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Pattern of Service Sector Output Growth and Its Implication for Employment

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Abstract: Economic growth and development is not possible without human resources, which have in recent times emerged as the driving force in boosting GDP growth. However, Pakistan has ignored the development of labour force and the result is that it is facing high unemployment as the labour force is not able to cope up with new methods because of lack of training. The present study aims at exploring the employment generation capacity of the economy of Pakistan. The economy is divided into three main distinct sectors (agriculture, industry, and service). This study examines the impact of sectoral Employment on the sectoral economic growth of Pakistan, utilizing the Cobb-Douglas production function. The service sector is divided into five sub-sectors: Wholesale & Retail Trade, Transport, Storage & Communication, Finance & Insurance, Real State, and Other Services. The first two-sub sector (Wholesale & Retail Trade, Transport, Storage & Communication) are labor-intensive and the other three sectors (Finance & Insurance, Real State, and Other Services.) are capital intensive. Labour intensive service sector elasticity decreasing and capital-intensive service sectors elasticity increase over time and this may because of the increasing practice of using capital-intensive technology. The empirical forecasts indicated that Pakistan is suffering from high levels of unemployment due to this very reason. Therefore, suitable efficient policies are needed not only to solve this issue but also for optimal utilization of human capital which will assist the economy in the long run. Also, overall growth as well as employment-generating sectors needs to pay appropriate attention to tackle the issue. This study used panel data from 1964 to 2018. This research used three standard panel unit root tests: LLC panel unit root test, IPS panel unit root test, and ADF statistic. Moreover to test the co-integration test to find the long-run relationship between sectoral Employment and Service sector economic growth of Pakistan.

Keywords: Pakistan, Service Sector, Cobb-Douglas, Panel Unit Root-Test, Panel Cointergration Test; Long Run Relationship

1. Introduction

Economic growth and the increase in employment are two major chunks of any economic policy as both indicate a positive future for any economy. An increase in employment coupled with increased productivity is very effective for the growth of any economy. The relation of GDP growth and employment is essential and is known to us through employment elasticity that is between 0.1-0.7 globally. Employment elasticity provides us with insights towards the variations in structure of the economy. One such example is if employment elasticity is of the low employment elasticity of the agriculture sector that infers that even with high GDP growth it wouldn't create a lot of jobs which shows the lack of job creation in the respective sector.

Economies from their emergence are always looking to grow and achieve economic growth and economic development at a steady pace. The rate of the growth of an economy is closely linked with the sectors that are more focused in its economic policies. Jean Fourastie, a notable French economist, is famous for his three sector economic model in which economies are divided into three sectors which include the primary sector (mainly extraction of minerals), the secondary sector (mainly manufacturing and processing) and the tertiary sector. With ever increasing technological advancements the service sector has never been more important as more and more developed economies are shifting towards the service sector.

Hira and Shaista (2014) provide us with an analysis related as to how the service sector has a very essential role to play in the economic growth of the economy. The report tried to examine the factors that determine service sector growth and concluded that factors such as FDI, population, consumption and investment have a major impact on service sector growth in Pakistan. The report sheds light on as to how the tertiary sector of Pakistan's economy has attracted not only domestic investment but also foreign direct investment. Haider and Abdul Rehman (2012) in their report analysed the effects of sector specific FDI on sector specific labour productivity and found out that long run relationship between both these factors exists and that FDI will affect labour productivity positively in all sectors including the tertiary sector. Barry and Poonam (2011) emphasize on the fast growing service sector of the Indian economy and how it is affecting both its economic growth and development. The report also talks about the modern service sector employment which is increasing labor productivity and also leading to more skilled employment in the sector.

For economic growth to efficiently take place, economies tend to follow a certain pattern of growth, which is also highlighted by the Rostow's growth model. The model is generally divided into five stages where the first stage is of a 'traditional society', which is where majority of economies start from which mainly includes the agriculture and extraction of raw material as the major chunk of the GDP. The second stage is known as the 'transitional stage' where the economies are moving towards building their infrastructure for future growth prospects. The third stage is called the 'take off' stage where economies move towards industrialisation and the next stage also known as the 'drive to maturity' where the industrialisation is stabilised and investments and hot money is seen pouring in. The last stage, which is the 'high mass consumption' stage, is where the service sectors dominates. These five stages provide a robust guide for economies to lead to economic growth itself but the real question is if the modern economies of today

