

**Table of Contents**  
**Chapter-III Unorganised Trade**

---

<b>INTRODUCTION</b>	225
<b>PART I: THE MAIN MAGNITUDES AND TRENDS IN THEM AT THE ALL-INDIA LEVEL</b>	225
<b>3.1.1 Trends in Enterprise and Employment Numbers and in Gross Value Added by Unorganised Trade</b>	227
<b>3.1.2 Structure and Changes in It</b>	230
(i) The Size Structure of Unorganised Trade by Enterprise Type	230
(ii) Structural Shift: The Urbanisation of Unorganised Trade	231
(iii) The Share of Specified Enterprise Types in Enterprises, Employment and GVA	232
<b>3.1.3 Productivity: Rural -Urban Comparisons and Trends</b>	233
<b>3.1.4 Wholesale and Retail Trade</b>	234
(i) Some Absolute and Relative Numbers: Enterprises, Employment, Gross Value Added and Productivity	234
(ii) Enterprise Size and the Rural-Urban Distribution of the Two Branches of Trade	238
<b>3.1.5 The Performance of Unorganised Trade</b>	239
(i) Growth Rates in Enterprise Numbers, Employment and Gross Value Added	239
(ii) Productivity Growth	240
(iii) Growth in Wholesale and Retail Trade	241
(iv) Employment Elasticities with respect to Gross Value Added	241
<b>3.1.6 Fixed Assets, Capital / GVA and Capital / Labour Ratios</b>	243
(i) Levels of Fixed Assets per Enterprise and Growth Rates in their Value Type and by Broad Branch of Trade: Rural, Urban and All Locations, 1990-91 and 1996-97	243
<b>PART II: THE PERFORMANCE OF UNORGANISED TRADE AT THE TWO-DIGIT LEVEL</b>	246
<b>3.2.1 The Activities which Account for Most of the Employment, and the Ones which Generate the Most Income</b>	246

<b>3.2.2 The Trade Activities which are Mainly Rural and the Ones Which are Mainly Urban</b>	247
<b>3.2.3 The Identification of Expanding and Contracting Activities Within Unorganised Trade</b>	248
<b>3.2.4 Employment Elasticities at the Two-Digit Level in Unorganised Trade</b>	255
<b>3.2.5 Fixed Assets, Capital / GVA Ratios and Growth Rates in the Value of Fixed Assets per Enterprise by Two-Digit Industrial Category</b>	257
(i) On the Value of Fixed Assets per Enterprise	257
(ii) The Growth of Fixed Assets Over Time	258
(iii) Capital / GVA and Capital / Labour Ratios	260
 <b>PART III: THE REGIONAL DIMENSION: UNORGANISED TRADE IN FIFTEEN MAJOR STATES</b>	 <b>263</b>
<b>Introduction</b>	263
 <b>3.3.1 Enterprises, Employment and Gross Value Added: Absolute Numbers, Regional Shares and the Determinants of Inter-regional Differences</b>	 263
(i) Absolute Numbers and Regional Shares	264
(ii) The Factors Which Account for Interstate Differences in the Number of Unorganised Trade Enterprises and Workers, and Gross Value Added by them	269
(iii) The Share of Specified States in Wholesale and Retail Trade, Taken Separately	272
(iv) Regional Contributions to Employment and Gross Value Added by Two-Digit Groups Within Trade	275
a) Wholesale Trade in Agricultural Raw Materials, Live Animals, Food, Beverages, Intoxicants and Textiles (code 60)	275
b) Wholesale Trade in Wood, Paper, Skin, Leather and Fur, Fuel, Petroleum, Chemicals, Perfumery, Ceramics, Glass, Ores and Metals (code 61)	277
c) Wholesale Trade in Machinery and Equipment Including Transport Equipment (code 62)	278
d) Wholesale Trade in Commodities Not Elsewhere Classified (code 63)	279
e) The Regional Distribution of Retail Trade Activities in Food, Beverages, Tobacco and Intoxicants (code 65)	280
f) The Regional Distribution of Retail Trade in Textiles (code 66)	281
g) The Regional Distribution of Retail Trade in Fuels, Other Household Utilities and Durables (code 67)	282
h) The Regional Distribution of Retail Trade Activities not Elsewhere Classified (code 68)	283

<b>3.3.2 The Rural-Urban Distribution of Unorganised Trade in Each State</b>	<b>284</b>
<b>Introduction</b>	284
(i) Overview	285
(ii) The Wholesale and Retail Trade Contrasts	286
(iii) The Degree of Ruralisation of Specified Trade Activities at the Two-Digit Level	288
<b>3.3.3 The Structure of Unorganised Trade Within Each State Introduction</b>	<b>292</b>
<b>Introduction</b>	292
(i) The Structure of Unorganised Trade in Fifteen States by Enterprise Type	293
(ii) The Structure of Unorganised Trade Activities in Fifteen Major States and Changes in It Over Time	297
a) The Relative Importance of Wholesale and Retail Trade in Fifteen States	297
b) The Structure of Unorganised Trade at the Two Digit Level in Each of Fifteen Major States	300
<b>3.3.4 The Performance of Unorganised Trade at the Region Level</b>	<b>310</b>
<b>Introduction</b>	310
(i) Employment and Gross Value Added Growth: The Regional Picture	311
a) Growth Rate Performance of Unorganised Trade as a Whole in Fifteen States	311
b) The Regional Growth Rate Performance of Wholesale and Retail Trade Taken Separately	312
c) The Employment and Gross Value Added Growth Record at the Two-Digit Level	315
(ii) Productivity and Productivity Growth in Unorganised Trade: The Regional Dimension	325
a) Productivity Levels and The Rise and Fall of Inter-state Productivity Inequalities	325
b) Productivity Growth at the Region Level	344
c) Employment Generation: Past Performance and Future Prospects	355

## LIST OF TABLES

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### *PART-I*

3.1.1	Enterprise and Employment Numbers in Unorganised Trade by Enterprise Type and by Rural or Urban Location: All India 1979-80, 1985-86, 1990-91 and 1996-97	228
3.1.2	Change in Absolute Numbers of Unorganised Trade Enterprises and Workers by Enterprise Type and by Rural or Urban Location: All India 1979-80, 1985-86, 1990-91 and 1996-97	229
3.1.3	Gross Value Added by the Unorganised Trade Segment by Enterprise Type and Rural or Urban Location: All India 1979-80, 1985-86, 1990-91 and 1996-97	230
3.1.4	Enterprise Size by Enterprise Type: All India Rural, Urban and All Locations 1979-80, 1985-86, 1990-91 and 1996-97	231
3.1.5	The Rural-Urban Distribution of Unorganised Trade Enterprises, Employment and Gross Value Added by Enterprises Type, All India: 1979-80,1985-86,1990-91 and 1996-97	231
3.1.6	Share of Specified Enterprise Types in the Total Number of Trade Enterprises, Employment and Gross Value Added by Rural or Urban Location: All India: 1979-80, 1985-86, 1990-91 and 1996-97	232
3.1.7	Enterprise and Labour Productivity: Absolute Numbers in Constant 1993-94 prices by Enterprise Type: Rural, Urban and Total, 1979-80, 1985-86, 1990-91 and 1995-96	234
3.1.8	Enterprise and Employment Numbers in Unorganised Trade by Branch of Trade and by Rural or Urban Location: All India 1979-80,1985-86 and 1996-97	235
3.1.9	Gross Value Added by Unorganised Trade by Branch of Trade and by Rural or Urban Location: All India, 1979-80,1985-86, 1990-91 and 1995-96	235
3.1.10	Enterprise and Labour Productivity: Absolute Numbers in Constant 1993-94 prices by Branch of Trade, All India: Rural, Urban and Total 1979-80, 1985-86, 1990-91, 1996-97	236
3.1.11	Share of Specified Trade Branches in Total number of Trade Enterprises, Employment and Gross Value Added by Rural or Urban Location : All India 1979-80, 1985-86, 1990-91 and 1996-97	237
3.1.12	Absolute Numbers of Workers Who Gained or Lost Jobs by Branch of Trade and Rural or Urban Location: All India 1979-80, 1985-86 and 1996-97	238
3.1.13	Enterprise Size by Branch of Trade, Enterprise Type and Rural or Urban Location: All India: 1979-80, 1985-86, 1990-91 and 1996-97	238

3.1.14	The Rural-Urban Distribution of Unorganised Trade Enterprises, Employment and Gross Value Added (in Constant 1993-94 prices) by Branch of Trade, All India: 1978-79, 1985-86, 1990-91 and 1996-97	239
3.1.15	Growth Rates: Absolute Numbers of Unorganised Trade Enterprises, Employment and Gross Value Added (in Constant 1993-94 prices) by Enterprise Type all India, Rural Urban and Total (R+U) 1979-80, 1985-86, 1990-91 and 1996-97	240
3.1.16	Growth Rates: Enterprises and Labour Productivity in Unorganised Trade by Enterprise type and Rural or Urban Location: All India 1979-80 to 1985-86, 1985-86 to 1990-91 and 1991-1996	240
3.1.17	Growth Rates: Unorganised Trade Enterprises, Employment and Value Added by Branch of Trade and by Rural or Urban Location: All India 1979-80 to 1985-86, 1985-86 to 1990-91 and 1990-91 to 1996-97	241
3.1.18	All India Elasticities of Employment with respect to Gross Value Added by Unorganised Trade by Enterprise type: Rural, Urban and Total, 1979-80 to 1985-86, 1985-86 to 1990-91 and 1990-91 to 1996-97	242
3.1.19	All Elasticities of Employment with respect to Gross Value Added by Unorganised Trade by Branch of Trade: Rural, Urban and All Locations, 1979-80 to 1985-86, 1985-86 to 1990-91 and 1990-91 to 1996-97	243
3.1.20	Value of Fixed Assets per Enterprise in Unorganised Trade by Enterprise Type and Branch of Trade: Rural, Urban and All Locations, All India, 1990-1 and 1996-97	243
3.1.21	Growth Rates in the Value of fixed Assets per Enterprise by Enterprise Type and Branch of Trade: Rural, Urban and All Locations, All India, 1990-91 to 1996-97	244
3.1.22	All India Capital / Gross Value Added Ratios and Capital / Labour Ratios by Enterprise Type and by Broad Branch of Trade: Rural, Urban and All Locations, 1990-91 and 1996-97	245

## *PART-II*

3.2.1	The Structure of Unorganised Trade Employment and Gross Value Added by Two-Digit NIC Category: Rural, Urban and All Locations 1979-80 to 1985-86, 1985-86 to 1990-91 and 1990-91 to 1996-97	246
3.2.2	Share of Rural Areas in Employment, Enterprises and GVA by Two-Digit Industrial Category, All India: 1979-80, 1985-86, 1990-91 and 1996-97	248
3.2.3	Sunrise and Sunset Industries Ranked by Growth Rates in Gross Value Added: All India: 1979-80 to 1985-86, 1985-86 to 1990-91 and 1990-91 to 1996-97 by Two-Digit Industry Code, Rural Urban and All Locations	249

