Process of economic development in any economy is multi dimensional involving structural transformation. One of the most significant developments in the world economy since the year 1980 had been structural adjustments and macro – economic reforms introduced by a number of developing countries.

India, too, was not an exception to this general trend. The Government had no option but to resort to macro economic reforms and structural adjustments in order to bring the economy back on the track. Since the second half of the year 1991, India had been implementing various economic reform processes. There is no doubt that these economic reforms had been able to facilitate a relatively higher growth rate in India after the set back during of the initial years the eighties had witnessed a shift in the development strategy in India from that of the planning regime to that of liberalization regime. During the three decades (from 1950-51 to 1980-81) economic growth on an average was around 3.5 percent per year which had been referred to as the ‘Iron or the Hindu rate of growth’. There was acceleration in the rate of economic growth during the 1980s to the level of 5.6 percent a year, due to a clear acceleration in the growth performance in all the three constituent sectors, namely, Agriculture, Industry and Services. The
complementary elements of the strategy of the eighties had also included an outward orientation, a greater reliance on the market forces and the minimization of the role of the government. The First Export and Import Policy of 1978-79, the deregulation of the industries, the opening up of the secondary share market and the export orientation of the eighties were termed as the first phase of initiating the Indian economy through liberalization. The ‘eighties’ was also seen as the period of rapid structural changes in the Indian economy moving towards a service oriented economy when the work force was very nearly equal to that of the labour force of the economy. Unfortunately, the growth acceleration of the eighties was accompanied by the emergence of the unsustainable fiscal deficits, costly anti-export bias in the trade policy and the current account deficit in India’s balance of Payments.

In July 1991, many economic emergency measures were undertaken in India to restore the external and the domestic confidence in the economy and its management. It is referred to as the New Economic Policy (NEP). This Structural Adjustment Policy (SAP) had envisaged rapid industrialization together with modernization for achieving to as faster rate of growth of GDP. The economy responded exceptionally well to these initiatives. In the nineties a prominent feature of the growing economic development of the Indian economy was the emergence of the services sector which involved a very heterogeneous spectrum of economic activities.
The performance of the contribution of the service sector’s share of GDP had been marked by a simultaneous fall in the primary sector’s contributions and only by a very smaller rise in a contribution from the secondary sector. Even in India, the primary sector had been holding a higher percentage of a workforces, the secondary sector had dominated in the exports of India during pre and the post reform periods. The growth of the services sector had been independent of the growth of the commodity sector which was considered to be bad. Besides, the share of the services’ sector in the national income was found to be much higher than its corresponding share in the level of employment. In recent years, jobless growth had become a characterize feature of the Indian economy. The study is essential because it takes into analyze the GDP pattern, workforce and exports Indian economy. With this background, the study is undertaken with the following objectives:

1. To study the performance and the structural changes of the primary sector with respect to GDP, Workforce and Exports
2. To examine the performance and structural changes of the secondary sector with respect to GDP, Workforce and Exports.
3. To analyse the performance and structural changes of the tertiary sector in GDP, Workforce and Exports.
4. To assess the emerging sectoral pattern in the Indian economy.
The trend analysis and semi-log model have been used to analyze the data relating to GDP, workforce and exports in the Indian economy.

The Chow test has been used to analyze the structural changes that had occurred in the sectoral shares of GDP, workforce and exports between the pre-reform and post-reform period. In order to find out the structural pattern of GDP, Workforce, exports and employment the researcher has used the multiple regression model

**Performance of the Primary Sector in terms of GDP**

In the pre-reform period the primary sectors contribution to GDP, which was of the order Rs.256342 crores in the year 1980-81 and it had increased to the level of Rs.302970 crores in the year 1985-86 and had further increased to the level of Rs.368907 crores in 1990-91.

The decreasing trend in the public investment was the result of the deliberate policy of the Government of India. During the Sixth plan period (1980-85) the share of agriculture was 23.9 percent of the Total plan expenditure which had fallen sharply to the level of 15.3 percent during the seventh plan (1985-90).

The increase in real terms was due to the production and productivity growth of the mining and quarrying sector’s contribution to the primary sector’s
share to GDP. During the 1980’s, the growth rate of the mining and quarrying sub-sector was 2.8 percent.

In the post – reform period the primary sector shares to the GDP had been declining from the level of 33.1 percent in the year 1991-92 to the level of 20.5 percent in the year 2006-07. During this period, the major production of the crops had been more or less stagnant, especially after the year 1998-99. This stagnation in production was on account of the poor of Crops which could be attributed to a variety of factors such as limited the non-existence of extension services, the low resilience to the moisture stress, the absence of pest control measures low water-use efficiency, inequity in providing infrastructure facilities and the lack of irrigational development.