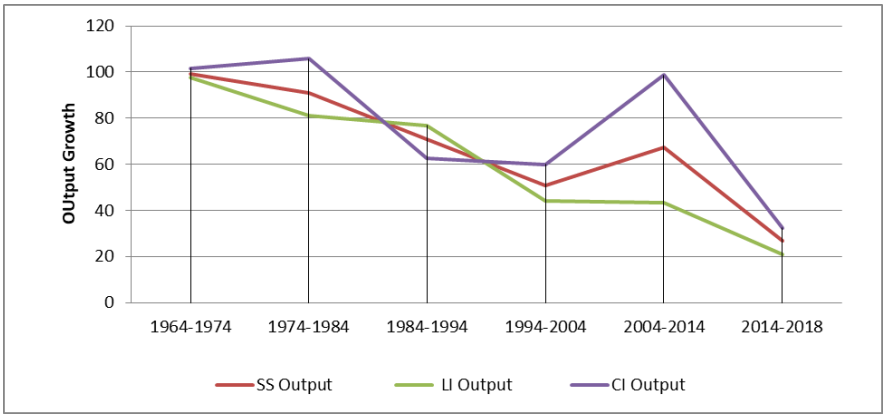
follow these stages in the first place. We have the prime example of Pakistan where although over the years the economy might have managed to reach stage 3 which is the take off stage and started the industrialisation but it is safe to say that this was never stabilised and with the increasing growth rate of the service sector which now accounts for more than 50% of the GDP and around 40% of the employment it can be said that Pakistan has skipped the fourth stage and directly jumped on the fifth.

Sectoral Employment and output growth in Pakistan:

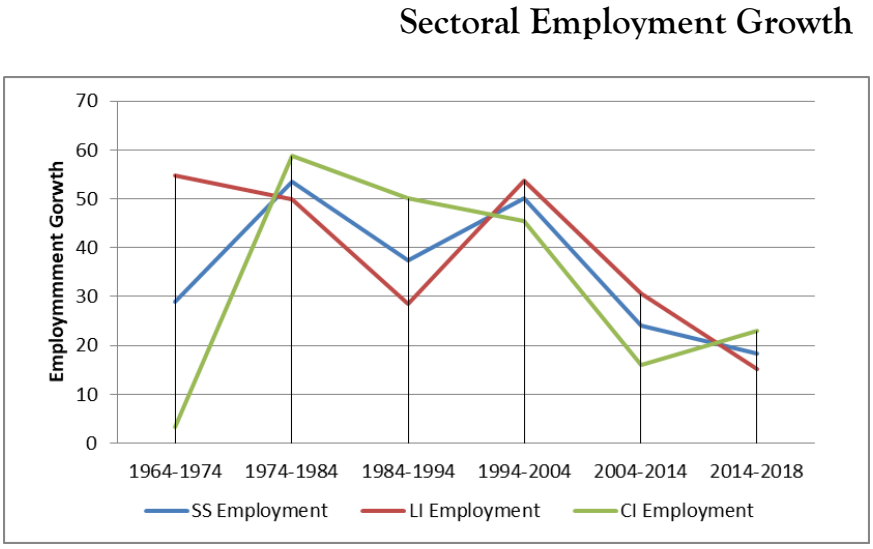
In Pakistan, the growth of economy since 2000 occurred at an average rate of 5% whereas the unemployment levels have increased from 6.3% in 1996 to 8.27% in 2004. The unemployment rate is predicted to reach double-digit figures, which is alarming for the economy itself and which shows that there is a dire need to investigate the shocking difference in GDP growth and employment growth and that is why this report connects GDP growth with employment of Pakistan both in short and long run. Furthermore, this study will also forecast unemployment and labor force imbalances for the future years of Pakistani economy

There have been previous studies, which have analysed the relation of output and employment by concentrating on employment elasticity. Baqai (1979), Kemal (1990) and Chaudhary and Hamid (1994, 1997, and 1998) have all computed employment elasticity. This elasticity are calculated directly from the data or on the basis of regression models. These regression models Chaudhary (1994) and (Chaudhary and Hamid 1997, 1998) do not take into account the non-stationarity of the time series data. This lacking of the data leads to misleading conclusions. These studies also lack the short and long run relation of employment and GDP which is fulfilled by the existing study.

