



New Trends In Services Sector

Dr. S. S. Thorat

Loknete Dr. Balasaheb Vikhe Patil (Padmabhushan Awardee)
Pravara Gramin Shikshan Sanstha's Arts, Commerce & Science College,
Alkuti, Tal-Parner, Ahmednagar.

ABSTRACT –

In the beginning of the 21st Century the Global Economy shows significant structural changes in a swing of services sectors contribution. In the process of economic development, a simultaneous growth of primary, secondary and tertiary sectors is historical, but the high growth of services sector is phenomenon in recent decades. This is directly due to the development of sophistication in information technology. Since, 1980's the share of services sector in a real GDP in India has also surpassed that of agriculture and industry.

KEYWORDS – Service Sector, GDP, Global Economy, Urbanization

INTRODUCTION

Today more than 60 percent of most of the western economics are in service sector. Service sector has been considered as post-industrial development. It is also reflected in state level growth. No doubt, the dynamics of the services sector infuses new growth impulses stimulating investment, income, consumption and employment. But there seems to be some conflict between the growth of employment and growth of output in the Indian context. Economic development is associated with shifts in the sectoral allocation of the workforce which, in turn, is related to shifts in the production structure. Services form a major portion of our life. Whether we travel, watch television, issue a cheque, ring a house keeper to upkeep our home, educate our children, in each case and a host of similar cases we are enjoying the service of one or the other agency and we don't reckon it. In fact, we are offended when somebody mentions that the school is actually a business which it is or a trust is run professionally.

CONCEPTUAL BACKGROUND

It is said that the services sector provides a tremendous scope for employment at the present stage of India's development, where the manufacturing sector with its pre-occupations of modernizations. Technological up gradation can provide a limited solution to the unemployment problem in the economy. The excess growth of tertiary sector is attributed by some to growing mobility due to expanding foreign trade, tourism and cultural and educational tours. It has pointed out that public services grow more rapidly where national governments have a significant role in planning and production in the economy as a whole. Primary sector includes agriculture, forestry and fisheries.



Secondary sector includes mining, manufacturing and electric supply and construction. Services cover trade, transport, communication, hotels, finance, insurance, real estate, business services, community, social and personal services etc.

OBJECTIVES OF THE RESEARCH STUDY

The present research study was carried out with following objectives in view.

1. To study the concepts of Services & Goods.
2. To study the emerging trends in Services Sector.
3. To give some measures for Services Sector.

RESEARCH METHODOLOGY

With the above objectives keep in mind the instructed Interview Method and Desk Research Method was basically adopted. For the present research study the data pertaining to the above objectives was collected and reviewed the literature on the topic concerned. The literature was thus collected by visiting various libraries. Some Government offices were also visited for getting office record and statistical data. The secondary data is also collected from various websites and related to Services Sectors.

The Secondary Data is collected from various reference books related to Services Sector, Commerce & Management, Marketing & Finance etc. For said research study secondary data is also collected from the National and International Research Journals which are related to Commerce, Management, Marketing, Finance, Services Sector and from various websites.

HYPOTHESIS OF RESEARCH STUDY

For the present research study the researcher has taken the following hypothesis :

1. The area, variety and transactions related to services sector are increasing day by day.
2. The jobs in service sector are increasing as per the increase in variety of services, the nature of employment and the opportunities of jobs are changing.
3. Due to increase in services sector, the urbanization is enhancing day by day.

EMERGING TRENDS IN SERVICES SECTOR

1. **Increase in Employment** : The jobs in service sector are increasing as per the increase in variety of services. The nature of employment and the opportunities of jobs are changing. The skill of computer, communication, drafting, marketing, salesmanship etc. become essential for getting better jobs in services sector.
2. **Technological Upgradation** : The technological upgradation and change in technology is the important emerging trend in services sector. The specialization in services has been accompanied by technological upgradation and changes especially those resulting from the role information and communication technologies in the services sector that have substantially enhanced labour productivity in this sector.
3. **Heavy Urbanization** : Due to increase in services sector, the urbanization also



enhanced simultaneously. There are very less opportunities of employment, self employment and entrepreneurship in rural and remote areas of the nation. Therefore, many people migrate from rural area to urban for getting employment.