Reforms in the non-farm sectors and a better management of the Indian currency had a salutary impact on agriculture. The decline in the level of public investment in agriculture was mainly due to the diversion of the resources to current expenditure in the form of provision of subsidies for food, fertilizers, electricity, irrigation, credit and for other agricultural inputs rather than on the creation of new assets. This big drop in public investment in agriculture, including the arrears of rural development and irrigation, had adversely affected the food grains production.
The growth of the mining sector had registered a growth rate of 4.2 percent during the post-reform period, due to the extension of the infrastructural facilities, population pressure and the increase in the private investment on electric hydro power.

During the pre-reform period, the value of the slope coefficient was 10355. This had disclosed that on an average, the value of the primary sector’s share to GDP had increased annually by nearly Rs.10356 crores a year over the sixteen year period just before the policy for the structural change has been adopted. The value of $R^2$ is found to be 0.90, which had shown that 90 percent of variations in the value of the primary sectors to GDP had been explained by the independent variable. The estimate of the slop coefficient ‘b’ was found to be statistically significant. In the semi-log model, the growth rate was 0.03 and the value of $R^2$ was 0.91, and the corresponding compound growth rate was 3.411 for this period.

Over the study period of 1991-1992 to 2006-2007 the value of the slope coefficient was found to be 13488.04, which had disclosed that on an average, the value of the primary sector’s share to GDP had increased annually at the rate of nearly Rs.13488 crores. An estimate of the slope coefficient ‘b’ was founded to be statistically significant. Since $R^2$ could at the most take the value of one, the observed $R^2$ value of is 0.96, had suggested that the regression line fitted with the
data very well. For the growth model, the value of $R^2$ had been calculated as 0.96, and the compound growth rate was found to be 2.927.

For the overall study period, the primary sector’s performance was not found to be satisfactory compared to the other sectors of the economy. The farmers had changed their cropping patterns from growing food grains to that of non-food grains like the commercial crops and horticultural products but the price and the quality of the Indian agricultural products had been found to be still lower compared to that of the world market. Over the study period of 1980-81 to 2006-07 the monsoons had not been favourable except for two or three years in each of the two sub periods. The fall in public investment in agriculture during the 1980s and the subsequent near stagnation phenomenon in the post-reform period had been a matter of much concern.

The ‘t’ test used to examine as to whether the growth rates of GDP in the primary sector had not differed between the two sub periods. This shows that there is no significance difference between growth rates of GDP during the two sub periods.

The ‘Chow test’ seemed to support the view of that there had been no structural change in the performance of the primary sector’s shares to the GDP in India over the period (1980-81 to 2006-07). In other words, the regression had
shown that the intercept as well as the slope coefficient had remained the same over the entire study period.

**Performance of the Primary Sector in terms of Workforce**

In the pre-reform period the work force of those employed in the primary sector during the pre-reform period, which was the order of 19.8 crores in the year 1980-81 and it had increased to the level of 20.8 crores in the year 1985-86 which had further increased to the level of 21.9 crores in the year 1990-91. It had shown that the primary sector’s work force had increased at very low rate. The share of the primary sector’s work force had decreased from the level of 66.8 percent in the year 1980-81 to 62.9 percent in 1990-91.

The growth of the secondary and the tertiary sectors had played a significant role to attract the labourers of the primary sector from the villages and the failure of the rural employment programmes in the 6th (1980-85) and the 7th (1985-90) five year plans had accentuated rural migration.

In the post-reform period the primary sectors’ work force was of the order of 22 crores in the year 1991-92 and it had increased to the level of 22.8 crores in 1998-99 and then, it had decreased to reach the level of 21.7 crores in 2006-07. The share in the work force had decreased from 62.4 percent in the year 1991-92 to that of 51.3 percent, at the end of the study period that is 2006-07.
The rapid urbanisation was the most influential reason for the declining trend in the agricultural workforce in India. The Economic reforms and the, failure of the co-operative Banks had increased the cost of production of the agricultural commodities. The growth of the rural literacy rate had also supported the declining trend of the workforce in the primary sector.