Sectoral Output Growth



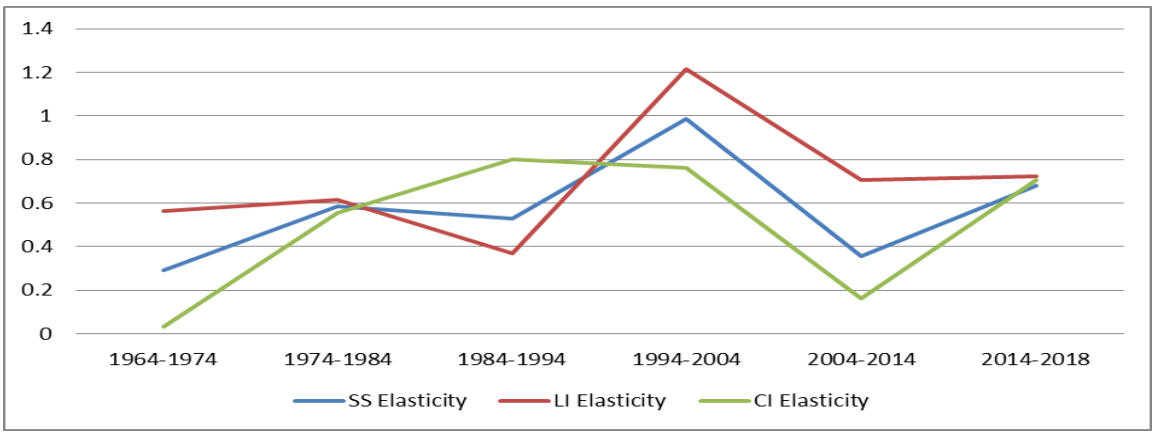
Source: Authors' Estimation



Source: Authors' Estimation

Sectoral Employment Elasticity:

The graph below shows the elasticity from 1964 till 2018 for the service sector. The elasticity is divided into three parts. The most important is the elasticity of the service sector as a whole whereas the elasticity of the service sector is divided into two parts which are the labour and intensive and capital intensive elasticity.Although the elasticity of the whole sector has fluctuated over the years, it first increased from 1964 to 1994 but then it decreased till 2014 and since then the elasticity of the sector is increasing. However, the interesting thing to note is the change in the elasticity of the two sub-sectors. From 1964 to 1994 we see the elasticity of both sectors fluctuating but since then we have a common trend which shows as to how capital intensive elasticity is even less than the whole sector and how the elasticity of the labour intensive sector is more than the service sector itself.



Source: Authors' Estimation

Service Sector Transformation in Pakistan:

The service sector in Pakistan is more labour intensive as the sector provides more employment opportunities which leads to poverty alleviation and ultimately leads to economic development. The labour employed in the service sector is divided into three occupational groups which are White Collar, Brown Collar and Blue Collar. White collar is comprised of legislators and managers whereas brown collar workers are specialised skilled workers of different industries. Lastly blue collar is consisted of unskilled machine operators. These different occupational groups showcase the fact as to how the service sector of Pakistan has been termed labour intensive as it employs both skilled and unskilled labour. With this unusual phenomenon of Pakistani economy where the secondary sector is often neglected and the tertiary sector is booming, it is most pertinent that the pattern of economic growth is analysed and that it is also seen as to how the increase in tertiary sector involvement is affecting employment levels.

Table 1: Decomposition of Sector Growth into Productivity, Employment Growth and Elasticity

	1964-1974	1974-1984	1984-1994	1994-2004	2004-2014	2014-2018
Service Sector						
Output Growth	99.285102	91.039065	70.688355	50.648917	67.415461	26.862232
Employment Growth	28.986819	53.440234	37.447304	50.045964	24.141231	18.323906
Elasticity	0.2919554	0.5870033	0.5297521	**0.9880954**	0.3580964	0.6821438
Labour intensive service sector						
Output Growth	97.691255	81.246227	76.794069	44.230483	43.371204	20.883299
Employment Growth	54.863686	49.88092	28.475481	53.781391	30.594269	15.06962
Elasticity	0.5616028	0.6139475	0.3708031	**1.215935**	0.7054051	0.7216111
Capital intensive service sector						
Output Growth	101.72871	105.7525	62.607342	59.884962	98.627182	32.464364
Employment Growth	3.3303682	58.729224	50.03588	45.557876	15.949921	22.976536
Elasticity	0.0327377	0.555346	0.7992015	**0.7607565**	0.1617193	0.7077464

