TERTIARY SECTOR AND EMPLOYMENT GENERATION IN GOA

Silvia Maria de Mendonca-Noronha*

Based on the Census data, the paper analyses the trends in the workforce employed in the tertiary sector of Goa for the period 1961-91. It also looks into the inter-sectoral shifts in the workforce and its implications for the economic development of the state. It is found that the tertiary sector has been playing a vital role in employment generation in Goa, absorbing a large percentage of the workforce migrating from the primary sector. Within the tertiary sector the "other services" has been the largest employer followed by trade and commerce. Transport, storage and communications have been growing rather slowly in this respect.

I. INTRODUCTION

The tertiary sector, often referred to as the 'service sector', encompasses the following activities: (a) trade and commerce, (b) transport and communications and (c) other services which include (i) public utility services like electricity, gas, water supply, sanitary services; (ii) Central, state or municipal employees; (iii) professional services; (iv) trade or labour associations, recreation services etc.

In this paper, the tertiary sector is taken as covering all the above activities. However, all the services mentioned above under 'other services', are considered, not individually, but are clubbed together under the broad caption 'other services'.

Clark (1940), Fisher (1945) and Kuznets (1957) propounded the thesis that in the course of economic development, there would be a progressive shift of labour from agriculture and allied activities to the secondary and tertiary sectors. This has occurred in the western developed countries, where the proportion of active population engaged in agriculture, has declined with development. Bairoch (1970) states, "The proportion of active persons in agriculture diminished at a rate of less than 0.4 per cent a year up till 1860, about 0.9 per cent from 1860 to 1950, but at 4 per cent from 1950 to 1971."

To support this further, the UN Statistical Year Book (1977) and World Development Report (1998) show that the percentage of the labour force engaged in services increased in the USA, from 57 per cent in 1960 to 65 per cent in 1986, in the U.K from 48 per cent to 59 per cent, in West Germany from 38 per cent to 50 per cent and in Japan from 37 per cent to 55 per cent during the same period. The experience of these countries suggests the Clark- Fisher hypothesis about the shift of the labour force from the primary to secondary and tertiary sectors.

A growing tertiary sector is often associated with economic development and is considered an indication of a shift in demand from necessities to luxuries in accordance with Engel’s Law of Consumption. But this would not necessarily be so in India. In India, a growth of employment in the tertiary sector does not signify economic development. To quote Subramanian (1977). "In India abundance of labour, shortage of capital and existence of a large amount of unemployment are the main reasons for the overcrowding of the tertiary

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sector, particularly the group classified as Services." In the developed countries of the world, the shift of the workforce to the tertiary sector may be due "mainly to a great rise in consumer incomes and living standards, which has permitted consumers to spend much more on education, health, entertainment and other professional services" (Reynolds, 1978). Thus, the shift is "the result of the increased demand for services like education, medical care, recreation and finance that comes with higher income levels and in part, it is the consequence of the declining demand for physical labour that stems from automation and other labour saving devices in industry" (Lester, 1966). In India, however, the expansion of the tertiary sector cannot be ascribed to either the improvement in incomes or the consumption standards, as the incomes and consumption standards of a vast majority of the population still leave much to be desired.

This paper seeks to analyse: (i) the trends in the workforce employed in the tertiary sector of Goa for the period 1961-'91; (ii) the trends in each of the subdivisions of the tertiary sector; and (iii) the inter-sectoral shifts in the workforce and its implications for the economic development of Goa.

The paper has been divided into four sections, to facilitate discussion. Section I shows the trends in the workforce employed in the tertiary sector. Section II reviews the trends in the workforce employed in (i) trade and commerce; (ii) transport, storage and communications; and (iii) other services. Section-III deals with intersectoral shifts in the workforce; and Section-IV concentrates on the implications for the economic development of Goa.

II. WORKFORCE TRENDS

Here, we consider the tertiary sector as a whole, thus including all the activities that come under the purview of the tertiary sector, viz. trade and commerce, transport, storage and communications and 'other services'.