For the whole period of the study the value of the slope coefficient was 0.11crores. This had disclosed the fact that on an average, the value of the primary sector’s workforce had increased by 0.11crores a year. Over the twenty seven period of study (1980-81 to 2006-07) the value of R² was found to be 0.51which had disclosed that 51 percent of the variations had been explained by the independent variable. For the growth model the value of R² had been calculated and found as 0.52, and the compound growth rate was found to be 0.499

The ‘t’ test used to examine as to whether the growth rates of workforce in the primary sector had differed between the two sub periods shows that there is a significance difference between growth rates of workforce during the two sub periods.

The ‘Chow test’ seemed to support the view of that there had been structural change in the performance of the primary sector’s shares to the workforce in India over the period (1980-81 to 2006-07). In other words, the
regression had shown that the intercept as well as the slope coefficient had not remained the same over the entire study period.

**Performance of the Primary Sector in terms of Exports**

In the pre-reform period the primary sector’s exports had increased in absolute terms during the period 1980-81 to 1990-91. In 1980-81 the primary sector’s exports was of the order of Rs.12048 crores which had increased to the level of Rs.12231 crores in 1985-86, and then it had further increased to the level of Rs.16247 crores in 1990-91. The primary sector’s share in exports had decreased from the level of 36.8 percent to the level of 23.8 percent during the pre-reform period of 1980-81 to 1990-91. In the year 1987-88 the exports of the primary sector had registered a lower amount than those of the remaining years of the pre-reform period.

The low amount of exports registered had been due to the poor rain fall for four years in succession after the previous good monsoon year of 1983-84. Hence the food grains production had declined from over 150 million tonnes in the year 1985-86 to about 140 million tonnes during 1987-88.

In the post reform period the value the primary sector’s exports which was of the order of Rs.18788 crores in the year 1991-92 and it had increased to the level of Rs.28402 crores in the year 1999-00 and it had further increased to the
level of Rs.67039 crores in the year 2006-07. The performance of the share of the primary sector’s exports had fallen from the level of 23.1 percent to that of 15.5 percent during this post-reform period.

The primary sector’s exports share had declined quite steeply. This had been partly due to the neglect in respect of the agricultural exports, the higher rate of growth of the manufactured goods exports and the lower levels of production and exports of coffee, fruits, vegetables, pulses, rice and raw cotton.

The ores and mine’s sector’s exports had increased during the post reform period and hence the primary sector’s export had shown an increasing trend in respect of absolute terms.

For the whole period of study, the value of the slope coefficient had been found to be 1733.58. This had disclosed the fact that on an average, the value of the primary sector’s exports had increased by Rs.1734 crores every year. Over the twenty seven period of the present study (1980-81 to 2006-07) the value of $R^2$ was found to be that of 0.82 which had disclosed that 82 percent of the variations had been explained by the independent variable. The corresponding growth rate was found to be 6.986.

The ‘t’ test used to examine as to whether the growth rates of exports in the primary sector had differed between the two sub periods shows that there is a
significance difference between growth rates of exports during the two sub periods.

The ‘Chow test’ seemed to support the view that there had been structural change in the performance of the primary sector’s shares to the exports in India over the period (1980-81 to 2006-07).

**Performance of the Secondary Sector in terms of GDP**

In the pre – reform period the performance of the secondary sector had increased moderately by more than 0.7 times during the pre-reform period. The liberalization of the industrial policy; which was begun in the early 1980’s had picked up since the year 1985. Public investment which had played a crucial role in determining the growth of the Indian industry had been made at a much higher level during the 1980’s than during the 1970’s.

In the post – reform period the share of the secondary sector to the GDP was nearly stagnant during the period 1991-92 to 2000-01. The secondary sectors up turn that started in April 2002 had maintained its momentum till the year 2006-07. Based on the index number of the industrial growth rate increased from 174.2 in 2000-01 to the level of 281.3 in the year 2006-07, the highest growth achieved over the past decade. The rate of growth was led by the manufacturing sector (12 percent) and it was broad – based. In terms of classification, all the sectors except
the consumer goods sector had exhibited acceleration in respect of growth. The production of capital goods had remained buoyant and the growth rate of 18.2 per cent was indicative of the robust investment demand. The basic good and intermediate goods’ sectors had also recorded a higher growth rate during 2006-07. Thus, the secondary sector had performed well after the year 1999 during the post reform study period

For the whole period of the study the value of the slope coefficient was found to be 19 322.56. This had disclosed the fact that on an average it had increased by Rs.19322.56 crores. Over the twenty seven period of the study (1980-81 to 2006-07) the value of $R^2$ was found to be 0.86 which had disclosed the fact that 86 percent of the variations had been explained by the independent variable. For, the growth model, the value of $R^2$ was calculated as 0.71, and the compound growth rate was found to be 6.330.