Source: Authors' Estimation

2. Literature Review

Pakistan's economic growth is a very different occurrence, as Pakistani economy does not follow the stereotypical route to economic growth. Hira and Shaista (2014) provide us with an analysis related as to how the service sector has a very essential role to play in the economic growth of the economy. The report tried to examine the factors that determine service sector growth and concluded that factors such as FDI, population, consumption and investment have a major impact on service sector growth in Pakistan. The report sheds light on as to how the tertiary sector of Pakistan's economy has attracted not only domestic investment but also foreign direct investment. Haider and Abdul Rehman (2012) in their report analysed the effects of sector specific FDI on sector specific labour productivity and found out that long run relationship between both these factors exists and that FDI will affect labour productivity positively in all sectors including the tertiary sector.

The service sector has also gained attention because of the high amount of labour force that it provides employment to and has also contributed to the GDP on a very large scale. Ayaz and Henna (2011) emphasize on the fact as to how the service sector contributes to more than 50% of the GDP and how this sector's growth is stabilising the overall economic growth. This report also recommends that the service sector should focus on its technological advancements in order to cope up with the global tertiary sector.

Park and Shin (2012) in their report look at the potential of the service sectors of twelve Asian countries and conclude that service sector growth also leads to labour productivity which in turn leads to a positive GDP growth. The report also sheds light on the fact that countries when they move towards the service sector tend to decline their production from the primary and the secondary sector. This cannot be attributed with the Pakistani economy as it is still majorly involved in the primary sector. One other Asian economy to look at which has had a lot of success in the service industry is the Indian economy. Barry and Poonam (2011) emphasize on the fast growing service sector of the Indian economy and how it is affecting both its economic growth and development. The report also talks about the modern service sector employment which is increasing labor productivity and also leading to more skilled employment in the sector.

The potential and contribution of service sector to employment is massive as income generation from this sector is exponentially increasing. Seema (2004) in her report highlights the role of the service sector of India in not only employment generation but also poverty alleviation. She sheds light on the fact as to how the service sector is booming and reaching its peak. The report also highlights that it is the three sectors working efficiently simultaneously is what is most beneficial for the economy in the long run. The Indian economy is a good comparison for the Pakistani economy as the demographic of both the countries is moreover the same. Jurgen (2004) in his report emphasizes on the fact that the service sector in the US is not only leading to employment generation but also leading to an addition in human capital as more people are being trained in special skills. This in turn is leading to massive positive output growth as both employment and productivity is raised.

3. Method

In case of Pakistan the service sector grows very faster as compare to other sectors. In this study, we investigate the impact of labour intensive service sector and capital intensive service sector employment on sector growth.

The panel data set used in this study cover service sector's sub sectors (Wholesale and Retail Trade, Transport, Storage and Communication, Finance and Insurance, Real State, Other Services). Wholesale and Retail Trade, Transport, Storage, and Communication are labour intensive service sectors. Finance and Insurance, Real State, Other

Services are considering capital intensive service sectors. The model is estimated by using 54 years (t=54) of annual data from the period 1964 to 2018.we used disaggregate output, employment, GFCF and inflation in our study to estimate the actual effect of these variables on its particular sector. The data was obtained from the Handbook of Statistics on Pakistan Economy and varies economic survey of Pakistan.

4. Findings and Discussions

Our empirical analysis started with the augmented cobb-Douglas production function framework equation (1). The model is to evaluate the effect of employment namely Wholesale and Retail Trade, Transport, Storage and Communication, Finance and Insurance, Real State, Other Services on service sector growth in parametric form we can define it as follows:

$$Emp_{it} = \alpha_{it} + \beta_1 Output_{it} + \beta_2 GFCF_{it} + \beta_3 Inflation_{it} + \mu_{it} \text{------------}(1)$$

Panel Unit Root Test

To make the econometric analysis effective, this report strives to use the most appropriate data, efficient analysis of the model and related variables for the study. Previous studies show that unit root test based on individual time series has less power than panel-based unit root tests. This report begins its econometric analysis by applying panel unit root test proposed by Levin et al. (LLC) (2002) and Im et al. (IPS) (2003) to check if the data is stationary. Both tests are based on the Augmented Dickey-Fuller principle. To investigate if the data is stationary of the series used, we applied the unit root tests on panel data (LLC, IPS).

