all categories.

As indicated in the Table 1, over the years, employment share of both rural service sector workers has witnessed an increase. However, it is noticed that, this sector is creating employment more in urban areas than the rural areas. In urban areas, almost equal percent of male workers and female workers are working in service sector. It can be mentioned here that though during 1990’s the number of female employment were lesser than the male counterpart, it has increased with the passage of time and in the recent time more number of female are working. Thus, in the 50th round the share of employment of service sector for urban male workers and urban female workers were 77.3 percent and 76.4 respectively which has revamped to 72.85 percent and 80.04 percent in the 68th round. In the rural areas, the percentage share of female employment is lesser than the male employment though in the course of time, the share has increased. Consequently, in the 50th round the share of employment of service sector for rural male workers and rural female workers were 18.3 percent and 8 respectively which has changed to 28.07 percent and 14.17 percent in the recent 68th round. The combined share service sector in terms of employment (rural + urban + male +female) for the 68th round is 30.71 percent which is far less than share of the sector in state income.
5.2. Structure of Service Sector Employment at disaggregated level:

The service sector consists of heterogeneous activities which belong to wide sub-sectors like railways, storage, transport by other means, communication, trade, hotel and restaurant, banking and insurance, real estate ownership of dwelling & business services, public administration and other activities. Wide variation may exist in the creation of employment for different sub-sectors as some services may create more than the average for all services and others create lesser. The present section attempts to capture the structure of employment created by this sector at disaggregated level. As already discussed, the data on employment have been compiled from various NSSO surveys on employment and unemployment. Three-digit level of disaggregation is available from NSS survey for different years like 1993-94, 1999-00, 2004-2005, 2007-08, 2009-10 and 2011-12. Even at data at 5-digit level disaggregation are available for the years 1999-00,2004-2005, 2007-08, 2009-10 and 2011-12. However, the problem with using NSS employment data at disaggregated levels is that the National Industrial Classification (NIC) on which the disaggregation has been based, has itself changed for different rounds. It has changed from NIC 1993-94 to NIC 1998 for data from 1999-2000 and 2004-05, NIC 2004 for data from 2009-10 and NIC 2008 for data 2010-11. As a result, comparison across all the years given above becomes difficult both due to differing levels, disaggregation and the changes in the national industrial classification. Since the objective of this chapter is to have a deeper and more complete understanding of employment created by this sector at the disaggregate level, distribution of workers of service sector is examined, based on the data available from 68th round of the national sample survey conducted by NSSO.