4. **Expanding Foreign Trade** : Acceptance of new economic policy with the features of globalization privatization and liberalization enables to expand the foreign trade. So many concessions, facilities and amenities are given, to motivate foreign trade. Various services like Business Process Outsourcing, Franchise, E-mail, Internet etc. are transferred from one country to another country as well.
5. **Low Productivity in Agriculture Sector** : The excess growth of the services sector in any economy deserves attention as this leads to a number of problems such as low productivity of the labour force engaged in agriculture, unemployment, and underemployment in the economy, low productivity in agriculture sector become common phenomena. The contradiction in respect of production & marketing in agriculture will not help farmers and agricultural workers.
6. **Value addition to manufactured goods** : The specialization that result from the outsourcing of services has resulted in far greater value addition to manufactured goods through the incorporation of a range of intangibles provided by intellectual capital, such as design features and technical inputs that enhance product quality.
7. **Outsourcing of Research and Development** : Same services activities, especially research and development activities that are outsourced, are seen as spurring innovation in the commodity producing sectors, leading to productivity increases and growth. The combination of industry and services enables to improve the quality of goods manufactured.
8. **New Products** : There is the argument that specialization into services generates new products. The demand for which results in an induced demand for manufactures production of variety of goods is quite possible due to specialization in services.

MEASURES REQUIRED IN SERVICES SECTOR

1. We have to encourage the small scale sector in the services sector. With its greater flexibility in location and low capital intensity, in the small scale sector is ideally suited to take up ventures in the services areas. The potential of small scale industries to render services of a personal nature is close proximity their customer must be recognized and suitably encouraged.
2. There is need for improving the excellent health, education of masses. There are excellent health, education, transport and communication services in metropolitan cities, but these are quite inadequate in rural areas where majority of the population lives. The services sector should remove these disparities.
3. If GDP growth has to have any meaning, it must be driven more by agriculture and industry not by services. The Government needs to shift its thinking to create institutional structures that encourage private investment in services and remove road blocks and delays. That will create far more jobs than public sector investment.
4. The Government must restrict its activities in this sector and allow private sector to expand the range of services. Strengthening of the services sector should focus on



human capital formation through the development of knowledge intensive services which require efficient infrastructure. Also, we should see that the services and manufacturing sectors become mutually more supportive and complementary. In other words, services sector must act as a catalyst for improving the efficiency and productivity in the industrial sector.

5. As software sector and the entire services industry are newly upcoming industries in India and have grown considerably, It is always useful to provide facilities for development of human resources suitable to India. Every big firm or multi-national organizations should have human resource department for enabling their employees including non employees gain current knowledge in the services sector, particularly computer based skills so that the country can face global competition effectively and make India one of the leading IT nations in the World.

CONCLUSION

The development process in the Indian context, particularly since the late 1980's reveals a scenario of pre-dominating role of the services sector. But, the growth of employment does not seem to be commensurate with the growth rate of the services sector. This has raised such as conflict between growth in output and employment, allocation efficiency to different sectors, income distribution measures and their relevance and the type of technology. The crucial issues being, that a vast unskilled labour force continues to be unemployed or underemployed in agriculture sector as well as in informal sector. The proliferation of IT enabled services and its continuing demand and growth may well emerge as a definite advantage for India, both in terms of generating employment and exports.

REFERENCES

1. Dr.J.P.Bhosale, "EMERGING TRENDS IN SERVICES SECTOR", (2015).
2. Ambadey V. B. (2001), "Entrepreneurship Development", Nirali Prakashan, Pune.
3. Apte Govind (2004), "Services Marketing", Oxford University Press, YCMA Library Building, Jai Singh Road, New Delhi.
4. Cundiff E. W. & R. S. Still (1998), "Basic Marketing", Prentice Hall of India Pvt. Ltd., New Delhi.
5. B.L.C. (2002), Readings in Marketing", RBSA Publishers, SMS Highway, Jaipur.
6. Mamoria C. B., Shri. R. K. Satish Mamoria (2005), "Marketing Management", Kitab Mahal, 22-A, Sarojini Naidu Marg, Allahabad.
7. Rathore B. S. & S. K. Dhaneja (1999), "Entrepreneurship in the 21st Century", ravat Publications, Jawaharnagar, Jaipur.
8. Sinha P. K. & S. C. Sahoo (1994), "Services Marketing Text & Readings", Himalaya Publishing House, New Delhi.
9. Wheatley (1983), "Marketing Financial Services", Prentice Hall of India, New Delhi.
10. www.iit.edu
11. www.tinhat.com