The results of the unit root tests performed for the three panels of the study are shown in table 3 to 9 from which we can draw the following conclusions. The variables are non-stationary at level but at first difference it becomes stationary. The results of stationary test are reported in appendix. Therefore, it is concluded that the data is now feasible for further tests. These results will assist us in investigating the presence of a long-term relationship between them by applying co-integration tests.

Panel Co-Integration Test:

Granger (1969) has introduced the concept of co-integration which is applicable to determine the long run relationships between variables. Co-integrated series are those where the difference in two non-stationary series is stationary and if there are more than two co-integrated series then the variables are inferred as long run equilibrium relation variables (Engle & Granger, 1987). The absence of co-integration shows that the variables have no long run relationship and therefore the panel co-integration test is used to investigate the long-run equilibrium relationship between the dependent variable and all the independent variables as a group in the model.

In this study, we used three econometric methods of panel co-integration namely; Pedroni panel co-integration, Pedroni (1999, 2004), Kao Residual based co-integration, Kao (1999), and Westerlund based co-integration to analyze the long-run relationship between variables. The null hypothesis of all co-integration methods is that there is no long-run co-integration exists between variables. Table 10 represents the outcomes of the co-integration analysis. The results of all applied co-integration methods approve the presence of a significant long-run relationship between variables. The results of co-integration test are reported in appendix table 10.

Ordinary Least Square:

The outcomes of the long-run analysis are shown in table 11. Results confirm the positive and noteworthy effect of sectoral gross fixed capital formation on the sectoral growth of Pakistan. The main reason behind the substantial and the positive relationship between GFCF and the economic expansion of Pakistan is that when there is gross fixed capital formation in the host country like Pakistan the increase in GDP can be attributed to the level of stability of the economy. To understand the relation between GFCF and GDP it is pertinent that we take in account all the determinants of GFCF and since the data shows a positive and significant association we can conclude that this is because of the direct impact of capital increase on the GDP of the host country. Furthermore results also informed us about the positive and significant relation between employment and economic development. This may be merely owing to the fact that as employment increases it intensifies the purchasing power of more number of people which in turn leads to promoting more production.

The younger the labour force the more production is likely to increase which will ultimately lead to economic growth. This is because the rate of increase of production owing to labour force is mainly dependent on their gender and age.

Lastly the results show that inflation has a negative and high association with GDP growth as inflation increases it directly hits all parts of economy thus having a high and negative association.

Table 11: Ordinary Least Square Test

Variables	Coefficient	T- Statistics	Prob
Constant	-6.922083	-15.08	0.000
LogEmp	.7076748	19.45	0.000
LogGFCF	-.1824486	-4.63	0.000
LogInflation	.2233173	3.33	0.001
Adjusted R2	0.9567		
F-Statistics	804.30		
Prob (F-Statistics)	0.0000		

Source: Authors' Estimation

5. Conclusion

This report empirically investigated the service sector of Pakistan and provided analysis if the sector is capital or labour intensive. Through rigorous econometric analysis, it can be concluded that investment (GFCF) and employment both have a positive relationship with economic growth. Furthermore, the report also concludes that more investment and increase in employment will also lead to economic development, which will ultimately increase the living standards in the economy. This report also highlights a major issue in the Pakistani economy, which is the direct transition from the agriculture sector to the service sector.

The effects of this jump are not quite visible in the short run but will not be beneficial in the long-run as manufacturing sector plays a very key role in long-term economic growth.

Abbreviations:

Symbols	Variables
Emp	Employment
Output	Output
GFCF	Gross Fixed Capital Formation
Inflation	
SS	Service Sector
Service Sector	WRT + TSC +FI + RS + OS
WRT	Wholesale and Retail Trade
TSC	Transport, Storage and Communication
FI	Finance and Insurance
RS	Real State
OS	Other Services
LI	Labour Intensive Sectors
CL	Capital Intensive Sectors
Labour Intensive Sectors	WRT + TSC
Capital Intensive Sectors	FI + RS + OS

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Appendix:

Table 2: Descriptive Statistic

		LogEmp	LogOutput	LogGFCF	LogInflation
Service Sector	Mean	1.532395	13.22815	10.59446	4.595237
	Max	2.567023	14.72738	14.74936	7.203874
	Min	.4276179	11.38126	6.492547	1.854487
	StdDev	.5802524	.8836154	2.298912	1.535256
Labour Intensive Service Sector	Mean	1.697089	13.35702	9.993111	4.31322
	Max	2.567023	14.57079	13.50244	6.846038
	Min	.6367546	11.80859	6.492547	1.854487
	StdDev	.550188	.8065256	2.298855	1.596958
Capital Intensive Service Sector	Mean	1.367702	13.09928	11.19581	4.877255
	Max	2.276019	14.72738	14.74936	7.203874
	Min	.4276179	11.38126	7.694848	2.585488
	StdDev	.5671519	.9442967	2.155571	1.430169