Table 2 shows the distribution of workers at disaggregate level of service sector along with the percentage share in providing employment at disaggregate level out of the total service sector employment share. It is important to mention here that in this study, some of the sub-sectors of service sector as given in various NSSO reports have been clubbed and renamed (details provided in Annexure). ‘Transportation and storage’ and ‘information and communication’ have been clubbed and renamed as ‘Transport, storage and communication’. ‘Trade, hotel and restaurant’ includes ‘wholesale and retail trade’, ‘repair of motor vehicles and motorcycles’ and ‘accommodation and food service activities’. ‘Financial and insurance activities’ and ‘real estate activities’ have been renamed as ‘banking and insurance’ and ‘real estate, ownership of dwelling and business services’. ‘Public administration’ includes administrative and support service activities and public administration and defence; compulsory social security. ‘Other services’ comprises of many activities like professional, scientific and technical activities; education; human health and social work activities; arts, entertainment and recreation; activities of households as employers; undifferentiated goods- and services producing activities of households for own use and other services etc. Analysis of employment is presented for rural male workers, rural female workers, aggregate rural workers, urban male workers, urban female workers, aggregate urban workers and aggregate male workers, aggregate female workers and finally total workers.
<table>
<thead>
<tr>
<th>Sectors</th>
<th>Rural Male</th>
<th>Rural Female</th>
<th>Rural Persons</th>
<th>Urban Male</th>
<th>Urban Female</th>
<th>Urban Persons</th>
<th>Urban+ Rural Male</th>
<th>(Urban+Rural) Female</th>
<th>(Urban+Rural) Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport, Storage &amp; Communication</td>
<td>389 (13.86)</td>
<td>35 (2.47)</td>
<td>330 (12.83)</td>
<td>884 (12.13)</td>
<td>0</td>
<td>770 (10.44)</td>
<td>443 (13.47)</td>
<td>32 (1.64)</td>
<td>375 (12.21)</td>
</tr>
<tr>
<td>Trade, Hotel &amp; Restaurant</td>
<td>1466 (52.23)</td>
<td>380 (26.80)</td>
<td>1284 (49.92)</td>
<td>3626 (49.77)</td>
<td>1704 (21.29)</td>
<td>3379 (45.80)</td>
<td>1700 (51.69)</td>
<td>488 (24.97)</td>
<td>1502 (48.91)</td>
</tr>
<tr>
<td>Banking &amp; Insurance</td>
<td>27 (0.96)</td>
<td>0</td>
<td>22 (0.86)</td>
<td>170 (2.33)</td>
<td>931 (11.63)</td>
<td>268 (3.63)</td>
<td>42 (1.28)</td>
<td>76 (3.89)</td>
<td>48 (1.56)</td>
</tr>
<tr>
<td>Real Estate, Ownership of Dwelling &amp; Business Services</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>11 (0.15)</td>
<td>0</td>
<td>10 (0.14)</td>
<td>1 (0.03)</td>
<td>0</td>
<td>1 (0.03)</td>
</tr>
<tr>
<td>Public Administration</td>
<td>152 (5.42)</td>
<td>21 (1.48)</td>
<td>130 (5.05)</td>
<td>1016 (13.95)</td>
<td>821 (10.26)</td>
<td>991 (13.43)</td>
<td>245 (7.45)</td>
<td>86 (4.40)</td>
<td>219 (7.13)</td>
</tr>
<tr>
<td>Other Services</td>
<td>773 (27.54)</td>
<td>982 (69.25)</td>
<td>806 (31.34)</td>
<td>1578 (21.66)</td>
<td>4548 (56.82)</td>
<td>1960 (26.57)</td>
<td>858 (26.09)</td>
<td>1272 (65.10)</td>
<td>926 (30.15)</td>
</tr>
<tr>
<td>Service Sector</td>
<td>2807 (100)</td>
<td>1418 (100)</td>
<td>2572 (100)</td>
<td>7285 (100)</td>
<td>8004 (100)</td>
<td>7378 (100)</td>
<td>3289 (100)</td>
<td>1954 (100)</td>
<td>3071 (100)</td>
</tr>
</tbody>
</table>

Source: 68th Employment Round (2011-12)
Note: 1) Figures in the parenthesis are the percentage share of the sub-sector to total service sector employment
2) ‘0’ is insignificant number of workers
In case of rural male workers, highest employment generation is recorded in ‘trade, hotel and restaurant’ whereas ‘other services’ are generating the highest employment for rural female workers. ‘Trade, hotel and restaurant’ are also playing an important role for rural female workers. So, for rural employment both ‘hotel, trade and restaurant’ and ‘other services’ are dominant sub-sectors, creating more than 80% employment. Similar is the case for urban male workers and urban female workers. While ‘hotel, trade and restaurant’ is the highest employment generating sector for urban male workers, it is the ‘other services’ for urban female workers. ‘Banking and insurance’ is also significant for urban female workers while this sector accounts for insignificant employment generation for rural female workers. However, male workers are comparatively lesser in number than the female workers in urban employment. Employment in ‘public administration’ is comparatively higher for males than the females and it is biased towards urban areas. Employment in ‘real estate, ownership of dwelling and business services’ is minuscule and dominated by males in both rural and urban areas. Another sub-sector ‘transport, storage and communication’ is mostly employment provider for male workers except a meagre percentage of employment for rural female workers.