3.2.4	Employment Gains and Employment Losses in Unorganised Trade by NIC Two-Digit Industrial Category: All India, Rural Urban and All Locations: 1979-80 to 1985-86, 1985-86 to 1990-91 and 1990-91 to 1996-97	250
3.2.5	Growth Rate of Employment by NIC Codes and Rural Urban and All Locations: 1979-80 to 1985-86, 1985-86 to 1990-91 and 1990-91 to 1996-97	251
3.2.6	Growth Rate of Per Enterprise and Per Worker Productivity by Two-Digit Category, All India, Rural Urban and All Locations: 1979-80 to 1985-86, 1985-86 to 1990-91 and 1990-91 to 1996-97	252
3.2.7	Levels of Per Enterprise and Per Worker Productivity by Two-Digit Category Ranked by GVA Per Worker in 1996-97: All India, Rural, Urban and All Locations: 1979-80, 1985-86, 1990-91 and 1996-97	253
3.2.8	Employment Elasticities at the Two-Digit Level in Unorganised Trade by Rural, Urban and All Locations, 1979-80 to 1985-86, 1985-86 to 1990-91 and 1990-91 to 1996-97	256
3.2.9	Value of Fixed Assets per Enterprise by Two-digit Industrial Category, All India, Rural, Urban and All Locations, 1990-91 and 1996-97	257
3.2.10	Value of Fixed Assets per Enterprise by Two-Digit Industrial Category, Rural, Urban and All Locations: All India 1990-91, 1996-97	259
3.2.11	Growth Rate of Value of Fixed Assets per Enterprise by Two-Digit Industrial Category, Rural, Urban and All Locations: all India 1990-91 and 1996-97	259
3.2.12	Capital / GVA and Capital / Labour Ratios by Two-Digit Industrial Category in Unorganised Trade: Rural, Urban and All Locations: 1990-91 and 1996-97	261
3.2.13	Capital / GVA ratio by Two-Digit Industrial Category and Enterprise Type All India, Rural, Urban and All Locations: 1990-91 and 1996-97	262
3.2.14	Capital / Labour Ratios by Two-Digit by Industrial Category and Enterprise Type: All India, Rural, Urban and All Locations: 1990-91 and 1996-97	263

### *PART-III*

3.3.1	Absolute Number of Workers in Unorganised Trade Each of Fifteen States, and Rank in Share of All India Employment in Rural, Urban and All Locations, 1979-80, 1985-86, 1990-91 and 1996-97	264
3.3.2	Absolute Value of GVA in Unorganised Trade in each of Fifteen States, Ranked by Share in All India GVA in Rural, Urban and All Locations, 1979-80, 1985-86, 1990-91 and 1996-97	266

3.3.3	Share of Specified States in All India Unorganised Trade Enterprises, Employment and Gross Value Added, Rural, Urban and All Locations, 1979-80, 1985-86, 1990-91 and 1996-97	268
3.3.4	Regression Results: Dependent Variable – Number of Unorganised Trade Enterprises in Each of Fifteen States: 1979-80, 1985-86, 1990-91	270
3.3.5	Regression Results: Dependent Variable – Number of Unorganised Trade Employment in Each of Fifteen States: 1979-80, 1985-86, 1990-91	270
3.3.6	Regression Results: Dependent Variable – Gross Value Added by Unorganised Trade in Each of Fifteen States: 1979-80, 1985-86, 1990-91	271
3.3.7	Gross Domestic Product form All India Trade and Gross Value Added from Unorganised Trade 1996-97, by Specified States, with Share of Each State in All India	272
3.3.8	Share of Specified states in All India Unorganised Trade Employment and Gross Value Added by Branch of Trade: Rural, Urban and All Locations: 1979-80, 1990-91 and 1996-97	274
3.3.9	Share of Specified States in All India Unorganised Trade Employment and Gross Value Added by Wholesale Trade in Agricultural Raw Materials, Live Animals Food, beverages, intoxicants and textiles (Code 60) Rural, Urban and All Locations 1979-80, 1990-91 and 1996-97	276
3.3.10	Share of Specified States in All India Unorganised Trade Employment and Gross Value Added by Wholesale Trade in Wood, Paper, Skin, Leather and Fur, Fuel, Petroleum, Chemicals, Perfumery, Ceramics, Glass and Ores and Metals (Code 61) Rural, Urban and All Locations 1979-80, 1990-91 and 1996-97	277
3.3.11	Share of Specified States in All India Unorganised Trade Employment and Gross Value Added by Wholesale Trade in all Types of Machinery Equipment including Transport Equipment (Code 62) Rural, Urban and All Locations 1979-80, 1990-91 and 1996-97	278
3.3.12	Share of Specified States in All India Unorganised Trade Employment and Gross Value Added by Wholesale Trade not elsewhere classified (Code 63) Rural, Urban and All Locations 1979-80, 1990-91 and 1996-97	279
3.3.13	Share of Specified States in All India Unorganised Trade Employment and Gross Value Added by Retail Trade in Food and Food Articles, Beverages, Tobacco and Intoxicants (Code 65) Rural, Urban and All Locations 1979-80, 1990-91 and 1996-97	280
3.3.14	Share of Specified States in All India Unorganised Trade Employment and Gross Value Added by Retail Trade in Textiles (Code 66) Rural, Urban and All Locations: 1979-80, 1990-91 and 1996-97	281

3.3.15	Share of Specified States in All India Unorganised Trade Employment and Gross Value Added by Retail Trade in Fuels and Other Household Utilities and Durables (Code 67) Rural, Urban and All Locations: 1979-80, 1990-91 and 1996-97	283
3.3.16	Share of Specified States in All India Unorganised Trade Employment and Gross Value Added by Retail Trade not elsewhere classified (Code 68) Rural, Urban and All Locations: 1979-80, 1990-91 and 1996-97	284
3.3.17	Share of Rural Areas in Total (Rural+Urban) Employment and GVA in Unorganised Trade in Fifteen States, 1979-80,1985-86, 1990-91 and 1996-97	285
3.3.18	Share of Rural Areas in Total (Rural+Urban) Employment and GVA in Unorganised Trade in Fifteen States, By Broad Industrial Category (Code 2 and Code 3 industries) 1979-80, 1990-91 and 1996-97	287
3.3.19	The Rural-Urban Distribution of Employment and Gross value Added by particular Industries (by 2-digit NIC code) in fifteen states: 1979-80, 1990-91 and 1996-97	289
3.3.20	The structure of Unorganised Trade Employment at State Level by Enterprise type, OATE, NDTE and DTE: 1979-80, 1985-86, 1990-91 and 1996-97	293
3.3.21	The Structure of Unorganised Trade GVA at the State Level by Enterprise Type, Own Account Enterprise, Non-directory Enterprise and Directory Enterprise: 1979-80, 1985-86, 1990-91 and 1996-97	295
3.3.22	Industrial Structure of Unorganised Trade Activities in Fifteen Major States, Shares of Wholesale and Retail Trade in all Unorganised Trade Employment and Gross Value Added: 1979-80, 1990-91 and 1996-97	297
3.3.23	Industrial Structure of Trade: Shares of each Two-digit Group, in all Unorganised Trade Employment and Gross Value Added within Fifteen Major States: All Locations, 1979-80, 1990-91 and 1996-97	300
3.3.24	Industrial Structure of Trade: Shares of each Two-digit Industry in all Unorganised Trade Employment and Gross Value Added within Fifteen Major States: Rural, 1979-80, 1990-91 and 1996-97	303
3.3.25	Industrial Structure of Trade: Shares of Each Two-digit Industry in all Unorganised Trade Employment and Gross Value Added within Fifteen Major States: Urban, 1979-80, 1990-91 and 1996-97	306
3.3.26	Industrial Concentration and Diversification of Employment and Gross Value Added in Fifteen Major States; Rural, Urban and All Locations: 1979-80, 1990-91 and 1996-97 (Herfindahl Indices)	309



3.3.27	The Performance of Unorganised Trade in Fifteen Major States in Terms of Growth Rates in Employment and GVA, Rural, Urban and All Locations: 1979-80 to 1985-86, 1985-86 to 1990-91, 1990-91 to 1996-97	312
3.3.28	Growth Rate of Employment and Gross Value Added by Wholesale and Retail Trade Branch, Rural, Urban and All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97	314
3.3.29	Employment and Gross Value Added Growth Rates in Unorganised Wholesale Trade in Agricultural Raw Materials, Live Animals, Food, Beverages, Intoxicants and Textiles (code 60) in Fifteen Major States: Rural, Urban and All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97	315
3.3.30	Wholesale Trade in Wood, Paper, Skin, Leather and Fur, Fuel, Petroleum, Chemicals, Perfumery, Ceramics, Glass, Ores and Metals (code 61) in Fifteen Major States: Rural, Urban and All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97	317
3.3.31	Wholesale Trade in all Types of Machinery and Equipment (code 62) in Fifteen Major States: All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97	318
3.3.32	Wholesale Trade Not Elsewhere Classified (code 63) in Fifteen Major States: Rural, Urban and All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97	319
3.3.33	Retail Trade in Food and Food Articles, Beverages, Tobacco and Intoxicants (code 65) in Fifteen Major States: Rural, Urban and All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97	321
3.3.34	Retail Trade in Textiles (code 66) in Fifteen Major States: Rural, Urban and All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97	322
3.3.35	Retail Trade in Fuels and Other Household Utilities and Durables (code 67) in Fifteen Major States: Rural, Urban and All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97	323
3.3.36	Retail Trade Not Elsewhere Classified (code 68) in Fifteen Major States: Rural, Urban and All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97	324
3.3.37	The Performance of Unorganised Trade in Fifteen Major States, in Terms of Levels of Enterprise and Labour Productivity, Rural, Urban and All Locations: 1979-80, 1985-86, 1990-91 and 1996-97	326
3.3.38	Interstate Coefficients of Variation for Enterprise Productivity and Labour Productivity, Rural, Urban and All Locations: 1979-80, 1985-86, 1990-91 and 1996-97	328
3.3.39	Interstate Coefficients of Variation for Enterprise Productivity and Labour Productivity by Branch of Trade, Rural, Urban and All Locations: 1979-80, 1990-91 and 1996-97	329