Table 1 shows the total workforce in Goa and the total workforce in the tertiary sector in Goa, from 1961-91.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total workforce in Goa</th>
<th>Total workforce in tertiary sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>244,261 (100)</td>
<td>50,082 (21)</td>
</tr>
<tr>
<td>1971</td>
<td>254,475(100)</td>
<td>86,877 (34)</td>
</tr>
<tr>
<td>1981 Main</td>
<td>311,247(100)</td>
<td>125,159 (40)</td>
</tr>
<tr>
<td>Marginal</td>
<td>44,962 (100)</td>
<td>4,100 (9)</td>
</tr>
<tr>
<td>1981 Total</td>
<td>356,209 (100)</td>
<td>129,259 (36)</td>
</tr>
<tr>
<td>1991 Main</td>
<td>3,83,559 (100)</td>
<td>1,75,396 (46)</td>
</tr>
<tr>
<td>Marginal</td>
<td>29,177 (100)</td>
<td>3,253 (11)</td>
</tr>
<tr>
<td>1991 Total</td>
<td>4,12,736 (100)</td>
<td>1,78,649 (43)</td>
</tr>
</tbody>
</table>

Note: Figures in brackets are percentages.

Column 3 of the table shows that, there was a considerable increase in absolute terms in the number of the workforce engaged in the tertiary sector—from 50,082 in 1961 to 86,877 in 1971 to 1,29,259 (total workers) in 1981. In 1991, the main workers were 1,75,396 and the total workers were 1,78,649.
The compound rate of growth of the total workforce in the tertiary sector was 5.7 per cent per annum from 1961-71 and 4.05 per cent per annum from 1971-81 thereby showing a fall of 1.65 per cent points in the rate of growth in the latter decade. From 1981-91, the average compound rate of growth was 3.32 per cent per annum, thus showing a fall of 0.73 per cent points from 1981-91.

The table also shows the percentage of the total workforce in the tertiary sector to the total workforce in Goa (percentages in brackets). This percentage was 21 per cent in 1961 increased to 34 per cent in 1971, a rise of 13 per cent points from 1961-71. In 1981 (main workers), it was 40 per cent, thereby showing a further rise of 6 per cent points from 1971-81. However, if the total workers are considered in 1981, it was 36 per cent in 1981, thus showing a 2 per cent point increase from 1971-81. In 1991, it was 43 per cent thus showing a 7 per cent point increase from 1981-91.

From the above observations, we note that the workforce in the tertiary sector grew faster during the first decade after the Liberation of Goa, viz, 1961-71 and thereafter, the growth declined. During 1961-71, there was an expansion of educational institutions, which were meagre under the colonial regime, improvement in transport and communications, expansion of banking institutions, public utility services (like the supply of electricity, gas, water, etc.), expansion of government departments and the like, which were either absent in some cases or inadequate in others, under the Portuguese regime. The result was that the period of 1961-71 witnessed a rapid expansion of the tertiary sector and, subsequently, employment opportunities leading to a rise in the percentage of the workforce in the tertiary sector. In the latter decade (1971-81), the expansion was relatively less as the base had already been set in 1961-71 and, therefore, the percentage of the workforce in the tertiary sector did not increase substantially in 1971-81, nor did the compound rate of growth of the workforce in the tertiary sector. However, during the decade 1981-91, the percentage increased by 7 per cent points due to the setting up of additional educational institutions to meet the growing demand in remote areas, further expansion of transport, communication, banking etc.

To sum up, we can say that the tertiary sector in Goa has expanded from 1961-91, as is evident from the increase in the percentage of the workforce employed in this sector from 1961-91. This is indicative of the economic development of Goa to some extent. To quote Eicher, and Witt, (1970) “it is regarded as self-evident that expanding secondary or tertiary sectors of the economy are a condition of economic progress.”