Source: Authors' Estimation

Table 3: Correlation Matric

Service Sector Correlation Matric				
	LogEmp	LogOutput	LogGFCF	LogInflation
LogEmp	1.0000			
LogOutput	0.9717* 0.0000	1.0000		
LogGFCF	0.8373* 0.0000	0.9043* 0.0000	1.0000	
LogInflation	0.8733* 0.0000	0.9269* 0.0000	0.9911* 0.0000	1.0000
Labour intensive Service Sector Correlation Matric				
	LogEmp	LogOutput	LogGFCF	LogInflation
LogEmp	1.0000			
LogOutput	0.9882* 0.0000	1.0000		
LogGFCF	0.9896* 0.0000	0.9969* 0.0000	1.0000	
LogInflation	0.9920* 0.0000	0.982* 0.0000	0.9924* 0.0000	1.0000
Capital intensive Service Sector Correlation Matric				
	LogEmp	LogOutput	LogGFCF	LogInflation
LogEmp	1.0000			
LogOutput	0.9781* 0.0000	1.0000		

LogGFCF	0.9853* 0.0000	0.9969* 0.0000	1.0000	
LogInflation	0.9782* 0.0000	0.9968* 0.0000	0.9965* 0.0000	1.0000

Source: Authors' Estimation

Table 4: Results of Panel Unit Root Test of All Service Sector Variables at Level

Variables	LLC			IPS			ADF		
	1(0)			1(0)			1(0)		
	Stat	P Value	Results	Stat	P Value	Results	Stat	P Value	Results
LogEmp	-0.3350	0.3688	Non stationary	1.5748	0.9424	Non stationary	-1.0893	0.8620	Non stationary
LogOutput	-1.7611	0.0391	**Stationary**	-0.5768	0.2820	Non stationary	1.2291	0.1095	Non stationary
LogGFCF	0.0183	0.5073	Non stationary	2.3295	0.9901	Non stationary	-1.3329	0.9087	Non stationary
LogInflation	-0.3852	0.3501	Non stationary	2.5439	0.9945	Non stationary	-1.3519	0.9118	Non stationary

Source: Authors' Estimation

Table 5: Results of Panel Unit Root Test of All Service Sector Variables at First Difference

Variables	LLC			IPS			ADF		
	1(1)			1(1)			1(1)		
	Stat	P Value	Results	Stat	P Value	Results	Stat	P Value	Results
LogEmp	-6.5870	0.0000	stationar	-6.4129	0.0000	stationar	30.8066	0.0000	stationary

			y			y			
LogOutput	Nil	Nil	stationary	-6.1385	0.0000	stationary	27.3616	0.0000	stationary
LogGFCF	-5.7199	0.0000	stationary	-5.2137	0.0000	stationary	9.9929	0.0000	stationary
LogInflation	-3.8602	0.0001	stationary	-4.3524	0.0000	stationary	11.9974	0.0000	stationary

Source: Authors' Estimation

Table 6: Results of Panel Unit Root Test of All Labour intensive Service Sector Variables at Level

Variables	LLC			IPS			ADF		
	1(0)			1(0)			1(0)		
	Stat	P Value	Results	Stat	P Value	Results	Stat	P Value	Results
LogEmp	-0.5106	0.3048	Non Stationary	0.2987	0.6174	Non Stationary	-0.5762	0.7178	Non Stationary
LogOutput	-2.0022	0.0226	Stationary	-1.6924	0.0453	Stationary	2.5509	0.0054	Non Stationary
LogGFCF	-0.0050	0.4980	Non Stationary	1.5235	0.9362	Non Stationary	-0.9311	0.8241	Non Stationary
LogInflation	-0.1983	0.4214	Non Stationary	1.8063	0.9646	Non Stationary	-0.9565	0.8306	Non Stationary

Source: Authors' Estimation

Table 7: Results of Panel Unit Root Test of All Labour intensive Service Sector Variables at First Difference