3.3.40	GVA per Enterprise by Wholesale and Retail Trade and Rural, Urban and All Locations: 1979-80, 1990-91 and 1996-97	329
3.3.41	GVA per Worker by Wholesale and Retail Trade and Rural , Urban and All Locations: 1979-80, 1990-91 and 1996-97	330
3.3.42	Inter-State Coefficient of Variation for Particular Industries, Rural, Urban and All Locations: 1979-80,1990-91 and 1996-97	332
3.3.43	GVA per Enterprise and per Worker for Each State by 2-Digit code and Rural, Urban and All Locations, Rural, Urban and All Locations: 1979-80, 1990-91 and 1996-97	332
3.3.44	Regression Results: Dependent Variable – Gross Value Added per Enterprise in Unorganised Trade in Each of Fifteen States: 1979-80, 1985-86, 1990-91 and 1996-97	341
3.3.45	Regression Results: Dependent Variable – Gross Value Added per Worker in Unorganised Trade in Each of Fifteen States: 1979-80, 1985-86, 1990-91 and 1996-97	342
3.3.46	Regression Results: Dependent Variable – Gross Value Added per Enterprise in Unorganised Wholesale and Retail Trade in Each of Fifteen States: 1979-80, 1985-86, 1990-91 and 1996-97	343
3.3.47	Regression Results: Dependent Variable – Gross Value Added per Worker in Unorganised Wholesale and Retail Trade in Each of Fifteen States: 1979-80, 1985-86, 1990-91 and 1996-97	344
3.3.48	The Performance of Unorganised Trade in Fifteen Major States in Terms of Growth in Enterprise and Labour Productivity, Rural, Urban and All Locations: 1979-80 to 1985-86, 1985-86 to 1990-91 and 1990-91 to 1996-97	345
3.3.49	Growth of GVA per Enterprise by Wholesale and Retail Trade and Rural, Urban and All Locations: 1979-80, 1990-91 and 1996-97	346
3.3.50	Growth of GVA per Worker by Wholesale and Retail Trade and Rural, Urban and All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97	348
3.3.51	Growth Rate of GVA per Enterprise and Worker for Each State by Two-Digit Code, All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97	350
3.3.52	Changes in the Absolute Number of Persons Employed (+ or -) in Unorganised Trade in fifteen States, Rural, Urban and All Locations: 1979-80 to 1985-86,1985-86 to 1990-91 and 1990-91 to 1995-96	355
3.3.53	Changes in the Absolute Number of Persons Employed (+ or -) in Unorganised Trade in Fifteen States by broad Category (wholesale Industries), Rural, Urban and All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97	357

3.3.54	Changes in the Absolute Number of Persons Employed (+ or -) in Unorganised Trade in Fifteen States by broad Category (Retail Industries), Rural, Urban and All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97	358
3.3.55	Changes in the Absolute Number of Persons Employed (+ or -) in Unorganised Trade in Fifteen States by Two-Digit Industrial Category, All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97	360
3.3.56	Employment Elasticities with respect to Gross Value Added in Fifteen Major States, Unorganised Wholesale and Retail Trade, 1979-80 to 1991-91 and 1991-91 to 1996-97	367
	Appendix Table 3.1: Absolute Number of Unorganised Trade Enterprises by Two-Digit Category: Rural, Urban and All Locations for 1979-80, 1985-86, 1990-91 and 1996-97	369
	Appendix Table 3.2: Absolute Number of Workers in Unorganised Trade by Two-Digit Category: Rural, Urban and All Locations for 1979-80, 1985-86, 1990-91 and 1996-97	370
	Appendix Table 3.3: Gross Value Added by Unorganised Trade Two-Digit Category: Rural, Urban and All Locations for 1979-80, 1985-86, 1990-91 and 1996-97	371

## CHAPTER - III

### UNORGANISED TRADE

#### **Introduction**

Unorganised trade today contributes more to national income than any other unorganised segment, including unorganised manufacturing. It also accounts for the largest number of enterprises. In employment terms, however, unorganised trade ranks second, coming after manufacturing, which has fewer enterprises but employs more workers per unit. In rural areas the contrast between these two sectors is decisive. Rural trade employs only half the number of workers engaged in unorganised rural manufacturing.

At the same time, labour productivity in unorganised trade is substantially greater than it is in unorganised manufacturing. Indeed, it appears that the typical worker in unorganised trade earns something approaching a living wage, which the typical worker in unorganised manufacturing does not.

There are two other key facts about labour absorption in unorganised trade which deserve to be mentioned right at the beginning. One is that large segments of the industry have witnessed periodic episodes of 'overcrowding' – an influx of workers into trade activities taking place during periods when GVA growth is either negative, or disproportionately slow in relation to the rate of growth of employment, (Employment elasticities in such cases are greater than one). One result is, of course, a short term decline in labour productivity. Typically such episodes have been followed in the next period by reductions in the size of the workforce, and a recovery of labour productivity to levels higher than those achieved before. The other important characteristic of unorganised trade is that there is no evidence that very tiny enterprises are going out of business. On the contrary, own account enterprises are doing well, except in some subgroups within the wholesale trade branch, which accounts, altogether, for about ten per cent of all workers in the trade sector. In this respect, there is a significant difference between the trends in unorganised manufacturing on the one hand, where small units are dying out rapidly in the categories employing the largest number of workers, and unorganised trade on the other hand, where the small, one-and-a-half-workers shops, appear to be destined to survive and even to prosper.

A few initial words of information, and caution, about the coverage and data base of unorganised trade are also called for.

First of all, the NSSO-CSO unorganised trade surveys cover virtually all trade activities except those carried out by government and public sector enterprises. They even cover the juice sellers, whose work involves "a process of transformation marginally"<sup>1</sup>. There is no ceiling on enterprise size. This makes the coverage of these surveys wider than that of the unorganised manufacturing surveys, which exclude the larger units covered by the *Annual Survey of Industries*, (ASI). There is, of course, no trade counterpart to the ASI surveys.

Secondly, the analysis of this chapter excludes one small part of what the NSSO-CSO includes – commission agents and auctioneers, two subgroups which have been shifted to chapter V, on Services, partly because of changes in the official coding system, and partly as a matter of

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<sup>1</sup> Page 4, *Sarvekshana* Vol. XXIII No. 4, April-June 2000.

convenience<sup>2</sup>. To satisfy ourselves that no major procedural errors had been committed, a test was done using 1996-97 CD, to check whether our own results tallied with the estimates published in *Sarvekshana*, (Vol. XXIII, No. 4, April-June 2000) **minus** the figures for commission agents and auctioneers. The results tallied exactly<sup>3</sup>.

Last but not least, the reader needs to be warned that **extensive** cleaning of the GVA data was necessary. Printed GVA estimates were unusable as they stood. This was not just a question of the usual kind of errors found in the printed figures for enterprise and worker numbers – figures in the wrong column, totals involving double counting, and extra, (or missing), digits. It is time consuming, but such errors can be readily corrected. What was happening in the case of the GVA estimates was something else. The large negative GVA figures, sometimes running into lakhs, or even crores, which turned up repeatedly in the data at the two-digit level, were due to more fundamental causes. All such cases were flagged and sample size checked. Where the sample size for the offending entry was small, the printed figure was used as it stood. Where it was large, the matter was pursued to the 3-digit level, by state, by enterprise type and by rural or urban location, and the estimated values of expenditure and receipts items checked. The result was encouraging. In about two thirds of all cases, it was found that the error affecting the two-digit estimate could be traced to an aberrant figure for a single three-digit subgroup within the two-digit category. In such cases a weighted average of the per enterprise GVA figures for the remaining 3-digit subgroups was “plugged in” in place of the deviant figure. But in one third of all cases, an arbitrary decision had to be taken, keeping in view, for example, the counterpart figures in neighbouring states, and the prevailing ratio between the rural estimates and the urban ones. In the case of 1990-91 data, the CD was used to generate estimates of GVA directly, and then compared with the printed values. It was determined that: (i) there were a relatively small number of bad cases at the unit level, which were affecting GVA estimates at the two- and three-digit levels, and that (ii) “changes in stocks” was the source of many inconsistencies between the printed and the CD versions. Finally, researchers planning to use the printed figures for fixed assets should be warned that for 1990-91, they are out of line by a factor of ten. Use the CD instead.

In short, all the results on trade in this chapter, to the extent that they involve the use of gross value added estimates, directly or indirectly, need to be treated with great caution.

The rest of this chapter is organised as follows;

Part I provides the overview of the main magnitudes and trends in them at the all India level. It includes an account of the increasing urbanisation of unorganised trade, and of the remarkable stability of its structure, defined in terms of its composition by enterprise type: own account, non-

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<sup>2</sup> The changes in the coding system provided a convenient way out of an otherwise intractable problem. The GVA figures for commission agents and auctioneers, (both 3-digit sub-categories), swing wildly from period to period in the early years, distorting the results of any one or two-digit trade category in which they are embedded. The initial decision was simply to exclude these subcategories from the analysis of the trade chapter. Then, when it was discovered that the interpolations required to bring the reference years of these subgroups into line with those of unorganised services neatly took care of the problem of extreme values, both subgroups were merged with real estate and business services, with which they had been classified in the 1970 National Industrial Classification.

<sup>3</sup> Statewise differences between the number of enterprises by 2-digit code were calculated from two sources: the CD and the printed figures in *Sarvekshana*, Vol. XXIII (2000), for OATEs and NDTEs separately. For Andhra Pradesh and West Bengal the results tallied exactly, 100.00 per cent. Cases where our figures differed by more than 0.02 per cent were rare: one in Gujarat one in Madhya Pradesh, one in Orissa and one in Tamil Nadu. In only the Orissa case did our CD-based figures differ by more than 0.04 per cent from the printed *Sarvekshana* version **minus** auctioneers and commission agents.

directory and directory establishments. The performance of wholesale and retail trade is then examined separately. This part concludes with an analysis of the distinctive time profiles of employment elasticities with respect to gross value added.

Part II pursues this analysis to the two-digit level. It is shown that nearly half of the more than 20 million people employed in unorganised trade work in small retail shops selling food items, beverages of all kinds and tobacco. The performance of this branch of rural retail trade, which had been creditable during the 1980s, faltered during the 1990s. There were two 2-digit trade categories which achieved improvements in labour productivity at least partly at the cost of reduced employment. One was wholesale trade in machinery and equipment (code 62) and the other was this key retail trade groups – food articles, beverages and so on (code 65). The entire burden of the restructuring which took place in this, the single largest segment of trade, was borne by rural workers, who lost more than 1.3 million jobs altogether.

Part III describes developments in unorganised trade in fifteen major states. The very large interstate and rural-urban productivity disparities are revealed. Disaggregation, however, shows that while regional productivity disparities are large and persistent in wholesale trade, they are modest or very low in the retail trade branch. In the case of retail trade, the level of state per capita incomes is the factor which best accounts for the observed regional differences in both enterprise and labour productivity.

## **Part I : The Main Magnitudes and Trends in Them at the All-India Level**

This part summarises the evidence on five aspects of unorganised trade and its growth. The first section covers the trends in the number of enterprises and workers, and in gross value added by unorganised trade. Section two deals with the structure of unorganised trade and changes in it, including the increasing urbanisation of employment. Section three focuses on productivity levels by enterprise type and rural or urban location, and section four on the distinctive features of each of the two broad branches of unorganised trade – wholesale trade and retail trade. The fifth section provides an overview of the performance of unorganised trade in terms of growth rates in employment, GVA, and per enterprise and per worker productivity. Employment elasticities with respect to gross value added are estimated. Finally, section six deals with fixed assets, capital / GVA and capital / labour ratios.