III. WORKFORCE TRENDS IN SUB-SECTORS

1. Trade and Commerce

According to the 1961, 1971, 1981 and 1991 censuses, this category, viz, trade and commerce includes persons working in any capacity in wholesale or retail trading activity and commercial transactions relating to imports and exports, real estate and properties, stocks and shares, insurance, money lending, banking, etc.

Table 2 shows the total workforce in trade and commerce together with the total workforce in the tertiary sector.

Column 3 of the table shows that the total workforce in trade and commerce increased considerably in absolute terms from 12,163 in 1961 to 24,676 in 1971 and to 36,892 (main workers) and 38,607 (total workers) in 1981. In 1991, it was 57,711(main workers) and 59,110 (total workers).
Table 2
Total Workforce in Trade and Commerce, 1961-91

<table>
<thead>
<tr>
<th>Year</th>
<th>Total workforce in the tertiary sector</th>
<th>Total workforce in trade and commerce</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>50,082 (100)</td>
<td>2,163 (24)</td>
</tr>
<tr>
<td>1971</td>
<td>86,877 (100)</td>
<td>24,676 (28.4)</td>
</tr>
<tr>
<td>1981 Main</td>
<td>125,159 (100)</td>
<td>36,892 (30)</td>
</tr>
<tr>
<td>Marginal</td>
<td>4,100 (100)</td>
<td>1,715 (42)</td>
</tr>
<tr>
<td>Total</td>
<td>129,259 (100)</td>
<td>38,607 (30)</td>
</tr>
<tr>
<td>1991 Main</td>
<td>175,396 (100)</td>
<td>57,711 (33)</td>
</tr>
<tr>
<td>Marginal</td>
<td>3,253 (100)</td>
<td>1,399 (43)</td>
</tr>
<tr>
<td>Total</td>
<td>178,649 (100)</td>
<td>59,110 (33)</td>
</tr>
</tbody>
</table>

Note: Figures in brackets are percentages.

The compounded annual rate of growth of the total workforce in trade and commerce was 7 per cent during 1961-71 and 4 per cent during 1971-81, thereby showing a fall of 3 per cent points in the latter decade. During 1981-91, it was 4.4 per cent showing a 0.4 per cent rise from the earlier decade. Thus, the growth in trade and commerce witnessed a marginal increase in the latter decade.

The percentage of the total workforce in trade and commerce to the total workforce in the tertiary sector was 24 per cent in 1961 (percentage in brackets); it increased to 28.4 per cent in 1971, a rise of 4.4 per cent from 1961-71 and in 1981 it was 30 per cent, thereby showing a further rise of 1.6 per cent from 1971-81. In 1991, it was 33 per cent showing a rise of 3 per cent points from 1981-91. Thus, from 1961-91, there was a rise of 3 per cent, in the percentage of the total workforce in trade and commerce to the total workforce in the tertiary sector in Goa. Thus, the percentage of the total workforce in trade and commerce grew from 1961-91.

We can conclude from Table 2 that trade and commerce has been accounting for an increasing percentage of the workforce in the tertiary sector as a whole.

2. Transport, Storage and Communications

In the 1961, 1971, 1981 and 1991 censuses, transport, storage and communications (TSC) includes workers engaged in transport activities by air, rail, road or water and also in services incidental to transport such as packing, carting, loading, unloading etc. Workers engaged in storage, warehousing and communication services, such as posts, telegraphs, telephone, wireless, signalling, information and broadcasting, are also included in this category.

Table 3 shows the total workforce in TSC together with the total workforce in the tertiary sector in Goa for the above period.

Column 3 of table 3 shows that the total workforce in TSC increased from 15,300 in 1961 to 22,964 in 1971 and from 25,854 in 1981 to 32,473 in 1991.

The compound rate of growth of the total workforce in TSC was 4 per cent per annum from 1961-71, 1 per cent per annum from 1971-81, and 2.3 per cent per annum from 1981-91 indicating a marginal increase in employment generation in this sector in the latter decade.