Therefore, in Assam, lion’s share of overall employment is emanated by the subsector ‘trade, hotel & restaurant’ followed by ‘other services’. More than half of employed male work in ‘trade, hotel and restaurant’. On the other hand, female workers are mostly employed in ‘other services’. This is followed by the sub-sector ‘transport, storage and communication’ which is mostly male dominated as already mentioned. Then in ‘public administration’ also, the number of male workers are greater than the female workers. Opposite is the case for ‘banking and insurance’ where female workers are more than male workers. An insignificant number of workers, mostly males are employed in ‘real estate, ownership of dwelling & business services’.

6. Conclusion:

From the discussion, it is found that the share of service sector in employment generation has increased over the years. Employment in the urban areas is marked by the pre-dominance of women unlike rural areas which sees the predominance of men. The service sector appears to be the major employer in the urban areas as more than 70 percent of the workers in urban areas are engaged in this sector. The share of employment in rural areas is comparatively low with 25.72 percent of the workers in rural areas engaged in service sector, but the share has shown a rise from 16.1% in 1993-94. Among the different sub-sectors of the service sector, the dominance of the ‘trade, hotel & restaurant’ can be witnessed as almost half of the employment (48.91 percent) in service sector is generated by this sub-sector. A large number of employees are unskilled in this sector and these activities tend to be low productive in nature. This is followed by ‘other services’ contributing 30.15 percent, ‘transport storage and communication’ contributing 12.21 percent and ‘public administration’ contributing 7.13 percent. Share of ‘real estate, ownership of dwelling & business services’ is insignificant (.03 percent) while ‘banking & insurance’ provides employment not even 2 percent of the total employment created by service sector. It is important to mention here that though the share of ‘trade, hotel and restaurant’ is highest in terms of employment share, this sector accounts for only 23.18 percent income share of service sector in the year 2011-12. On the contrary, ‘transport storage and communication’ that account for the relatively less in terms of employment, this sector accounts for substantial share (27.01 percent) in income of service sector. ‘Banking & insurance’ and ‘real estate, ownership of dwelling & business services’ creates comparatively smaller share of employment than the share in income. The shares of ‘public administration’ and ‘other services’ in income of service sector are more or less correspond to their share in total employment. Thus, within the service sector, there are some sub-sectors with high output and employing proportionately smaller number of workers while the others produce lower output but employing fairly large number of workers. The analysis of the employment generated by the service sector reveals that ‘trade, hotel & restaurant’ absorbs the largest manpower in the state, compared to other sub-sectors of the service sector, but contributes only 23.18% of the income generated by the service sector in Assam. This indicates the possibility of low value addition by this sub-sector.

References:

13. (2002), Long run growth prospects for the Indian economy, Institute of Economic Growth, Delhi

## Annexure

<table>
<thead>
<tr>
<th>Descriptions of the Sections of NIC 2008</th>
<th>Renamed in the Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section G Wholesale and retail trade; repair of motor vehicles and motorcycles</td>
<td>Trade Hotel and Restaurant</td>
</tr>
<tr>
<td>Section I Accommodation and Food service activities</td>
<td></td>
</tr>
<tr>
<td>Section H Transportation and storage</td>
<td>Transport Storage and Communication</td>
</tr>
<tr>
<td>Section J Information and communication</td>
<td></td>
</tr>
<tr>
<td>Section K Financial and insurance activities</td>
<td>Banking and Insurance</td>
</tr>
<tr>
<td>Section L Real estate activities</td>
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</tr>
<tr>
<td>Section N Administrative and support service activities</td>
<td>Public Administration</td>
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<tr>
<td>Section O Public administration and defence; compulsory social security</td>
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<tr>
<td>Section M Professional, scientific and technical activities</td>
<td>Other Services</td>
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<tr>
<td>Section P Education</td>
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<tr>
<td>Section Q Human health and social work activities</td>
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<tr>
<td>Section R Arts, entertainment and recreation</td>
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<td>Section S Other service activities</td>
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<tr>
<td>Section T Activities of households as employers; undifferentiated goods- and services producing activities of households for own use</td>
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