### **3.1.1 Trends in Enterprise and Employment Numbers and in Gross Value Added by Unorganised Trade**

There are now more unorganised trade enterprises than there are unorganised manufacturing units. This is a new development. It happened because the number of trade enterprises rose in both rural and urban areas throughout the last two decades, while the number of manufacturing units fell. But despite the relatively large number of trade enterprises, the number of workers engaged in trade is still nearly 10 million less than in manufacturing. All of this contrast is due to the fact that in rural areas, trade employs only half the number of workers engaged in unorganised rural manufacturing.

Unorganised trade now provides employment to more than 20 million people – just under 10 million in rural areas and just over 10 million in urban ones. In urban areas, employment in trade is expanding rapidly; in rural areas it is now going down.

The cutbacks in rural employment are taking place in the two smaller enterprise categories – the own account trade enterprises (OATEs) and the non-directory trade establishments, (NDTEs). In urban

areas employment has been expanding in both these two categories. It has been going down in the largest size group, the directory trade establishments, (DTEs). In this size class employment has been contracting ever since 1979-80, and so has the number of establishments.

In rural areas, for all enterprise types combined, the number of jobs lost is marginal. In OATEs and NDTEs taken together, it comes to only 368.8 thousand. Since more than two million jobs were created in urban areas in these two categories, unorganised trade as a whole is doing rather well. There is however, an obvious shift of workers in favour of urban areas, except among the larger DTEs.

Details can be seen in tables 3.1.1 and 3.1.2.

**Table 3.1.1: Enterprise and Employment Numbers in Unorganised Trade by Enterprise Type and by Rural or Urban Location: All India 1979-80, 1985-86, 1990-91 and 1996-97**

Location and Year	Enterprise Type			
	OATE	NDTE	DTE	All Types
<b>A: Absolute Number of Enterprises</b>				
<b>Rural</b>				
1979-80	3,361,225	162,255	79,935	3,603,415
1985-86	5,263,188	265,118	23,488	5,551,794
1990-91	6,548,884	317,064	17,758	6,883,706
1996-97	6,584,838	295,583	63,341	6,943,761
<b>Urban</b>				
1979-80	2,303,575	212,420	307,752	2,823,747
1985-86	2,934,688	601,597	162,915	3,699,200
1990-91	3,592,798	687,404	140,602	4,420,804
1996-97	4,980,684	882,078	73,915	5,936,677
<b>Total (R+U)</b>				
1979-80	5,664,800	374,675	387,687	6,427,162
1985-86	8,197,876	866,715	186,403	9,250,994
1990-91	10,141,682	1,004,468	158,361	11,304,511
1996-97	11,565,522	1,177,661	137,256	12,880,439
<b>B: Absolute Number of Workers</b>				
<b>Rural</b>				
1979-80	4,685,488	402,905	379,009	5,467,402
1985-86	7,909,541	685,896	178,729	8,774,165
1990-91	9,155,015	770,814	137,448	10,063,277
1996-97	8,775,685	719,870	476,858	9,972,414
<b>Urban</b>				
1979-80	3,703,066	546,971	1,724,007	5,974,044
1985-86	4,539,857	1,858,726	1,331,553	7,730,136
1990-91	5,546,140	2,050,782	1,117,915	8,714,836
1996-97	7,129,838	2,534,820	662,701	10,327,360
<b>Total (R+U)</b>				
1979-80	8,388,554	949,876	2,103,016	11,441,446
1985-86	12,449,397	2,544,622	1,510,282	16,504,301
1990-91	14,701,155	2,821,596	1,255,362	18,778,113
1996-97	15,905,524	3,254,691	1,139,560	20,299,774

It will be noted that most of the negative signs appear before the figures for DTEs, and that less than ninety one thousand jobs altogether, were lost in rural areas during the most recent period.

**Table 3.1.2: Change in Absolute Numbers of Unorganised Trade Enterprises and Workers by Enterprise Type and by Rural or Urban Location: All India 1979-80, 1985-86, 1990-91 and 1996-97**

Location and Period	Enterprise Type			
	OATE	NDTE	DTE	All Types
<b>A: Changes in the Number of Enterprises by Enterprise Type</b>				
<b>Rural</b>				
1979-80 to 1985-86	1,901,963	102,863	-56,447	1,948,379
1985-86 to 1990-91	1,285,696	51,946	-5,730	1,331,912
1990-91 to 1996-97	35,954	-21,481	45,582	60,055
<b>Urban</b>				
1979-80 to 1985-86	631,113	389,177	-144,837	875,453
1985-86 to 1990-91	658,110	85,807	-22,313	721,604
1990-91 to 1996-97	1,387,886	194,674	-66,687	1,515,873
<b>Total (R+U)</b>				
1979-80 to 1985-86	2,533,076	492,040	-201,284	2,823,832
1985-86 to 1990-91	1,943,806	137,753	-28,042	2,053,517
1990-91 to 1996-97	1,423,840	173,192	-21,105	1,575,928
<b>B: Change in the Number of Workers by Enterprise Type</b>				
<b>Rural</b>				
1979-80 to 1985-86	3,224,053	282,991	-200,280	3,306,763
1985-86 to 1990-91	1,245,475	84,918	-41,281	1,289,112
1990-91 to 1996-97	-379,330	-50,944	339,411	-90,863
<b>Urban</b>				
1979-80 to 1985-86	836,791	1,311,756	-392,454	1,756,092
1985-86 to 1990-91	1,006,283	192,056	-213,638	984,700
1990-91 to 1996-97	1,583,698	484,038	-455,213	1,612,523
<b>Total (R+U)</b>				
1979-80 to 1985-86	4,060,843	1,594,746	-592,734	5,062,856
1985-86 to 1990-91	2,251,758	276,974	-254,920	2,273,812
1990-91 to 1996-97	1,204,368	433,095	-115,803	1,521,660

Although there is an obvious downward dip in gross value added by unorganised trade in 1990-91, during subsequent years the contribution of unorganised trade to national income went up again. The unorganised trade recession of the late 1980s was confined to urban centres. Rural areas escaped altogether.

What is most remarkable is that the contribution of unorganised trade to national income is substantially greater than the GVA by unorganised manufacturing. In 1996-97 unorganised trade contributed more than Rs.393 million (in 1993-94 constant prices). In 1994-95, (the latest year for which we have unorganised manufacturing data), the corresponding figure for the unorganised manufacturing segment was only 258.7 million. Although the reference years differ, it appears from the trends that the gap between the two sectors, in favour of trade, is getting wider.



**Table 3.1.3: Gross Value Added by the Unorganised Trade Segment by Enterprise Type and Rural or Urban Location: All India 1979-80, 1985-86, 1990-91 and 1996-97**

(in Constant 1993-94 prices)

Location and Year	GVA by Enterprise Type( Rs '000)			
	OATE	NDTE	DTE	All Types
<b>Rural</b>				
1979-80	16,529,676	1,927,122	5,887,859	24,344,657
1985-86	63,545,662	10,188,458	4,317,134	78,051,253
1990-91	67,657,898	13,109,875	3,337,151	84,104,924
1996-97	97,184,215	14,865,034	13,896,795	125,946,044
<b>Urban</b>				
1979-80	33,376,425	3,627,192	45,866,734	82,870,350
1985-86	140,165,077	62,724,667	60,206,231	263,095,974
1990-91	66,999,095	50,595,104	77,260,757	194,854,957
1996-97	124,400,299	85,112,579	58,008,179	267,521,057
<b>Total (R+U)</b>				
1979-80	49,906,100	5,554,314	51,754,593	107,215,007
1985-86	203,710,738	72,913,124	64,523,364	341,147,227
1990-91	134,656,993	63,704,979	80,597,909	278,959,881
1996-97	221,584,513	99,977,614	71,904,973	393,467,100

*Note:* In 1991, the DTE data as printed in Directory Trade Establishment survey 1990-91: Report on trade sector differs from that calculated from the CD. The figures in table 3.1.3 are derived from the CD. The source of the differences lies in the printed values for 'change in stocks'.

### 3.1.2 Structure and Changes in It

As in section 2 of chapter 2 on unorganised manufacturing, the structure of unorganised trade is defined in this section at the all India level in three ways. First, there is the employment size structure of unorganised trade enterprises. Then there is the rural-urban distribution of enterprises, employment and gross value added. The composition of these three variables, by enterprise type – own account enterprises, non-directory and directory establishments – constitutes the third way of looking at structure. In a later section, structure is also described in terms of the share of each two-digit category in the total for unorganised trade.

#### (i) The Size Structure of Unorganised Trade by Enterprise Type

Unorganised trade enterprises are distinctly smaller than enterprises in unorganised manufacturing, in rural areas as well as in urban centres. Own account trade enterprises employ less than 1.4 workers, NDTEs close to three, and DTEs more than eight.

Since the mid 1980s, the number of workers per enterprise of all types has tended to fall. However, in urban centres the size of DTEs has tended to rise. The trend, for all types of trade enterprises combined is exactly opposite to the corresponding trends in unorganised manufacturing. Apparently, in trade, small size has not been a serious disadvantage.

**Table 3.1.4: Enterprise Size by Enterprise Type: All India Rural, Urban and All Locations 1979-80, 1985-86, 1990-91 and 1996-97**

Location and Year	Number of Workers per Enterprises by Enterprise Type			
	OATE	NDTE	DTE	All Types
<b>Rural</b>				
1979-80	1.39	2.48	4.74	1.52
1985-86	1.50	2.59	7.61	1.58
1990-91	1.40	2.43	7.74	1.46
1996-97	1.33	2.44	7.53	1.44
<b>Urban</b>				
1979-80	1.61	2.57	5.60	2.12
1985-86	1.55	3.09	8.17	2.09
1990-91	1.54	2.98	7.95	1.97
1996-97	1.43	2.87	8.97	1.74
<b>All Locations</b>				
1979-80	1.48	2.54	5.42	1.78
1985-86	1.52	2.94	8.10	1.78
1990-91	1.45	2.81	7.93	1.66
1996-97	1.38	2.76	8.30	1.58

**(ii) Structural Shift: The Urbanisation of Unorganised Trade**

Unorganised trade can no longer be said to be predominantly rural. In terms of employment and enterprise concentration in rural areas, it was so for a few years during the 1980s. But now the tide seems to have turned, except for directory trade establishments, where the proportion of rural enterprises, GVA generated and workers employed, all rose sharply in the 1990s, partly because of the sudden decline in the number of urban DTE enterprises and workers, but partly also because of a simultaneous increase in the number of rural enterprises, workers, and GVA.

Rural unorganised trade enterprises never generated a high proportion of total GVA, unlike the case of rural manufacturing units where the rural share was, for years, close to 50 percent, but has now fallen. In trade instead, the rural share, though relatively low rose from the mid 1980s figure of roughly 23 percent, to close to 32 percent, in the mid 1990s.