The ‘t’ test used to examine as to whether the growth rates of GDP in the secondary sector had differed between the two sub periods shows that there is a significance difference between growth rates of GDP during the two sub periods.

The ‘Chow test’ seemed to support the view of that there had been structural change in the performance of the secondary sectors shares to the GDP in India over the period (1980-81 to 2006-07).
Performance of the Secondary sector in terms of Workforces

In the pre-reform period the share of the workforce was 14.2 percent in 1980-81 and it increased to 15.5 percent in the year 90-91. There was no collusive evidence to show that in the pre-liberalisation period the performance in the growth of the workforce in the economy had been relatively stagnant.

In the post-reform period, the share of the secondary sector’s workforce in the post-reform period stated with 15.7 percent in the year 1991-92 and reached the level of 20 percent in the year 2006-07. Considering the overall secondary sector’s performance during the period 1991-92 to 2006-07, it looked as though very little had happened in this sector in terms of employment of the labour force. Liberalisation had driven more and more people from the organized sector to the unorganized sector. Hence the secondary sector’s workforce had slowly increased.

For the whole period of study, the value of the slope coefficient was 0.18. This had disclosed that the fact that on an average, the workforce had increased annually by 0.18 crores. Over the twenty seven period of the present study (1980-81 to 2006-07) the value of R² was found to be 0.97 which had disclosed that 97 percent of the variations had been explained by the independent variable. For, the growth model, the value of R² was calculated to be 0.99; and the compound growth rate was found to be 2.888.
The ‘t’ test used to examine as to whether the growth rates of workforce in the secondary sector had differed between the two sub periods shows that there is a significance difference between growth rates of workforce during the two sub periods.

The ‘Chow test’ seemed to support the view of that there had been structural change in the performance of the secondary sectors shares to the workforce in India over the period (1980-81 to 2006-07). In other words, the regression had shown that the intercept as well as the slope coefficient had not remained the same over the entire study period.

**Performance of the Secondary sector in terms of Exports**

In the pre – reform period the performance of the secondary sector had increased moderately by two and half times during the period. The share of the secondary sector in exports to the total exports of the country was 62.5 percent in the 1980-81 and had risen to the level of 74.5 percent in 1990-91. It shows that there had been an upward trend in the share of the secondary sector’s exports of the country. An increasing share of the secondary sector’s exports in the total exports was led by the manufacturing of goods which had increased due to the higher export growth recorded by the chemical and allied products, leather and handicrafts goods and the textile fabrics.
In the post-reform period the secondary sector’s exports had increased steadily during the sixteen years of the post-reform period. During the post reform period the exports had increased by more than five times. During the period 1991-92 to 2006-07 Indian’s exports had increased at the rate of about 15 percent per annum. This was a very significant achievement, particularly when compared with the growth rate of the world’s exports which was around 9 percent per annum on an average during the same period.

For the whole period of the study the value of the slope coefficient was 9513.89. This had closed the fact that on an average had India’s export had increased by Rs. 9514 crores a year. For the twenty seven period of the study (1980-81 to 2006-07) the value of $R^2$ was found to be 0.88 which had disclosed that 88 percent of the variations in the value had been explained by the independent variable. For the growth model, the value of $R^2$ was calculated as 0.98, the compound growth rate is found to be 11.458

The ‘t’ test used to examine as to whether the growth rates of exports in the secondary sector had differed between the two sub periods shows that there is a significance difference between growth rates of exports during the two sub periods.
The ‘Chow test’ seemed to support the view of that there had been structural change in the performance of the secondary sectors shares to the exports in India over the period (1980-81 to 2006-07).

**Performance of the Share of the Tertiary Sector in Relation to GDP**

In the pre – reform period the contribution of the tertiary sector to the GDP had increased considerably during the later half of the 1970’s, for instance, the tertiary sector’s share had increased from Rs.244159 crores in the year 1980-81 to Rs.356217 crores in 1986-87 and further to a record level of Rs.462797 crores in the year 1990-91. The reason behind this feature of the growth of the tertiary sector was the fact that a large part of the tertiary sector consisted of infrastructure facilities such as banking, insurance, finance, transport and communications and social and community services, such as the medical and the educational facilities. All these were basic requirements of the process of development and they catered to the needs of all the sectors of the economy on the one hand and on the other hand these services had improved the quality of life of the people.

