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Tertiarisation of the Indian labour market: a new growth engine or sending distress signals?

Mukherjee, Dipa and Majumder, Rajarshi

Dept of Economics, Narasinha Dutt College, Dept of Economics,
University of Burdwan

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TERTIARISATION OF INDIAN LABOUR MARKET: NEW GROWTH ENGINE
OR DISTRESS SIGNALS?

Abstract

Tertiarisation of labour market has globally been associated with economic progress. But in developing countries, labour market deformities may push people into service economy out of distress also. This paper examines the tertiarisation process in Indian labour market to bring out the reasons behind such trends and the likely impact of such movements. It is observed that the employment growth in the tertiary sector had been dynamic and growth-induced during the eighties, but in the recent times has turned distress-driven. Sub-sectors within the tertiary sector are behaving differently indicating the heterogeneity of this sector. Policymakers should note these issues and take appropriate steps not only to boost high-end jobs but also to improve productivity and returns in low-end jobs. Then only tertiary sector revolution in India will be beneficial to the workers en masse and be sustainable.