

Inter Sectoral Linkages and Growth of Information Segments in the Indian Economy and Its Selected Regional Economies

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Growth of services sector is led by information technology enabled services leading to increases in national and regional GDP, employment and exports. States adopting central policies on information technology have benefitted by software exports. Besides, every job created here re-creates four more jobs. This is the study on inter-sectoral linkage of information sectors to other sectors of the economy by using 2003-2004 and 2007-2008 national tables and constructed regional tables. Results show at national level, non-information sectors depend more on their demand links as compared with information sectors and vice versa in the case of supply links. At state level, information sectors depend more on their demand as well as supply links as compared with the non-information sectors. Results also show a number of non-information sectors and a few information sectors to have over investment in inventories.

I Introduction

The Indian Economy has been growing in the information sectors like the telecommunication, paper, print and computers along with the world trends. The growth in these sectors has led to the growth in infrastructural sectors like transport, communication, trade, hotels and restaurants, real estate, catering, hospitality, banking and insurance, education, etc., thereby leading to the development of the national and regional economies. Growth of the services sector in India has been led by information technology and information technology enabled services sector which has become a growth engine for the economy contributing significantly to increases in GDP, employment and exports. It was around the early 1990s that India leapfrogged in a big way (although the origins of this industry can be traced to the mid-eighties) into IT oriented economic development and developed a globally competitive information technology services industry that has continued to grow. The

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