In the post reform period the tertiary sector had accounted for 44.1 percent of the GDP in 1991-92 and it had crossed the record level of 50 percent in the year 2000-01 and it rose to the level of 54.8 percent in the year 2006-07. The performance of the tertiary sector had improved moderately by more than 3 times during the period under review. The reason for this vast change was the adoption
of a set of economic reform measures initiated in 1991. Reforms in the domestic industrial environment had resulted in the growth of the manufacturing sector which provided the synergies to the tertiary sector, in the form of an increased demand for the producers’ services.

On an average the tertiary sector’s share had increased by Rs.45622 crores a year over the twenty seven period of the present study (1980-81 to 2006-07) the value of $R^2$ was found to be 0.91 which had disclosed that 91 percent of the variations in the value had been explained by the independent variable. For the growth model the value of $R^2$ had been calculated as 0.99 and the compound growth rate was found to be 7.276

The ‘t’ test used to examine as to whether the growth rates of GDP in the tertiary sector had differed between the two sub periods shows that there is a significance difference between growth rates of GDP during the two sub periods

The ‘Chow test’ seemed to support the view of that there had been structural change in the performance of the tertiary sectors shares to the GDP in India over the period (1980-81 to 2006-07). In other words, the regression had shown that the intercept as well as the slope coefficient had not remained the same over the study period.
Performance of the Tertiary Sector in terms of Workforce

In the pre – reform period the proportion of the workers employed in the tertiary sector had increased over the eleven year period from 19 percent in the year 1980-81 to 21.7 percent in the 1990-91. In the year 1980-81 there were 5.6 crores of workers in the tertiary sector which had raised the level of 6.7 crores in the year 85-86 then and it had further increased to reach the level of 7.5 crores in the year 1990-91. This was a slow rate of growth as compared with the growth rate of the tertiary sector’s share on the GDP. This growth rate was due to the government’s policy of infrastructural development from the sixth plan onwardsUrbanization and the increasing literacy rates were responsible for the slow growth of the workforce participation during the pre-reform period.

In the post – reform period the share of the work force was 21.9 percent in the year 1991-92 and it had risen to the level 25.8 percent in the year 1999-00; whereas in the year 2006-07 it was of the order of 28.7 percent. There is conclusive evidence to show that during the period of post-liberalization the work force of the tertiary sector had moderately increased by a little over one and a half items. During the post reform period, the work force participation was found to be higher as compared to that of the pre reform period, and it was led by the financial service sector which was providing much employment due to its high employment elasticity. Female employment in the service sector had been rising at a higher
rate; the rising urbanisation process had increased the service sector’s employment in the urban areas to a great extent.

Over the twenty seven year period of study (1980-81 to 2006-07) the value of $R^2$ was found to be 0.99 and it had disclosed that 99 percent of the variations in the value had been explained by the independent variable. For the growth model the value of $R^2$ was calculated as 0.99, and the compound growth rate was found to be 3.191

The ‘t’ test used to examine as to whether the growth rates of workforce in the tertiary sector had differed between the two sub periods shows that there is a significance difference between growth rates of workforce during the two sub periods

The ‘Chow test’ seemed to support the view of that there had been structural change in the performance of the tertiary sectors shares to the workforce in India over the period (1980-81 to 2006-07). In other words, the regression had shown that the intercept as well as the slope coefficient had not remained the same over the study period.

**Performance of the Tertiary Sector in terms of Exports**

In the pre – reform period value of the total of tertiary sector’s exports which was of the order of Rs.229 crores in the year 1980-81 and it had fallen to
the level of Rs.112 crores in the year 1986-87 and it had bounced back to reach the level of Rs.1161 crores in the year 1990-91. The share of the tertiary sector’s exports to total exports was 0.7 percent in the year 1980-81 and then it fell down to less than point five per cent till the year 1985-86. In 1990-91 the share of the tertiary sector’s exports to total exports was of the order of 1.7 percent. The policies of liberalization in respect of foreign trade were initiated in the year 1985-86. Due to these policy measures, the period of 1987-88 to 1990-91 was a period during which the foreign trade picked up substantially. During this four years period our exports had increased at a annual average rate of 16.7 percent. The ‘miscellaneous’ exports had increased faster during the last four years of the pre-reform period.

In the post reform period the tertiary sectors’ exports had increased form the level of 1 percent to that of 4.3 percent during the post reform period. The tertiary sector had registered a low percentage level of 0.8 percent twice during the post-reform period. Growth had been particularly rapid in the ‘miscellaneous services’ category, consisting of software business, the financial and communication services followed by the non-software services. With the advent of the IT services it had become possible to deliver the services over long distances and at a reasonable cost. The services’ exports had increased fourfold during the 1990’s and had reached the highest percentage share of 60 percent in the year 2006-07.
Over the twenty seven years the value of $R^2$ was calculated to be 0.52, and the compound growth rate was found to be 0.499. This was comparably low with remaining two sectors. After 2000 India has concentrated more on service export.