**Table 3.1.5: The Rural-Urban Distribution of Unorganised Trade Enterprises, Employment and Gross Value Added by Enterprises Type, All India: 1979-80,1985-86,1990-91 and 1996-97**

(in Constant 1993-94 prices)

Year	Share (%) of Rural Enterprises in All Enterprises (R+U)				Share (%) of Rural Employment in All Employment (R+U)				Share (%) of Rural Gross Value Added in all GVA(R+U)			
	OATE	NDTE	DTE	All Types	OATE	NDTE	DTE	All Types	OATE	NDTE	DTE	All Types
1979-80	59.34	43.31	20.62	56.07	55.86	42.42	18.02	47.79	33.12	34.70	11.38	22.71
1985-86	64.20	30.59	12.60	60.01	63.53	26.95	11.83	53.16	31.19	13.97	6.69	22.88
1990-91	64.57	31.57	11.21	60.89	62.27	27.32	10.95	53.59	50.24	20.58	4.14	30.15
1996-97	56.94	25.10	46.15	53.91	55.17	22.12	41.85	49.13	43.86	14.87	19.33	32.01

**(iii) The Share of Specified Enterprise Types in Enterprises, Employment and GVA**

The structure of unorganised trade enterprises has been remarkably stable, particularly so in rural areas, where 95 percent of enterprises are OATEs, four percent are NDTEs and less than one percent are DTEs. In rural areas the one-worker shop is almost the rule. In urban areas, the OATEs account for about 84 percent of enterprises. There have been marginal changes in structure, however, due to the decline in the relative importance of DTEs, which, in any case, account for a very small share in the total.

The employment distribution is not quite so stable, because of the expansion of rural employment in DTE units, and the substantial decline in urban areas. Overall, OATEs now account for close to 80 percent of employment, NDTEs for more than 15 percent and DTEs the rest.

The family operated OATEs account for a disproportionately small proportion of GVA, given their shares in employment in both rural and urban areas, and the NDTEs and DTEs for disproportionately large shares. The shares of the OATEs and NDTEs in the total (rural + urban) have been fluctuating within a relatively narrow range; the shares of the DTEs have been more conspicuously unstable, even during the most recent fifteen years.

**Table 3.1.6: Share of Specified Enterprise Types in the Total Number of Trade Enterprises, Employment and Gross Value Added by Rural or Urban Location: All India: 1979-80, 1985-86, 1990-91 and 1996-97**

( in Constant 1993-94 prices)

Location and Year	Per Cent of All Types Which are:		
	OATE	NDTE	DTE
<b>A. Enterprises</b>			
<b>Rural</b>			
1979-80	93.28	4.50	2.22
1985-86	94.80	4.78	0.42
1990-91	95.14	4.61	0.26
1996-97	94.83	4.26	0.91
<b>Urban</b>			
1979-80	81.58	7.52	10.90
1985-86	79.33	16.26	4.40
1990-91	81.27	15.55	3.18
1996-97	83.90	14.86	1.25
<b>Total (R+U)</b>			
1979-80	88.14	5.83	6.03
1985-86	88.62	9.37	2.01
1990-91	89.71	8.89	1.40
1996-97	89.79	9.14	1.07
<b>B. Employment</b>			
<b>Rural</b>			
1979-80	85.70	7.37	6.93
1985-86	90.15	7.82	2.04
1990-91	90.97	7.66	1.37
1996-97	88.00	7.22	4.78
<b>Urban</b>			
1979-80	61.99	9.16	28.86
1985-86	58.73	24.05	17.23
1990-91	63.64	23.53	12.83
1996-97	69.04	24.54	6.42

Location and Year	Per Cent of All Types Which are:		
	OATE	NDTE	DTE
<b>Total (R+U)</b>			
1979-80	73.32	8.30	18.38
1985-86	75.43	15.42	9.15
1990-91	78.29	15.03	6.69
1996-97	78.35	16.03	5.61
<b>C. Gross Value Added</b>			
<b>Rural</b>			
1979-80	67.90	7.92	24.19
1985-86	81.42	13.05	5.53
1990-91	80.44	15.59	3.97
1996-97	77.16	11.80	11.03
<b>Urban</b>			
1979-80	40.28	4.38	55.35
1985-86	53.28	23.84	22.88
1990-91	34.38	25.97	39.65
1996-97	46.50	31.82	21.68
<b>Total (R+U)</b>			
1979-80	46.55	5.18	48.27
1985-86	59.71	21.37	18.91
1990-91	48.27	22.84	28.89
1996-97	56.32	25.41	18.27

### 3.1.3 Productivity: Rural -Urban Comparisons and Trends

Per enterprise productivity in urban areas is close to two and a half times what it is in rural areas, and urban labour productivity is exactly twice rural labour productivity. By the standards of the unorganised manufacturing sector, these rural-urban contrasts are moderate. But the per enterprise productivity gaps between own account enterprises and directory trade establishments are enormous. For rural and urban areas combined typical DTE earns 27 times as much as the typical OATE. The per-enterprise productivity gap is smaller in rural areas, but still well above the corresponding difference for manufacturing.

However the labour productivity gaps between the workers in OATEs and those in DTEs is the same as that between OAMEs and DMEs – about two and a half times. In urban areas the difference between GVA per worker in OATEs and GVA per worker in DTEs is about twice as great as in rural areas.

In absolute terms, labour productivity in trade is substantially greater than labour productivity in manufacturing, in rural areas, in urban areas, and in each enterprise type in all locations. Thus it appears that the typical worker in unorganised trade earns something approaching a living wage, while the typical worker in unorganised manufacturing does not.

Table 3.1.7 gives detailed productivity figures for trade in the same format as table 2.1.7 for manufacturing.

**Table 3.1.7: Enterprise and Labour Productivity: Absolute Numbers in Constant 1993-94 prices by Enterprise Type: Rural, Urban and Total, 1979-80, 1985-86, 1990-91 and 1995-96**  
(in Constant 1993-94 prices)

Location and Year	GVA per Enterprise (Rs.)				GVA per Employee (Rs.)			
	OATE	NDTE	DTE	All Types	OATE	NDTE	DTE	All Types
<b>Rural</b>								
1979-80	4,918	11,877	73,658	6,756	3,528	4,783	15,535	4,453
1985-86	12,074	38,430	183,802	14,059	8,034	14,854	24,155	8,896
1990-91	10,331	41,348	187,919	12,218	7,390	17,008	24,279	8,199
1996-97	14,759	50,291	219,397	18,138	11,074	20,650	29,142	12,629
<b>Urban</b>								
1979-80	14,489	17,076	149,038	29,348	9,013	6,631	26,605	13,872
1985-86	47,761	104,264	369,556	71,122	30,874	33,746	45,215	34,035
1990-91	18,648	73,603	549,499	44,077	12,080	24,671	69,112	22,359
1996-97	24,977	96,491	784,797	45,062	17,448	33,577	87,533	25,904
<b>Total (R+U)</b>								
1979-80	8,810	14,824	133,496	16,682	5,949	5,847	24,610	9,371
1985-86	24,849	84,126	346,150	36,877	16,363	28,654	42,723	20,670
1990-91	13,278	63,422	508,952	24,677	9,160	22,578	64,203	14,856
1996-97	19,159	84,895	523,876	30,548	13,931	30,718	63,099	19,383

### 3.1.4 Wholesale and Retail Trade

This section focuses on the characteristics of each of the two broad branches of unorganised trade: wholesale trade and retail trade. It is organised in three subsections.

The first one provides a perspective on the absolute and relative importance of enterprises and employment in wholesale and retail trade. Estimates of GVA are given also, together with figures for enterprise and labour productivity. The productivity estimates reveal the qualitative difference between the average unorganised segment unit engaged in wholesale trade on the one hand and the petty retail trader on the other. The second subsection deals with enterprise size and the rural-urban distribution of enterprises, employment and gross value added by wholesale and retail trade. Subsection three focuses on changes in the number of workers employed in each of these two broad branches of trade.

#### (i) Some Absolute and Relative Numbers: Enterprises, Employment, Gross Value Added and Productivity

Retail trade absorbs 18 million workers, almost equally divided as between rural and urban enterprises. Wholesale trade accounts for only two million, the majority of whom are employed in urban areas.

**Table 3.1.8: Enterprise and Employment Numbers in Unorganised Trade by Branch of Trade and by Rural or Urban Location: All India 1979-80,1985-86 and 1996-97**

Location and Year	Number of Enterprises			Number of Employees		
	Wholesale	Retail	All Trade	Wholesale	Retail	All Trade
<b>Rural</b>						
1979-80	81,900	3,521,515	3,603,415	191,697	5,275,704	5,467,401
1985-86	252,646	5,299,148	5,551,794	496,346	8,277,819	8,774,165
1990-91	259,688	6,624,019	6,883,706	480,922	9,582,355	10,063,277
1995-96	471,621	6,472,140	6,943,761	944,751	9,027,663	9,972,414
<b>Urban</b>						
1979-80	182,631	2,641,116	2,823,747	890,476	5,083,568	5,974,044
1985-86	337,853	3,361,347	3,699,200	1,324,653	6,405,483	7,730,136
1990-91	355,184	4,065,620	4,420,804	1,231,933	7,482,904	8,714,836
1995-96	408,013	5,528,664	5,936,677	1,171,392	9,155,968	10,327,360
<b>Total(R+U)</b>						
1979-80	264,531	6,162,631	6,427,162	1,082,172	10,359,272	11,441,444
1985-86	590,499	8,660,495	9,250,994	1,821,000	14,683,301	16,504,301
1990-91	614,872	10,689,639	11,304,511	1,712,855	17,065,259	18,778,113
1995-96	879,634	12,000,804	12,880,439	2,116,142	18,183,632	20,299,774

Thus, the overwhelming majority of workers engaged in unorganised trade activities are employed in retail shops. The ratio of retail to wholesale trade workers is of the order of 9.6 to 1 in rural areas, and only somewhat lower, at 7.9 to 1 in urban centres. (For absolute numbers of enterprises and workers, see table 3.1.8.)

**Table 3.1.9: Gross Value Added by Unorganised Trade by Branch of Trade and by Rural or Urban Location: All India, 1979-80,1985-86, 1990-91 and 1995-96**

(at constant 1993-94 prices)

Location and year	Gross Value Added by Trade Branch (Rs. 000)		
	Wholesale	Retail	All Trade
<b>Rural</b>			
1979-80	2,990,369	21,354,287	24,344,656
1985-86	6,297,780	71,753,473	78,051,253
1990-91	8,966,115	75,138,810	84,104,925
1996-97	13,617,285	112,328,758	125,946,044
<b>Urban</b>			
1979-80	49,385,373	61,715,751	111,101,124
1985-86	69,550,164	193,545,810	263,095,974
1990-91	59,099,924	129,460,405	188,560,329
1996-97	132,610,115	134,910,942	267,521,057
<b>Total (R+U)</b>			
1979-80	52,375,742	82,433,437	134,809,179
1985-86	75,847,944	265,299,283	341,147,227
1990-91	67,693,142	199,104,502	266,797,644
1996-97	146,227,400	247,239,700	393,467,100

The GVA figures, given separately for each of these two branches of trade in table 3.1.9, suggest the wide differences which exist between the operations of unorganised wholesale trade enterprises on the one hand, and retail trade outlets on the other. It is obvious that a disproportionately large share of GVA is generated by wholesale trade.