From the total workforce in the tertiary sector in Goa in 1961, 31 per cent were engaged in TSC; in 1971, it decreased to 26.4 per cent a fall of 4.6 per cent points from 1961-71; in 1981, it decreased even further to 20 per cent, a further fall of 6.4 per cent points from
1971-81 and to 18 per cent in 1991, a fall of 2 per cent points from 1981-91. Thus, from 1961-91, there was a considerable fall of 13 per cent points in the percentage of the workforce employed in TSC in the tertiary sector in Goa, showing clearly that, there was a shift of the total workforce away from TSC in the tertiary sector during 1961-91.

Table 3
Total Workforce in Transport, Storage and Communications, 1961-91

<table>
<thead>
<tr>
<th>Year</th>
<th>Total workforce in the tertiary sector</th>
<th>Total workforce in TSC</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>50,082 (100)</td>
<td>15,300 (31)</td>
</tr>
<tr>
<td>1971</td>
<td>86,877 (100)</td>
<td>22,964 (26)</td>
</tr>
<tr>
<td>1981</td>
<td>Main 125,159 (100)</td>
<td>25,355 (20)</td>
</tr>
<tr>
<td></td>
<td>Marginal 4,100 (100)</td>
<td>499 (12)</td>
</tr>
<tr>
<td></td>
<td>Total 129,259 (100)</td>
<td>25,854 (20)</td>
</tr>
<tr>
<td>1991</td>
<td>Main 175,396 (100)</td>
<td>32,098 (18)</td>
</tr>
<tr>
<td></td>
<td>Marginal 3,253 (100)</td>
<td>375 (12)</td>
</tr>
<tr>
<td></td>
<td>Total 178,649 (100)</td>
<td>32,473 (18)</td>
</tr>
</tbody>
</table>

Note: Figures in brackets are percentages.

3. Other Services

"Other Services" includes persons working in services such as:
(a) public utility services like electricity, gas or water supply and sanitary services;
(b) Central, state, quasi-government or municipal administrative departments or offices;
(c) professional services; and
(d) trade or labour associations, recreation services and other categories.

Table 4 shows the total workforce in "Other Services" together with the total workforce in the tertiary sector from 1961-91.

Table 4
Total Workforce in Other Services, 1961-91

<table>
<thead>
<tr>
<th>Year</th>
<th>Total workforce in the tertiary sector</th>
<th>Total workforce in other services</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>50,082 (100)</td>
<td>22,619 (45)</td>
</tr>
<tr>
<td>1971</td>
<td>86,877 (100)</td>
<td>39,237 (45)</td>
</tr>
<tr>
<td>1981</td>
<td>Main 125,159 (100)</td>
<td>62,612 (50)</td>
</tr>
<tr>
<td></td>
<td>Marginal 4,100 (100)</td>
<td>1,886 (46)</td>
</tr>
<tr>
<td></td>
<td>Total 129,259 (100)</td>
<td>64,498 (50)</td>
</tr>
<tr>
<td>1991</td>
<td>Main 175,396 (100)</td>
<td>85,587 (49)</td>
</tr>
<tr>
<td></td>
<td>Marginal 3,253 (100)</td>
<td>1,479 (45)</td>
</tr>
<tr>
<td></td>
<td>Total 178,649 (100)</td>
<td>87,066 (49)</td>
</tr>
</tbody>
</table>

Note: Figures in brackets are percentage.

Column 3, of Table 4 shows that the total workforce in "Other Services" (OS) increased substantially from 22,619 in 1961 to 39,237 in 1971 and further to 64,498 (total workers) in 1981. In 1991, there was a further rise to 87,066 in absolute terms.
The compounded rate of growth of the total workforce in OS was 6 per cent p.a. from 1961-71, 5 per cent per annum from 1971-81 and 8 per cent per annum in the 1981-91 decade, thus showing a significant rise of 3 per cent points in the latter decade.