The ‘t’ test used to examine as to whether the growth rates of exports in the tertiary sector had differed between the two sub periods. This shows that there s a significance difference between growth rates of workforce during the two sub periods.

The ‘Chow test’ seemed to support the view of that there had been structural change in the performance of the tertiary sectors shares to the exports in India over the period (1980-81 to 2006-07).

**Growth of GDP in the Indian Economy**

In the pre – reform period the value of the GDP had increased moderately by one and half times during the pre – reform period of 1980-81 to 1990-91.

In the post – reform period it had increased nearly by 2.6 times during this post-reform period of 1991-92 to 2006-07.

Over the study period of 1991-1992 to 2006-2007 the value of the slope coefficient was found to be 109337.04 which had disclosed that on an average the value of the GDP had increased annually at the rate of nearly Rs.1, 09,337 crores. For the whole period of the study the value of slope coefficient was 77123.58.
The ‘t’ test used to examine as to whether the growth rates of GDP had differed between the two sub periods. This shows that there is a significance difference between growth rates of GDP during the two sub periods.

The ‘Chow test’ seemed to support the view of that there had been structural change in the performance of the GDP in India over the period (1980-81 to 2006-07).

**Performance of the workforce in the Indian Economy**

In the pre – reform period there was collusive evidence to show that in the pre-liberalization period, the performance in the growth of the workforce in the economy had relatively been stagnant.

In the post – reform period a close perusal of the data for the post-reform period (1991-92 to 2006-07) had revealed that the workforce had increased from the level of 35.2 crores in the year 1991-92, to the level of 41.9 crores in the year 2000-01 and further to the level of 42.3 in 2006-07.

On an average the value of the total work force had increased annually by 0.55 crores. For the twenty seven period of the study (1980-81 to 2006-07) the value of $R^2$ was found to be 0.97 and it had disclosed that 97 percent of the variations in the value of the total work force had been explained by the independent variable. For, the growth model, the value of $R^2$ was calculated as 0.96, and the compound growth rate was found to be 1.520.
The ‘t’ test used to examine as to whether the growth rates of workforce had differed between the two sub periods. This shows that there is a significance difference between growth rates of workforce during the two sub periods.

The ‘Chow test’ seemed to support the view of that there had been structural change in the performance of the workforce in India over the period (1980-81 to 2006-07). In other words, the regression coefficient had shown that the intercept as well as the slope coefficient had not remained same during the study period.

Performance of the Total Goods and Services Exports

In the pre – reform period the performance of the total exports had increased moderately by more than 2 times over the pre-reform period. Three factors had enabled the economy to register a higher rate of growth in the 1980’s as compared to the level of the 1960s and the 1970’s. First, by the increased government expenditure had provided the fiscal stimulus to the economy. Second, by the liberalization of imports, especially that of capital goods and the components of the manufacturing sectors requirements had induced the production of the luxury articles, such as, automobiles and electronic goods. Since the import liberalization of the 1980’s had not been accompanied by a larger export effort, it had led to a dramatic increase in the balance of payments’ deficit.
Thirdly, associated with these two factors, there was an increased reliance on external commercial borrowings by the State, in order to increase its finances, and for meeting its fiscal and current account deficits.

In the post – reform period the total exports had grown steadily during the sixteen years of the post-reform period. During the post reform period, the exports had increased by more than five times. The 1990’s had witnessed an increase in the value of the exports expressed as a percentage of GDP at market price, to over 8 per cent from the over 6 percent level recorded in the earlier years.

For the whole period of study, the value of slope coefficient was 12441.54. This had disclosed the fact that on an average, the value of the total exports had increased by Rs.12442 crores a year. Over the twenty seven period of study (1980-81 to 2006-07) the value of $R^2$ was found to be 0.83 which had disclosed that 83 percent of the variations in the value of exports had been explained by the independent variable. For, the growth model, the value of $R^2$ was calculated as 0.98, and the compound growth rate was found to be 10.693

The ‘t’ test used to examine as to whether the growth rates of exports had differed between the two sub periods. This shows that there is a significance difference between growth rates of exports during the two sub periods.
The ‘Chow test’ seemed to support the view of that there had been structural change in the performance of the exports in India over the period (1980-81 to 2006-07). In other words, the regression coefficient had shown that the intercept as well as the slope coefficient had not remained same during the study period.