A qualitative difference in the scale of operations is indicated by the per enterprise gross value added figures of table 3.1.10. The typical wholesale trade enterprise produces eight times as much, in value terms, as the typical retail trade unit. The corresponding per worker productivity figure is five times as high.

However, in rural areas, the productivity estimates reveal something more. The restructuring of trade which has taken place in rural areas has tended to equalise wholesale and retail trade labour productivity, and to reduce the gap between per enterprise earnings in these two branches of trade activity. Nothing of the sort has happened in urban areas. There, the labour productivity gap has widened over time, and the urban per enterprise earnings gap, which was much larger than the rural one to start with, appears to have widened further, at least during the 1990s. Thus there is evidence of convergence in rural areas, and divergence in urban centres.

Part of the divergent urban trend can be traced to the decline in the average earnings of enterprises and workers during the past fifteen years. In rural areas, average retail trade earnings have gone up, while GVA per enterprise and per worker has either stabilised or gone down. The net result for rural and urban areas combined, has been a decisive narrowing of the per enterprise productivity gap, and a very modest reduction in the difference between labour productivity in wholesale trade activities as compared to that in retail trade enterprises.

**Table 3.1.10: Enterprise and Labour Productivity: Absolute Numbers in Constant 1993-94 prices by Branch of Trade, All India: Rural, Urban and Total 1979-80, 1985-86, 1990-91, 1996-97**

Location and Year	GVA per Enterprise(Rs.)		GVA per Worker (Rs.)	
	Wholesale	Retail	Wholesale	Retail
<b>Rural</b>				
1979-80	36,512	6,064	15,599	4,048
1985-86	24,927	13,541	12,688	8,668
1990-91	34,527	11,343	18,644	7,841
1996-97	28,873	17,356	14,414	12,443
<b>Urban</b>				
1979-80	213,654	16,603	43,819	8,626
1985-86	205,859	57,580	52,504	30,216
1990-91	179,923	32,209	51,874	17,500
1996-97	325,014	24,402	113,207	14,735
<b>Total (R+U)</b>				
1979-80	158,810	10,581	38,820	6,294
1985-86	128,447	30,633	41,652	18,068
1990-91	118,515	19,279	42,544	12,076
1996-97	166,237	20,602	69,101	13,597

It may be noted also, that the labour productivity figures for retail trade are of roughly the same order of magnitude as those for unorganised manufacturing. (See table 2.1.7 in chapter 2.) It is the figures for wholesale trade which are out of line, suggesting that there must be barriers to entry into the more profitable lines of wholesale trade activities, located mainly in urban areas, – an intuitively plausible proposition. Such barriers appear to be absent in the case of the kinds of small-scale unorganised manufacturing and trade which predominate in rural areas. While this may be thought to be the sort

of finding which might have been anticipated on the basis of casual observation, what is interesting is that the unorganised trade data tends to support such propositions.

In terms of shares of enterprises and workers, however, retail trade is by far the dominant branch. It accounts for roughly 93 percent of all enterprises in both rural and urban areas, and close to 90 percent of workers. Retail trade's share in GVA is much smaller in urban areas and overall.

In recent years, the share of wholesale trade in all trade employment has been rising in rural areas. In urban areas it may have been falling, but for rural and urban areas combined the proportions of wholesale and retail trade employment have remained roughly constant for almost twenty years. About 10 percent of all workers in the trade sector have jobs in wholesale trade, and about 90 percent are employed in the retail trade.

**Table 3.1.11: Share of Specified Trade Branches in Total number of Trade Enterprises, Employment and Gross Value Added by Rural or Urban Location : All India 1979-80, 1985-86, 1990-91 and 1996-97**

Year	Enterprise		Employment		Gross Value Added	
	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail
<b>Rural</b>						
1979-80	2.27	97.73	3.51	96.49	12.28	87.72
1985-86	4.55	95.45	5.66	94.34	8.07	91.93
1990-91	3.77	96.23	4.78	95.22	10.66	89.34
1996-97	6.79	93.21	9.47	90.53	10.81	89.19
<b>Urban</b>						
1979-80	6.47	93.53	14.91	85.09	47.09	52.91
1985-86	9.13	90.87	17.14	82.86	26.44	73.56
1990-91	8.03	91.97	14.14	85.86	32.80	67.20
1996-97	6.87	93.13	11.34	88.66	49.57	50.43
<b>Total (R+U)</b>						
1979-80	4.12	95.88	9.46	90.54	39.18	60.82
1985-86	6.38	93.62	11.03	88.97	22.23	77.77
1990-91	5.44	94.56	9.12	90.88	26.12	73.88
1996-97	6.83	93.17	10.42	89.58	37.16	62.84

Notwithstanding this stability in the employment shares of wholesale and retail trade for rural and urban areas combined, a substantial amount of restructuring has been going on, especially after the mid 1980s. This has taken the form of large net job losses in rural retail trade, almost, but not entirely, compensated for by substantial increase in employment in rural wholesale trade, combined with persistent cutbacks in wholesale trade employment in urban areas.

For trade as a whole, during the 1990s, all the jobs losses have been in rural areas, and all the gains have been in urban enterprises. Retail trade bore the brunt of this restructuring process in rural areas, while wholesale trade suffered the rigours of downsizing in urban areas. For all trade, in rural plus urban areas combined, a substantial number of additional jobs were created in all periods, but at a declining rate.



**Table 3.1.12: Absolute Numbers of Workers Who Gained or Lost Jobs by Branch of Trade and Rural or Urban Location: All India 1979-80, 1985-86 and 1996-97**

Location and Period	Net Gains			Net Losses		
	Wholesale	Retail	All Trade	Wholesale	Retail	All Trade
<b>Rural</b>						
1979-80 to 1985-86	304,649	3,002,115	3,306,764	--	--	--
1985-86 to 1990-91	--	1,304,536	1,243,786	-15,424	--	--
1990-91 to 1996-97	463,829	--	--	--	-554,623	-46,400
<b>Urban</b>						
1979-80 to 1985-86	434,177	1,321,915	1,756,092	--	--	--
1985-86 to 1990-91	--	1,077,421	984,700	-92,720	--	--
1990-91 to 1996-97	--	1,673,064	1,612,524	-60,541	--	--
<b>Total (R+U)</b>						
1979-80 to 1985-86	738,827	4,324,030	5,062,856	--	--	--
1985-86 to 1990-91	--	2,381,957	2,273,812	-108,144	--	--
1990-91 to 1996-97	403,287	1,118,373	1,521,661	--	--	--

**(ii) Enterprise Size and the Rural-Urban Distribution of the Two Branches of Trade**

Wholesale trade enterprises typically employ more workers per unit than retail trade enterprises, in all except the directory trade establishments, where the workers in retail outlets outnumber those in wholesale enterprises. Both rural and urban retail trade enterprises in the DTE category have tended to get larger over time, as have the urban wholesale DTE units.

However, in both wholesale and retail trade as a whole, the average number of workers per enterprise seems to have been going down in recent years in both rural and urban areas. Since the downsizing in wholesale trade has been more vigorous than in retail trade, there has been a tendency towards convergence in enterprise size as between the two main branches of trade.

**Table 3.1.13: Enterprise Size by Branch of Trade, Enterprise Type and Rural or Urban Location: All India: 1979-80, 1985-86, 1990-91 and 1996-97**

Location and Year	Number of Employed by Trade Branch and Enterprise type							
	Wholesale				Retail			
	OATE	NDTE	DTE	All Types	OATE	NDTE	DTE	All Types
<b>Rural</b>								
1979-80	1.11	3.04	5.45	2.34	1.40	2.45	4.52	1.50
1985-86	1.49	2.97	8.63	1.96	1.50	2.52	7.00	1.56
1990-91	1.31	2.58	8.72	1.85	1.40	2.39	6.97	1.45
1996-97	1.27	2.78	7.01	2.00	1.34	2.36	8.99	1.39
<b>Urban</b>								
1979-80	1.95	2.69	6.34	4.88	1.60	2.57	5.13	1.92
1985-86	1.95	3.49	8.29	3.92	1.53	2.98	8.08	1.91
1990-91	1.79	3.38	8.15	3.47	1.53	2.87	7.82	1.84
1996-97	1.71	3.22	9.08	2.87	1.42	2.79	8.88	1.66
<b>Total (R+U)</b>								
1979-80	1.54	2.89	6.22	4.09	1.48	2.52	4.98	1.68
1985-86	1.67	3.37	8.33	3.08	1.51	2.83	7.92	1.70
1990-91	1.52	3.14	8.22	2.79	1.45	2.72	7.73	1.60
1996-97	1.43	3.12	7.83	2.41	1.37	2.68	8.91	1.52

The rural-urban distribution of each of the two main branches of trade has changed radically overtime.

Twenty years ago only 31 percent of all wholesale trade enterprises were located in rural areas. Today, the majority of wholesale trade units have chosen to locate in rural places. The majority of retail outlets has always been in rural areas. However, following a boom during the 1980s, the share of all retail units located in rural areas has declined to 53.93 percent during the 1990s.

Employment in retail outlets has behaved similarly, rising in the 1980s and then falling back to about the 1979-80 level in the 1990's. The share of rural employment in all wholesale trade employment, on the other hand, has risen consistently, from 17.7 percent in 1979-80 to 44.6 percent in 1995-96.

The most spectacular change, however, has taken place in the rural-urban distribution of gross value added. The share of rural areas in the income generated by retail trade has gone up from only 33 per cent in 1979-80 to more than 45 per cent today. Rural areas share in gross value added by wholesale trade moved up marginally during the same period.

**Table 3.1.14: The Rural-Urban Distribution of Unorganised Trade Enterprises, Employment and Gross Value Added (in Constant 1993-94 prices) by Branch of Trade, All India: 1978-79, 1985-86, 1990-91 and 1996-97**

Year	Share (%) of Rural Enterprises in All Enterprises (R+U)		Share (%) of Rural Employment in All Employment (R+U)		Share (%) of Rural Gross Value Added in All GVA (R+U)	
	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail
1979-80	30.96	57.14	17.71	50.93	7.12	32.21
1985-86	42.79	61.19	27.26	56.38	8.30	27.05
1990-91	42.23	61.97	28.08	56.15	12.30	36.46
1996-97	53.62	53.93	44.64	49.65	9.31	45.43

### 3.1.5 The Performance of Unorganised Trade

In this section the performance of unorganised trade is assessed in terms of growth rates in employment, gross value added, and productivity. Employment elasticities with respect to gross value added are given towards the end.