We also note from Table 4 that the total workforce in OS formed 45 per cent of the total workforce in the tertiary sector in 1961, it remained the same in 1971, \textit{i.e.} 45 per cent, thereby showing no change in the percentage. It, however, increased to 50 per cent in 1981 and declined to 49 per cent in 1991. Thus, from 1961-91, there was a 4 per cent point rise in the percentage of the total workforce in OS to the total workforce in the tertiary sector. This implies that there was a shift in the workforce in the tertiary sector in favour of OS during 1961-91.

The following inferences can be drawn from tables 2, 3 and 4:
1. The category of OS is the largest employer in the service sector.
2. Out of the three subdivisions in the tertiary sector the contribution of TSC towards employment generation was the lowest.
3. The percentage increase of the total workforce employed in trade and commerce from 1961-91 is higher (\textit{i.e.} 9 per cent points from 1961-91) than that of OS (4 per cent points from 1961-91) indicating that, during this period, the employment opportunities in trade and commerce grew faster than in OS although OS continues to be the largest employer in the tertiary sector.

IV. INTER-SECTORAL SHIFTS IN WORKFORCE

Table 5 shows in a nutshell the workforce amongst sectors.

<table>
<thead>
<tr>
<th>Year</th>
<th>Primary Sector</th>
<th>Secondary Sector</th>
<th>Tertiary Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>172,093 (70)</td>
<td>22,091 (9)</td>
<td>50,082 (21)</td>
</tr>
<tr>
<td>1971</td>
<td>125,548 (49)</td>
<td>42,050 (17)</td>
<td>86,877 (34)</td>
</tr>
<tr>
<td>1981 Main</td>
<td>122,500 (39)</td>
<td>63,886 (21)</td>
<td>125,159 (40)</td>
</tr>
<tr>
<td>Total</td>
<td>160,038 (45)</td>
<td>67,210 (21)</td>
<td>129,259 (36)</td>
</tr>
<tr>
<td>1991 Main</td>
<td>123,861 (32)</td>
<td>84,302 (22)</td>
<td>175,396 (46)</td>
</tr>
<tr>
<td>Total</td>
<td>146,960 (36)</td>
<td>87,127 (21)</td>
<td>178,649 (43)</td>
</tr>
</tbody>
</table>

\textit{Note:} Figures in brackets are percentages of the workforce in the respective sectors to the total workforce in Goa.


From the above table, it is evident that, in 1961, the primary sector had the largest workforce, both, in absolute number (1,72,093) as well as in percentage terms (70 per cent) when compared to that of the other two sectors, \textit{viz.} the secondary and tertiary sectors. It was followed by the tertiary sector, which had an absolute number of 50,082 and a percentage share of 21 per cent of the total workforce in Goa indicating that Goa was by and large an agrarian economy during this period.

The secondary sector had the lowest absolute number of 22,091 as well as percentage share—that of 9 per cent. From the Table 4 it is evident that, as on 1961, Goa was largely dependent on the primary sector for employment due to the under-development of the remaining two sectors.
In 1971 (Table 5), there was a marked change in the distribution of the workforce amongst the sectors. The primary sector which was the largest employer in 1961, showed a sharp fall in its share of the workforce from 1,72,093 in 1961 to 1,25,548 in 1971 in absolute numbers, and from 70 per cent in 1961 to 49 per cent in 1971 in percentage terms, thereby showing a 21 per cent points fall from 1961-71. Simultaneously, the other two sectors, viz. the secondary and tertiary sector, showed a significant rise in their respective shares of the total workforce in Goa. The share of the secondary sector increased from 22,091 in 1961 to 42,050 in 1971 in absolute numbers. In terms of percentage, it increased from 9 per cent in 1961 to 17 per cent in 1971, thus showing an increase of 8 per cent points from 1961-71. With regard to the tertiary sector, there was a rise from 50,082 in 1961 to 86,877 in 1971 in absolute numbers. In percentage terms, it increased from 21 per cent in 1961 to 34 per cent in 1971—a marked increase of 13 per cent points from 1961-71. This shows that in 1971, after 10 years of Liberation, there was a marked shift in the sectoral distribution of the workforce in Goa. The share of the primary sector declined not only in relative terms but also in absolute terms, and that of the other sectors showed a rise, thereby showing that with Liberation, the other sectors were developed and the heavy dependence on the primary sector for employment decreased.