Structure of the Gross Domestic Product

The Primary sector had accounted for 38.1 percent of India’s gross domestic product in 1980-81. Since then, its contribution to India’s GDP had declined to reach the level of 20.5 percent in the year 2006-07. During the pre-reform period (1980-81 to 1990-91), the share of the secondary sector (of which manufacturing was the major constituent) in the gross domestic product (GDP) had varied from a maximum share of 20.9 percent in the year 1980-81 to a minimum share of 24.7 percent in the year 2006-07. During the pre-reform period (1980-81 to 1990-91), the share of the tertiary sector (of which trade, transport and communications was the major constituent) in the gross domestic product (GDP) had varied from a maximum of 41 percent in the year 1980-81 to a minimum of 19.5 percent in 2006-07. In 1999-2000 the tertiary sector had accounted for 52.2 percent of the gross domestic product as against the level of 43.7 percent in the 1990-91 and the level of 40.6 percent in the year 1985-86.
Thus, over a period of years, the share of the tertiary sector in the gross domestic product had rapidly changed over the study period of 27 years.

To estimate the relative importance of the three sectors the regression model was used. The independent variables, the primary, the secondary and the services’ sector were positively correlated to that of the gross domestic product.

**Structure of the Workforce in Indian Economy**

Taking the primary sector as a whole, till the year 1981 it had always accounted for around 67 percent of the workforce. After the mid 80’s and after India had opted for planned economic development, a high priority was accorded to industrialization from the 6th plan onwards. It was hoped that the proportion of the workforce engaged in agriculture would fall to the level of 65 percent by the second half of the 1980’s. However, there had been a distinct change during the post-reform period (1991-2007) with the percentage of workforce in agriculture falling to the level of 51.3 percent in 2007 from the level of 66.8 percent in the year 1981.

The proportion of the workers employed in the tertiary sector had increased over the 27 year period of 1980-81 to 2006-07 (from 19 percent to 28.7 percent). The relative positions of the three sub-sectors, (trade and commerce, transport, storage and communications, and ‘other’ services) had also kept on changing.
This was a welcome development as it had reflected the improvements that had taken place in the infrastructure which this country badly needed for stepping up its development process.

India had witnessed the typical pattern of a structural transformation. Two features of the Indian transformation stand out by way of contrast to that of the developed countries’ pattern of structural transformation. In India, the share of the secondary workforce did not increase much. The process of the structural change had been characterized by a decline in the share of agriculture in the total workforce and the secondary and the tertiary sectors had an increase in their shares of the gross total workforce. The second difference was that, in India, the changing shares of the sectors in the workforce were not reflected in the change in their share of the GDP. In India after the year 1980-81, the share of the agricultural sector had declined. The share of the industry also had changed with some increase in the industrial sectors’ contribution. The services’ sector had maintained a steady growth in its contribution to the workforce rising from 19 per cent in year 1980-81 to reach the level of 28.7 per cent in the year 2006-07.

**Structure of the Goods and Services’ Exports in the Indian Economy**

The primary sector had accounted for 36.8 percent of India’s goods and services exports in 1980-81. Since then, its contribution to India’s goods and
services’ exports’ had declined and reached the level of 15.5 percent in the year 2006-07.

Over a period of 27 years, the share of the tertiary sector in goods’ and services’ exports had rapidly changed. The rapidly growing financing and insurance activities such as the, growth of banking, non-banking financial intermediaries, development banking, insurance, transportations and the developments in the software revolution had encouraged the services’ exports’ to occupy a significant place in respect of the goods and services exports.

It is obvious that despite having similar trends and movements in the sectoral behaviours, their relative importance in the economy had been changing towards the non agricultural exports. It could be argued that in a growing economy, the emphasis got shifted from that of including in agricultural activities to that of the non agricultural activities, as the latter had come to occupy a more progressive and leading role in the economy. To estimate the relative importance of the sectors, the regression model had been used. The independent variables, the primary, the secondary and the services’ sectors were found to have been positively correlated with that of the goods and services’ exports’. The impact of the agricultural exports’ contribution to the goods and services’ exports’ was found to be positive for all the three periods, but the slope coefficient was found to be less in the post-reform period. On the other hand, the secondary sectors’
exports had a positive impact over the goods’ and services’ exports’ in the pre reform period and after the economic reforms had been adopted it had a stagnant positive impact over the goods’ and services’ exports’, and the tertiary sector seemed to have not only a positive impact on the exports during all the three time periods but the estimates were also found to be statistically of lesser significance.