Variables	LLC			IPS			ADF		
	1(1)			1(1)			1(1)		
	Stat	P Value	Results	Stat	P Value	Results	Stat	P Value	Results
LogEmp	Nil	Nil	stationary	-4.5500	0.0000	stationary	21.9905	0.0000	Stationary
LogOutput	Nil	Nil	stationary		Nil	stationary	18.2909	0.0000	Stationary
LogGFCF	Nil	Nil	stationary	-4.4532	0.0000	stationary	20.7143	0.0000	Stationary
LogInflation	Nil	Nil	stationary	-3.1752	0.0007	stationary	9.0698	0.0000	Stationary

Source: Authors' Estimation

Table 8: Results of Panel Unit Root Test of All Capital intensive Service Sector Variables at Level

Variables	LLC			IPS			ADF		
	1(0)			1(0)			1(0)		
	Stat	P Value	Results	Stat	P Value	Results	Stat	P Value	Results
LogEmp	0.1007	0.5401	Non stationary	1.9284	0.9731	Non stationary	-0.9644	0.8326	Non stationary
LogOutput	-0.3809	0.3516	Non stationary	0.8767	0.8097	Non stationary		0.7918	Non stationary
LogGFCF	0.0230	0.5092	Non stationary	1.7709	0.9617	Non stationary	-0.9539	0.8299	Non stationary
LogInflation	-0.3432	0.3657	Non stationary	1.7913	0.9634	Non stationary	-0.9554	0.8303	Non stationary

Source: Authors' Estimation

Table 9: Results of Panel Unit Root Test of All Capital intensive Service Sector Variables at First Difference

Variables	LLC			IPS			ADF		
	1(1)			1(1)			1(1)		
	Stat	P Value	Results	Stat	P Value	Results	Stat	P Value	Results
LogEmp	-3.8309	-3.8309 0.0001	Stationary	-4.5192	0.0000	Stationary	. 21.5767	0.0000	Stationary
LogOutput	-6.0853	-6.0853 0.0000	Stationary	-4.4288	0.0000	Stationary	20.4043	0.0000	Stationary
LogGFCF	-3.2991	-3.2991 0.0005	Stationary	-2.9201	0.0017	Stationary	7.5599	0.0000	Stationary
LogInflation	-2.8222	0.0024	Stationary	-2.9800	0.0014	Stationary	7.8970	0.0000	Stationary

Source: Authors' Estimation

Table 10: Co-Integration Tests

(1)Pedroni Residual Co-Integration Test

Test Name	Statistic	Sig. level for rejection (no co integration)
Alternative hypothesis: All panels are cointegrated		
Modified Phillips-Perron Statistic	-1.1468	0.1257
Phillips-Perron Statistic	-2.1684	0.0151
Augmented Dickey-Fuller Statistic	-1.5544	0.0600

Source: Authors' Estimation

(2) Kao Residual Co-Integration Test

Test Name	Statistic	Sig. level for rejection (no co integration)
Alternative hypothesis: All panels are cointegrated		
Augmented Dickey-Fuller Statistic	-2.7884	0.0026

Source: Authors' Estimation

(3) Westerlund test

Test Name	Statistic	Sig. level for rejection (no co integration)I(1)
Alternative hypothesis: Some panels are cointegrated		
Variance ratio	-1.8071	0.0354

Source: Authors' Estimation

	1964-1974			1974-1984			1984-1994		
variables	**GDP**	**Emp**	**Elas**	**GDP**	**Emp**	**Elas**	**GDP**	**Emp**	**Elas**
Service Sector	332305.2	4.347214	0.29	643988.6	6.206138	0.58	1144244	8.921798	0.52
Labour intensive service sector	200051.7258	2.40889	0.56	373637.4416	3.65756	0.61	666483.5567	5.01239	0.37
Capital intensive service sector	132253.5	1.938324	0.03	270351.1	2.548576	0.55	477760.4	3.909411	0.79
	1994-2004			**2004-2014**			**2014-2018**		
variables	**GDP**	**Emp**	**Elas**	**GDP**	**Emp**	**Elas**	**GDP**	**Emp**	**Elas**
Service Sector	1808501	12.91342	0.98	2906735	17.3687	0.35	4128352	21.00211	0.68
Labour intensive service	1039681.265	7.15295	1.21	1494261.469	9.99488	0.70	1944384.811	12.17397	0.72

sector									
Capital intensive service sector	768819.8	5.760471	0.76	1412474	7.373826	0.16	2183967	8.828145	0.70

Source: Authors' Estimation