#### (i) Growth Rates in Enterprise Numbers, Employment and Gross Value Added

Unorganised trade, overall, has done well. Expansionary factors have generally dominated, despite contractionary tendencies in particular categories and periods.

Among enterprises the number in all categories combined has increased, while the number of directory establishments has gone down overall, and in urban areas.

Employment in DTEs has been cut back in all periods everywhere, with the exception of rural areas in the most recent period. The only other dark patch in an otherwise bright picture is the evidence that rural employment in the more numerous family operated retail businesses is contracting.

An obvious feature of the gross value added growth rates is the evidence of a recession in unorganised trade in the late 1980s. GVA growth rates became negative for both OATEs and NDTEs in urban areas, and for the DTEs in rural areas.

The growth rate figures are presented in table 3.1.15.

**Table 3.1.15: Growth Rates: Absolute Numbers of Unorganised Trade Enterprises, Employment and Gross Value Added (in Constant 1993-94 prices) by Enterprise Type all India, Rural Urban and Total (R+U) 1979-80, 1985-86, 1990-91 and 1996-97**

Year/Enterprise Type	Enterprises				Employment				Gross Value Added			
	OATE	NDTE	DTE	All Types	OATE	NDTE	DTE	All Types	OATE	NDTE	DTE	All Types
<b>Rural</b>												
79-80 to 85-86	7.76	8.53	-18.46	7.47	9.12	9.27	-11.78	8.20	25.16	31.99	-5.04	21.43
85-86 to 90-91	4.47	3.64	-5.44	4.39	2.97	2.36	-5.12	2.78	1.26	5.17	-5.02	1.51
90-91 to 96-97	0.08	-1.07	21.61	0.13	-0.65	-1.05	21.09	-0.14	5.73	1.95	24.54	6.41
<b>Urban</b>												
79-80 to 85-86	4.12	18.95	-10.06	4.60	3.45	22.61	-4.21	4.39	27.02	60.81	4.64	21.23
85-86 to 90-91	4.13	2.70	-2.90	3.63	4.09	1.99	-3.44	2.43	-13.72	-4.21	5.11	-5.83
90-91 to 96-97	5.15	3.91	-9.42	4.64	3.94	3.31	-7.73	2.65	9.99	8.33	-4.31	5.00
<b>Total (R+U)</b>												
79-80 to 85-86	6.35	15.00	-11.49	6.26	6.80	17.85	-5.37	6.30	26.42	53.59	3.74	21.28
85-86 to 90-91	4.35	2.99	-3.21	4.09	3.38	2.09	-3.63	2.62	-7.95	-2.66	4.55	-3.94
90-91 to 96-97	2.04	2.48	-2.18	2.03	1.22	2.22	-1.48	1.21	7.96	7.18	-1.74	5.43

## (ii) Productivity Growth

The productivity growth rate figures in table 3.1.16 are also negative during what appears to be a generalised period of recession for unorganised trade. Since income growth rates in the economy as a whole peaked during this period, these observations call for an explanation. One possibility is that the increased demand, which was generated as a result of improvements in per capita income, was directed largely to services. Another possibility is that the GVA figures for 1985-86 are overestimates, which do not reflect the ground realities. (In the case of trade, there is abundant internal evidence that the GVA figures for 1985-86 cannot be trusted).

**Table 3.1.16: Growth Rates: Enterprises and Labour Productivity in Unorganised Trade by Enterprise type and Rural or Urban Location: All India 1979-80 to 1985-86, 1985-86 to 1990-91 and 1991-1996**  
(in Constant 1993-94 prices)

Location / Period	Growth Rates of GVA per Enterprise				Growth Rates of GVA per Worker			
	OATE	NDTE	DTE	All Types	OATE	NDTE	DTE	All Types
<b>Rural</b>								
1979-80 to 1985-86	16.15	21.62	16.46	12.99	14.70	20.79	7.63	12.23
1985-86 to 1990-91	-3.07	1.47	0.44	-2.77	-1.66	2.74	0.10	-1.24
1990-91 to 1996-97	5.64	3.06	2.41	6.27	6.42	3.03	2.85	6.56
<b>Urban</b>								
1979-80 to 1985-86	21.99	35.19	16.34	15.90	22.78	31.15	9.24	16.14
1985-86 to 1990-91	-17.15	-6.73	8.26	-9.13	-17.11	-6.07	8.86	-8.06
1990-91 to 1996-97	4.60	4.25	5.64	0.34	5.82	4.86	3.70	2.29
<b>Total (R+U)</b>								
1979-80 to 1985-86	19.87	33.55	17.21	14.14	18.37	30.33	9.63	14.09
1985-86 to 1990-91	-11.78	-5.49	8.01	-7.72	-10.96	-4.65	8.49	-6.39
1990-91 to 1996-97	5.80	4.59	0.45	3.34	6.66	4.85	-0.27	4.18

### (iii) Growth in Wholesale and Retail Trade

One feature of this episode is the fact that, at the enterprise level, the impact of the recession seems to have fallen mainly on wholesale units. The number of enterprises continued to grow but at much reduced rates. Similarly the cutbacks in employment are concentrated in wholesale trade. This suggests a major restructuring of the wholesale branch of unorganised trade. The figures in an earlier table, table 3.1.12, suggest that the major changes took place in urban areas. Gross value added figures confirm this. In urban areas, both wholesale and retail trade enterprises seem to have suffered negative growth in gross value added. The growth rates are given in table 3.1.17 below.

**Table 3.1.17: Growth Rates: Unorganised Trade Enterprises, Employment and Value Added by Branch of Trade and by Rural or Urban Location: All India 1979-80 to 1985-86, 1985-86 to 1990-91 and 1990-91 to 1996-97**

(in constant 1993-94 prices)

Location and Period	Rates of Growth by Branch of Trade					
	Enterprises		Employment		Gross Value Added	
	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail
<b>Rural</b>						
1979-80 to 1985-86	20.65	7.05	17.18	7.80	13.22	22.38
1985-86 to 1990-91	0.55	4.56	-0.63	2.97	7.32	0.93
1990-91 to 1996-97	9.61	-0.36	10.95	-0.91	6.64	6.38
<b>Urban</b>						
1979-80 to 1985-86	10.80	4.10	6.84	3.93	10.11	28.08
1985-86 to 1990-91	1.01	3.88	-1.44	3.16	-1.68	-7.52
1990-91 to 1996-97	2.16	4.84	-0.77	3.15	11.89	0.46
<b>Total (R+U)</b>						
1979-80 to 1985-86	14.32	5.84	9.06	5.99	10.35	26.35
1985-86 to 1990-91	0.81	4.30	-1.22	3.05	-0.80	-4.93
1990-91 to 1996-97	5.66	1.80	3.31	0.98	11.31	2.84

### (iv) Employment Elasticities with respect to Gross Value Added

Rural employment elasticities in trade turned negative during the 1990s in the two most important enterprise types: the OATEs and the NDEs. This happened despite positive growth in value added. Downsizing of the workforce in such circumstances where GVA is rising, implies increased labour productivity. Thus rural workforce restructuring in the most recent period had a positive productivity outcome. It is likely that such restructuring in trade will continue. Elasticity estimates are presented in table 3.1.18.

**Table 3.1.18: All India Elasticities of Employment with respect to Gross Value Added by Unorganised Trade by Enterprise type: Rural, Urban and Total, 1979-80 to 1985-86, 1985-86 to 1990-91 and 1990-91 to 1996-97**

Location / Period	Employment Elasticities w. r. t GVA			
	OATE	NDTE	DTE	All Types
<b>Rural</b>				
1979-80 to 1985-86	0.36	0.29	2.34	0.38
1985-86 to 1990-91	2.35	0.46	1.02	1.85
1990-91 to 1996-97	-0.11	-0.54	0.86	-0.02
<b>Urban</b>				
1979-80 to 1985-86	0.13	0.37	-0.91	0.21
1985-86 to 1990-91	-0.30	-0.47	-0.67	-0.42
1990-91 to 1996-97	0.39	0.40	1.79	0.53
<b>Total ( R+U)</b>				
1979-80 to 1985-86	0.26	0.33	-1.43	0.30
1985-86 to 1990-91	-0.43	-0.78	-0.80	-0.66
1990-91 to 1996-97	0.15	0.31	0.85	0.22

**Notes:** (i) The high elasticity for rural OATEs between 1985-86 and 1990-91 arises because GVA growth was negligible.  
(ii) Negative elasticities in 1985-86 to 1990-91 arise because positive employment growth was combined with negative GVA growth.

The elasticities which emerge from the unorganised trade data, for retail and wholesale trade separately, would not be of much use for modelling likely future developments. In several periods, a relatively small increase in gross value added has been associated with a much larger increase in employment. This happened in rural wholesale trade in 1979-80 to 1985-96 and again in 1990-91 to 1996-97. In the retail trade branch, the same thing happened in 1985-86 to 1990-91 in rural areas and in 1990-91 to 1996-97 in urban areas. Such occurrences are marked with a single star, (\*), in table 3.1.19. But there are also high positive elasticities in urban, and rural plus urban, wholesale trade in 1985-86 to 1990-91, which are associated with negative growth in both employment and gross value added.

The negative elasticities, also, are not always straightforward cases where employment contracted while gross value added expanded. Negative employment elasticities in such circumstances imply rapid productivity growth. Such cases, marked with a triple star, (\*\*\*), occur in both rural and urban areas, and in retail trade as well as in wholesale trade. However, in retail trade, in urban areas, (and overall), there is one period in which employment expanded despite the fact that GVA growth was negative.

In short, there are very few 'normal', positive employment elasticities except when rural and urban area data is combined. This indicates that during the most recent period, employment elasticities in unorganised trade have been on the low side, only 0.29 in the case of wholesale trade and 0.35 in the case of retail trade. How much confidence can be place in these estimates is difficult to say, given the aberrant character of the separate rural and urban estimates for the same period. See table 3.1.19.

**Table 3.1.19: All Elasticities of Employment with respect to Gross Value Added by Unorganised Trade by Branch of Trade: Rural, Urban and All Locations, 1979-80 to 1985-86, 1985-86 to 1990-91 and 1990-91 to 1996-97**

Location & Period	Employment Elasticities with respect to GVA	
	Wholesale	Retail
<b>Rural</b>		
1979-80 to 1985-86	1.30*	0.35
1985-86 to 1990-91	-0.09***	3.19*
1990-91 to 1996-97	1.65*	-0.14***
<b>Urban</b>		
1979-80 to 1985-86	0.68	0.14
1985-86 to 1990-91	0.86**	-0.42 •
1990-91 to 1996-97	-0.06***	6.85*
<b>All Locations</b>		
1979-80 to 1985-86	0.88	0.23
1985-86 to 1990-91	1.53**	-0.62 •
1990-91 to 1996-97	0.29	0.35

**Notes:** (i). Most elasticities > 1 arise because of relatively slow GVA growth combined with relatively rapid employment growth. These cases are marked with a star, \*.