The value of $R^2$ was calculated 0.99 which had revealed that the independent variables were accountable for 99 percent of the variations in the dependent variable and all the three sectors had undergone a high degree of variation and had a significant effect on the goods and services’ exports’. The values of ‘t’ were found to be statistically significant. Therefore it could be derived that the secondary sectors’ exports was becoming more important for purposes of economic growth, while the primary sector seemed to have lost its shine in the exports’ basket with the passage of time leading to its changes in the structure of the goods’ and service’ exports.

**SUGGESTIONS**

During the study period, the primary sector contribution to GDP has declined. Hence the policy makers should give more attention to increase the productivity of primary sector.

Even today, working population in primary sector is too high. But its contribution to GDP is less. Hence effective migrant policy should be adopted to
reduce overcrowdedness in primary sector. Thereby one can increase rural productivity and reduce rural poverty.

As there is no additional employment in the primary sector since 2000, there is a need to step up public investment in agriculture, horticulture and farm management programmes. Agri clinics, seed production and food processing are other potential areas of employment generation.

Higher labour productivity is the result of higher capital intensive, that is, investment per unit of labour. Hence the Government take steps to invest and increase FDI in secondary sector. Secondary sector has registered the third place in workforce engagement. This the result of the absence of skilled labour force and lack of dynamic entrepreneurship. The policy makers should given more attention to increase vocational education and to impart training to change this climate. Over the last two decades, major developments at the global as well as local levels have impacted the Indian secondary sector and accentuated its challenges. These include a substantial reduction in trade barriers across the globe and in India, particularly in respect of manufactured goods; technology revolution that is impacting productivity and costs; and the emergence of low cost manufacturing hubs such as China and other South-East Asian countries. All these have meant that the Indian economy and its secondary sector in particular, have to adjust to these challenges.
Macro-economic stability is essential for ensuring manufacturing competitiveness. This calls for appropriate monetary and fiscal policies. It will enable industry to plan more effectively for the long term; it will improve the quality and quantity of investment in physical and human capital; and it will also raise productivity and ensure a sustainable rate of growth and employment.

The Government needs to remove anomalies, reduce indirect taxes, lower transaction costs, bring down the cost of capital, provide infrastructure facilities, to bring down the overall cost of manufacturing and thereby improve competitiveness and domestic demand. There are other longer-term issues such as education and skill building, investing in innovations and technology, infrastructure development, enhancing the role of patents and information technology in the manufacturing sector apart from ensuring effective coordination among the Central, the State and the Local agencies.

In tertiary export, software and outsourcing businesses have registered high growth. But there is a vast scope for increasing forex through the new areas of consultancy, Research and Development services, healthcare, entertainment services, satellite mapping services, educational services and hospitality services that require attentions so as to have the sustainable GDP growth in service sector.

The service sector has been growing faster rate. It has limited job potential. Though there has been a big increase in outsourcing centres and IT
jobs, yet the only specialized and knowledge-based workers can get it. The youth should be concentrated more on these areas and the Government should create feasible environment for getting this kind of opportunities.

Capacity addition through investment is critical for accelerating growth in secondary sector. The investment scenario looks quite optimistic, particularly with rising domestic savings rates and NRI deposits. Sustained economic growth, fiscal consolidation and enabling policy environment will continue to provide incentive to capacity addition in industry and sustaining its high growth.

Adequate expansion of employment in the industrial sector, particularly in the organized segment required attention. The oration of appropriate skills through a wide variety of vocational training as well as optimal degree of flexibility of labour loss in an important aspect in this regard.

There is a gap between domestic savings and required domestic investment. Policy makers should concentrate on the root cause of the gap and to analyse and rectify the gap so as to generate sustainable GDP growth. In India, GDP has grown considerably. But the rapid increase in labour force creates pressure for the creation of employment opportunity if economic growth is jobless. Hence policy makers should give importance for the creation of additional employment opportunities in primary, secondary and tertiary sectors.
CONCLUSION

A balanced diet is essential for the balanced development of the body. Likewise a continuous development of all the sectors is necessary to achieve growth rate and to reduce poverty. The present growth pattern which essentially creates jobless growth is not conducive for a country like India which has more than 110 crores of population. Service sector growth without corresponding increase in employment generation is of little one in Indian context. The expansion of secondary sector and its transformation to service sector may be the right growth pattern. If effective remedies are taken to solve the defects in the sectoral pattern of growth, the chance of India bring a giant global economy is likely to achieve in the decades to come.