In 1981, it is observed in Table 5, that once again there was a considerable drop in the absolute number as well as the percentage of the workforce engaged in the primary sector. This fall in absolute terms has been from 1,25,548 in 1971 to 1,22,500 in 1981 and in terms of percentage, it was from 49 per cent in 1971 to 39 per cent in 1981, showing a fall of 10 per cent points from 1971-81. The other two sectors viz., the secondary and the tertiary sectors, show a rise in absolute, as well as, in terms of percentage in the share of the total workforce in Goa from 1971-81. In the case of the secondary sector, it was from 42,050 in 1971 to 63,886 in 1981 in absolute terms and from 17 per cent in 1971 to 21 per cent in 1981 in percentage terms, thereby showing a rise of 4 per cent points from 1971-81. With regard to the tertiary sector, it was from 86,877 in 1971 to 1,25,159 in 1981 in absolute number and from 34 per cent in 1971 to 40 per cent in 1981 in terms of percentage, thus showing a rise of 6 per cent points from 1971-81. It is observed here that the rise in both absolute as well as in terms of percentage in the share of the workforce by the secondary and tertiary sectors is lower during the 1971-81 decade, as compared with 1961-71.

In 1991, we observe in Table 5 that the primary sector shows a rise in the absolute number from 1,22,500 in 1981 to 1,23,861 in 1991. In percentage terms however, it shows a fall from 39 per cent in 1981 to 32 per cent in 1991, a fall of 7 per cent points from 1981-91. The secondary sector shows a rise in absolute terms from 63,886 in 1981 to 84,302 in 1991. In percentage terms too, there is a rise from 21 per cent in 1981—22 per cent in 1991, a marginal rise of 1 per cent point only from 1981-91.

The tertiary sector shows a rise in absolute terms from 1,25,159 in 1981 to 1,75,396 in 1991. In percentage terms, too, it shows a rise from 40 per cent in 1981 to 46 per cent in 1991, a rise of 6 per cent points from 1981-91.

Thus, during 1961-91, the primary sector showed a fall in absolute terms from 1,72,093 in 1961 to 1,46,960 in 1991. In percentage terms, too, there has been a fall from 70 per cent in 1961 to 36 per cent in 1991 (total workers), thereby showing a sharp fall of 34 per cent points from 1961-91. On the other hand, the secondary sector showed a rise in absolute terms
from 22,091 in 1961 to 87,127 in 1991. In percentage terms, too, it showed a rise from 9 per cent in 1961 to 21 per cent in 1991, a rise of 12 per cent points from 1961-91.

The tertiary sector increased in absolute terms from 50,082 in 1961 to 1,78,649 in 1991. In percentage terms, it also showed a rise from 21 per cent in 1961 to 43 per cent in 1991, a rise of 22 per cent points from 1961-91.

We can conclude from the above that there is a definite shift of the workforce from the primary sector to the secondary sector and more to the tertiary sector during 1961-91 in Goa.

V. LOSS OF WORKFORCE IN SOME SECTORS AND GAIN IN OTHERS

Table 6 shows the degree of fall in the share of the primary sector of the total workforce in Goa and the corresponding gain by the remaining two sectors, viz. the secondary and the tertiary sectors.

<table>
<thead>
<tr>
<th>Decade</th>
<th>Primary Sector</th>
<th>Secondary Sector</th>
<th>Tertiary Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961-71</td>
<td>-21</td>
<td>+8</td>
<td>+13</td>
</tr>
<tr>
<td>1971-81</td>
<td>-10</td>
<td>+4</td>
<td>+6</td>
</tr>
<tr>
<td>1981-91</td>
<td>-7</td>
<td>+1</td>
<td>+6</td>
</tr>
</tbody>
</table>


The above table is self-explanatory. However, a few observations will clarify the issues a little more. In 1961-71, the share of the primary sector of the total workforce in Goa decreased by 21 per cent points. This fall in the primary sector was shared by the remaining two sectors and their share of the total workforce in Goa increased by the percentages in column 3 as follows: secondary sector (8 per cent); tertiary sector (13 per cent).

