



Role and significance of Service sector in Viksit Bharat

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Abstract:

The crucial role the service sector plays in achieving the vision of a "developed India" (Viksit Bharat) by 2047, emphasizing its potential to drive economic growth, employment generation, and inclusive development through sectors like IT, healthcare, education, and finance, while also addressing challenges related to quality, skill development, and infrastructure needed to fully realize this potential.

The service sector's contribution to India's economy in 2024-25 was 55.3% of the Gross Value Added (GVA). This is an increase from 50.6% in 2014. The services sector's growth rate was 8.3% in 2023-2024, compared to 8% in the pre-pandemic years. The service sector is the part of the economy that provides services instead of tangible goods. It is the largest sector of the economy in developed nations. The service sector is expected to contribute around 60% of India's GDP by 2047, playing a crucial role in achieving the "Viksit Bharat" vision by that date; with manufacturing accounting for the remaining significant portion of the economy at around 32%

Keywords: Gross Value Added, Viksit Bharat, Service Sector, Skill Development, Employment Generation

Introduction:

The service sector is considered a significant pillar in achieving the "Viksit Bharat" goal as it has the potential to contribute significantly to the nation's GDP and generate employment opportunities for a large section of the population. "Viksit Bharat 2047" refers to the Indian government's vision to transform India into a developed nation by the year 2047, and within this vision, the service sector plays a crucial role as a key driver of economic growth, job creation, and overall prosperity, with a focus on enhancing quality services, digitalization, and promoting innovation across various service industries to achieve this goal.

The service sector plays a crucial role in the vision of "Viksit Bharat," aiming for a developed and self-reliant India by 2047. Emphasizing sustainable business models, businesses are encouraged to integrate eco-friendly practices and social responsibility into their operations, thus contributing to economic growth while ensuring environmental conservation. By leveraging technology and innovation, the service sector can drive sustainable development, creating jobs and enhancing living standards in alignment with the goals of a prosperous and equitable nation (Rathod et al., 2024).

The service sector in India has emerged as a critical driver of economic growth, contributing significantly to the nation's GDP and employment opportunities. With the vision of "Viksit Bharat" (Developed India) by 2047, there are immense opportunities for innovation and expansion in various domains, including healthcare, education, and digital services. As India strives to enhance its global competitiveness, the service sector is poised to play a pivotal role in shaping a prosperous and inclusive future for the country (Harale & Pawar, 2024).

Main Branch of the Service Sector:

- **Financial Services:** Expanding financial inclusion, promoting digital banking, and improving access to credit for small businesses.
- **Healthcare:** Enhancing healthcare infrastructure, promoting preventive healthcare, and making quality healthcare accessible to all citizens.
- **Education:** Improving quality of education, promoting skill development, and making education accessible to all.
- **IT & BPM (Business Process Management):** Leveraging India's strong IT expertise to drive digital transformation across sectors and promote innovation.
- **Tourism:** Developing sustainable tourism practices, promoting cultural heritage, and enhancing tourism infrastructure.
- **Digital Transformation:** The government aims to leverage technology to enhance service delivery, including digital platforms for citizen services, e-governance initiatives, and promoting cashless transactions.
- **Skill Development:** A major focus is on up skilling the workforce to meet the growing demand for skilled professionals in the service sector, especially in emerging areas like artificial intelligence and data analytics.
- **Inclusive Growth:** The vision emphasizes providing access to quality services even in rural areas to promote inclusive development and reduce regional disparities.

Viksit Bharat and Technological Innovation:

In recent years, India has evolved as a worldwide technological hub, utilizing innovation to address societal concerns, accelerate economic development, and improve the quality of life for its people. The Indian government's dedication to technological innovation is evident in a variety of programs and activities aimed at fostering the study, development, and application of cutting-edge technologies. The "Make in India" initiative, which began in 2014, seeks to transform India into a global manufacturing hub by leveraging technology driven solutions to improve many industries. The program has resulted in significant Foreign Direct Investment (FDI) in technology-intensive businesses, boosting the country's economic growth. Furthermore, the National Policy on Electronics (NPE) 2019 aims to make India a global hub for Electronics System Design and Manufacturing (ESDM). The production-linked incentive (PLI) system under NPE has resulted in an increase in investment, with major global technology companies establishing manufacturing facilities in India. According to the Ministry of Electronics and Information Technology, mobile phone production in India has risen from 60 million units in 2014-15 to a stunning 305 million units in 2022-23. India's space technology expertise has been a source of national pride, as well as a demonstration of its devotion to technological innovation. The Indian Space Research Organisation (ISRO) has achieved significant milestones, including the Mangalyaan mission in 2014, which made India the first Asian nation to reach Martian orbit and the first country in the world to do so on its first attempt. In 2017, ISRO successfully launched 104 satellites in a single operation, setting a world record and demonstrating India's ability to supply cost-effective space exploration options. Another notable achievement for the Chandrayaan-2 program in 2019 was the successful landing of the Vikram lander near the lunar South Pole. Despite the difficulties encountered during the landing, the mission showcased India's expanding capabilities in space exploration and lunar science. These accomplishments not only add to scientific knowledge, but also inspire the next generation of scientists and engineers, which aligns with Viksit Bharat's goal of a technologically advanced and forward-thinking nation.

India's information technology (IT) sector has played a key role in the country's technological revolution, considerably contributing to economic growth, job creation, and worldwide competitiveness. The National Association of Software and Service Companies (NASSCOM) predicts that the IT and Business Process Management (BPM) industries would generate USD 194 billion in revenue by 2022, with a workforce of over 4.5 million experts. Initiatives such as the National Supercomputing Mission (NSM) demonstrate the government's commitment on research and development of developing technologies. NSM, which was founded in 2015, aspires to create a network of supercomputers and high-performance computing centers to promote improvements in fields such as weather forecasting, scientific research, and artificial intelligence (AI). India's dedication to AI research is further demonstrated by the establishment of the National AI Mission, which focuses on the study, development, and application of AI technology in a variety of areas. Viksit Bharat recognizes the vital role of the thriving start-up ecosystem in promoting technical innovation and supporting entrepreneurship. The government's flagship effort, "Start-up India," established in 2016, seeks to create a favorable climate for start-ups by providing tax breaks, finance assistance, and mentorship programs. According to the Department for Promotion of Industry and Internal Trade (DPIIT), India has over 70,000 recognized start-ups as of 2023. Cities such as Bengaluru, also known as the "Silicon Valley of India," have emerged as global innovation hotspots, housing a plethora of start-ups and research institutes. The Indian Institute of Science (IISc) and Indian Institutes of Technology (IITs) have played important roles in cultivating a culture of research and innovation, developing groundbreaking innovations, and forging relationships with industry leaders. India's boom in technical innovation is supplemented by increased finance and investment in R&D. According to a Venture Intelligence analysis, overall funding for Indian start-ups hit USD 27.8 billion in 2022, a significant rise from prior years. Notably, areas such as fintech, healthtech, and edtech have seen tremendous investment, reflecting the changing requirements of a digital society. The government's emphasis on innovation is also reflected in projects such as the Atal Innovation Mission (AIM), which attempts to instill a culture of innovation and entrepreneurship among students. The development of Atal Tinkering Labs in schools and Atal Incubation Centres around the country has given young brains a platform to experiment and innovate.

Conclusion:

Viksit Bharat's objective is to lead India towards becoming a developed nation by 2047 through a comprehensive approach that includes economic success, social well-being, and environmental sustainability. This revolutionary path entails harnessing different areas, including yoga practices, scientific discoveries, and educational changes, to create growth and societal impact. As India works toward Viksit Bharat, it is critical to evaluate issues such as stakeholder roles, scientific phenomena, and government alignment to assure the success of this ambitious vision. Furthermore, the shift to Viksit Bharat demands a comprehensive vision for sustainable corporate development and renewable energy efforts in India. This comprises embracing corporate sustainability, circular economy concepts, and effective resource management to promote economic growth while prioritizing environmental conservation and social welfare. Sustainable business model innovation emerges as a significant engine for developing value propositions and ensuring long-term value delivery through partnership with stakeholders and green supply chains.

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