In the 1971-81 decade, the share of the primary sector of the total workforce in Goa decreased by 10 per cent. This fall in the primary sector was shared by the remaining two sectors and their share of the total workforce in Goa increased as follows: secondary sector (4 per cent) tertiary sector (6 per cent).

In 1981-91 the share of the primary sector of the total workforce in Goa decreased by 7 per cent. This fall in the share of the primary sector was shared by the remaining two sectors, and their shares of the total workforce in Goa increased as follows: secondary sector (1 per cent), tertiary sector (6 per cent).

If we examine the loss and gain of the workforce by the sectors during 1961-91. It is clear that the primary sector has lost workforce by 38 per cent points, the secondary sector has gained by 13 per cent points and the tertiary sector has gained by 25 per cent points, thus indicating clearly that it is the tertiary sector that has been employing a larger part of the workforce migrating from the primary sector. This implies that in Goa, the employment in the tertiary sector has expanded more than that in the secondary sector.

VI. IMPLICATIONS FOR ECONOMIC DEVELOPMENT OF GOA

From the foregoing analysis of tables, it is evident that there has been a shift of the workforce from the primary sector to the secondary and tertiary sectors from 1961-91. In this shift
the tertiary sector has been the biggest gainer as, during 1961-91, the secondary sector
gained by 13 points of the percentage lost by the primary sector, whereas the tertiary sector
gained by 25 points. Thus, we safely conclude that in Goa there is a definite shift in favour
of the tertiary sector.

A growing tertiary sector is often considered a sign of economic development, but, if
the tertiary sector, grew more than the secondary sector, it is not a healthy sign of
development, as in the case of Goa. To quote Subramanian, K.N. (1977), “a certain reduction
in employment in the tertiary sector and a corresponding increase in employment in the
secondary sector should be the evidence of real development of the economy of India.”
This would also be true in the case of Goa.

Clark (1940), too, speaks of the “the movement of working population from agriculture
to manufacture and from manufacture to commerce and services.” This implies that,
according to Clark, in the critical phases or early stages of growth, the manufacturing sector
expands more rapidly than commodities and services. But in Goa, it is observed that the
trend is otherwise. A process of economic growth where the service sector grows fast, and
‘manufacture’ as a sector grows slowly, cannot be a proper process of growth. In the words
of Arun Ghosh (1987), it merely represents a call (or demand) made by the administration
on the national product of the economy. A growth process which is dominated by the
productive sectors (viz, agriculture and manufacture) can be called ‘production-oriented
growth’ while the growth process dominated by the service sector in general and by public
administration in particular, can be called ‘consumption-oriented growth.”

VII. CONCLUSION
From the analyses of tables in this paper we conclude that the tertiary sector has been
playing a vital role in employment generation in Goa, absorbing a large percentage of the
workforce migrating from the primary sector. Within the tertiary sector, the subdivision of
OS has been the largest employer, followed by trade and commerce. Transport, storage
and communications have been growing rather slowly in this respect.

Thus, economic growth has occurred in Goa but it has been ‘consumption-oriented’
rather than ‘production oriented’ which is undesirable. What is needed in Goa is a relatively
faster growth of the productive sectors which, unfortunately, has been slow.

Notes
1. While computing the annual compound rate of growth for the decade 1971-81, the main worker figures
have been taken as they are more comparable with the 1971 data.
2. This fall was also due to the change in the definition of a ‘worker’ in the 1971 Census, which mainly
affected the number of women workers.
3. In 1981, the main worker figures are considered for comparison with the 1971 data, as these figures are
more comparable.
4. The main worker figures are considered in 1991 as in 1981, too, the main worker figures were considered
to compare with the 1971 data.

References
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Implications”, Economic and Political Weekly, Vol. 25, No.44, No. 3.