(ii). A double star, \*\*, marks cases where both employment and GVA growth is negative.

(iii). A triple star, \*\*\*, marks cases where GVA growth is positive, but employment growth is negative.

(iv). A dot, •, marks the cases where GVA growth is negative, but employment growth is positive.

### 3.1.6 Fixed Assets, Capital / GVA and Capital / Labour Ratios

Subsection (i) of this section deals with fixed assets per enterprise by enterprise type and by broad branch of trade. Subsection (ii) provides estimates for capital / GVA ratios and capital / labour ratios.

#### (i) Levels of Fixed Assets per Enterprise and Growth Rates in their Value

The contrasts in the value of assets possessed by units in each of the two main branches of unorganised trade are substantial, and so also are the differences between asset values of rural as compared with urban units. In wholesale trade, the value of fixed assets per enterprise is nearly double what it is in retail trade. Further, the typical urban wholesale trade dealer possesses assets worth more than four times the value of assets per rural wholesale trade unit. In retail trade, the rural-urban gap is not quite so wide. Rural retail trade outlets typically possess assets worth about half the value of assets possessed by their urban counterparts. (See table 3.1.20).

**Table 3.1.20: Value of Fixed Assets per Enterprise in Unorganised Trade by Enterprise Type and Branch of Trade: Rural, Urban and All Locations, All India, 1990-1 and 1996-97**

Industrial Code and Location	Year	Value of Fixed Assets (Rs. 000)			
		OATE	NDTE	DTE	All Types
<b>A. All Branches</b>					
Rural	1990-91	9.02	33.37	59.65	10.27
	1996-97	11.29	48.36	77.86	13.48
Urban	1990-91	15.41	50.59	76.29	22.81
	1996-97	24.74	85.80	198.89	35.98
All Locations	1990-91	11.28	45.15	74.42	15.18
	1996-97	17.08	76.40	143.04	23.85

Industrial Code and Location	Year	Value of Fixed Assets (Rs. 000)			
		OATE	NDTE	DTE	All Types
<b>B. Wholesale</b>					
Rural	1990-91	7.96	36.44	67.43	16.87
	1996-97	7.60	40.81	74.11	17.85
Urban	1990-91	27.64	58.06	76.08	48.07
	1996-97	40.86	90.02	210.70	73.37
All Locations	1990-91	16.73	51.46	75.04	34.89
	1996-97	19.68	78.25	127.86	43.60
<b>B. Retail</b>					
Rural	1990-91	9.05	32.58	53.52	10.01
	1996-97	11.51	49.97	88.50	13.16
Urban	1990-91	14.87	48.53	76.43	20.61
	1996-97	24.02	84.83	190.65	33.22
All Locations	1990-91	11.10	43.45	74.00	14.04
	1996-97	16.95	75.99	162.55	22.40

What is more important is the rate of growth in the value of fixed assets, which are positive and substantial everywhere, but higher in urban areas than in rural locations, and definitely higher in retail trade than in wholesale trade. As the figures in table 3.1.21 indicate, except in the case of wholesale trade by rural own account enterprises, rapid capital accumulation in both branches of trade and by all enterprise types has been the rule during the 1990s.

**Table 3.1.21: Growth Rates in the Value of fixed Assets per Enterprise by Enterprise Type and Branch of Trade: Rural, Urban and All Locations, All India, 1990-91 to 1996-97**

Branches of Trade and Location	Fixed Asset per Enterprise			
	OATE	NDTE	DTE	All Types
<b>A. All Branches</b>				
Rural	3.51	5.88	4.19	4.26
Urban	7.56	8.47	15.88	7.26
Total	6.59	8.43	10.57	7.20
<b>B. Wholesale</b>				
Rural	-0.71	1.76	1.46	0.87
Urban	6.20	6.98	16.97	6.72
Total	2.53	6.66	8.54	3.49
<b>C. Retail</b>				
Rural	3.77	6.80	8.04	4.29
Urban	7.66	8.97	15.10	7.63
Total	6.73	8.98	12.87	7.45

For all branches of trade combined, this has resulted in an increase, across the board, in capital labour ratios, despite the decline in capital labour ratios in rural wholesale trade among both the non-directory and directory establishments, and in urban retail trade among the directory establishments.

The picture for capital / GVA ratios is somewhat different. Overall rural capital / GVA ratios have tended to go down, which is a good sign, but in wholesale trade, except in the rural own account units, capital / GVA ratios have tended to rise. In retail trade, in rural areas there has been a fall in capital / GVA ratios, but in urban areas the value of fixed capital has clearly increased in relation to gross value added.

While the increase in capital / labour ratios is welcome, because, (as will be seen later, at the two-digit level), it has had the effect of increasing labour productivity, the increases in capital / GVA ratios may be a sign of reduced efficiency in the use of capital.

**Table 3.1.22: All India Capital / Gross Value Added Ratios and Capital / Labour Ratios by Enterprise Type and by Broad Branch of Trade: Rural, Urban and All Locations, 1990-91 and 1996-97**

Location and Year	Capital / GVA Ratios				Capital / Labour Ratios			
	OATE	NDTE	DTE	All Types	OATE	NDTE	DTE	All Types
<b>A: All Branches</b>								
<b>Rural</b>								
1990-91	0.87	0.81	0.03	0.83	7.00	16.69	12.69	7.82
1996-97	0.77	0.96	0.35	0.74	11.07	20.65	29.18	12.63
<b>Urban</b>								
1990-91	0.83	0.69	0.01	0.47	11.65	22.77	69.11	21.64
1996-97	0.99	0.89	0.25	0.80	17.45	33.58	87.53	25.90
<b>All Locations</b>								
1990-91	0.85	0.71	0.01	0.58	8.76	21.11	62.93	14.25
1996-97	0.89	0.90	0.27	0.78	13.93	30.72	63.13	19.38
<b>B: Wholesale</b>								
<b>Rural</b>								
1990-91	0.48	0.50	0.05	0.44	12.14	26.99	16.58	17.93
1996-97	0.37	0.65	1.32	0.62	16.34	22.72	8.01	14.43
<b>Urban</b>								
1990-91	0.52	0.43	0.01	0.21	24.48	33.47	77.27	47.97
1996-97	0.69	0.60	0.18	0.41	34.53	46.87	131.25	62.91
<b>All Locations</b>								
1990-91	0.51	0.44	0.01	0.23	18.60	31.85	69.48	39.56
1996-97	0.57	0.60	0.25	0.44	24.26	41.71	64.37	41.27
<b>B: Retail</b>								
<b>Rural</b>								
1990-91	0.89	0.98	0.02	0.88	6.86	13.85	8.86	7.31
1996-97	0.80	1.05	0.13	0.76	10.77	20.13	75.76	12.44
<b>Urban</b>								
1990-91	0.87	0.86	0.02	0.60	10.99	19.32	63.34	17.30
1996-97	1.02	1.01	0.38	0.95	16.53	30.05	56.35	21.17
<b>All Locations</b>								
1990-91	0.88	0.89	0.02	0.70	8.40	17.79	58.13	11.71
1996-97	0.92	1.02	0.30	0.88	13.36	27.84	61.74	16.84



## Part II: The Performance of Unorganised Trade at the Two-Digit Level

This part is organised in five sections.

The first section identifies which two-digit trade activities account for the bulk of employment, and which ones generate the most income. Section two provides information on the share of rural areas in employment, enterprises and gross value added, by two-digit category. In section three the performance of each two-digit group is assessed in terms of employment and productivity growth rates. Section four provides estimates of employment elasticity for each two-digit trade activity. Finally, section five focuses on fixed assets, capital / GVA ratios and growth rates in the value of fixed assets per enterprise by two-digit category. It is shown that the most productive enterprises, in both rural and urban areas, are the ones which use relatively large amounts of fixed capital.

### 3.2.1 The Activities which Account for Most of the Employment, and the Ones which Generate the Most Income

Nearly half of the more than 26 million people employed in unorganised trade work in small retail shops selling food items, beverages of all kinds and tobacco. They account for a larger share in employment in rural areas at 56 per cent, and a considerably smaller share in urban areas – only 36 per cent. In both rural and urban locations the relative importance of employment in this activity has been declining gradually from 1979-80 to 1990-91, and rapidly in more recent years, particularly in rural locations. Retail trade “not elsewhere classified” accounts for another 30 per cent of all unorganised trade employment. The share of this trade category has doubled during the past 20 years. In rural areas wholesale trade in agricultural raw materials, live animals, food, beverages, intoxicants and textiles is the third largest employer.

The trade activities which provide the most employment, however, do not always generate the most income. In urban areas, and overall, code 68, retail trade not elsewhere classified today accounts for the largest share of GVA, while the more numerous retail trade outlets selling food articles and beverages earn less. The rise in the relative importance of code 68, retail trade not elsewhere classified, is conspicuous in recent years, especially in rural areas.

**Table 3.2.1: The Structure of Unorganised Trade Employment and Gross Value Added by Two-Digit NIC Category: Rural, Urban and All Locations 1979-80 to 1985-86, 1985-86 to 1990-91 and 1990-91 to 1996-97**

(Industries ranked by contribution to total employment in 1996-94)

Rank (1996-97)	Description (NIC Code)	Year	Share of Employment			Share of GVA		
			All Locations	Rural	Urban	All Locations	Rural	Urban
1	Retail trade in food & food articles beverages, tobacco & intoxicants (65)	1979-80	59.96	78.01	43.44	30.32	61.95	21.02
		1985-86	58.83	75.57	39.84	40.08	70.67	31.00
		1990-91	54.64	68.91	38.16	32.63	57.04	20.05
		1996-97	45.95	56.08	36.16	28.96	43.71	22.03
2	Retail trade not elsewhere classified (68)	1979-80	12.41	7.05	17.31	14.28	11.07	15.23
		1985-86	11.90	6.85	17.63	23.42	9.08	27.68
		1990-91	22.25	19.14	25.84	24.71	22.01	26.75
		1996-97	29.10	26.53	31.58	30.08	33.57	28.43
3	Retail trade in fuels, household utilities & durables (67)	1979-80	10.40	5.63	14.77	7.26	4.41	8.10
		1985-86	9.88	6.57	13.64	7.80	3.79	8.99
		1990-91	7.02	2.97	11.69	8.93	3.79	10.61
		1996-97	7.43	3.62	11.12	9.28	5.02	11.29

Rank (1996-97)	Description (NIC Code)	Year	Share of Employment			Share of GVA		
			All Locations	Rural	Urban	All Locations	Rural	Urban
4	Retail trade in textiles (66)	1979-80	7.77	5.81	9.57	8.95	10.29	8.56
		1985-86	8.36	5.36	11.76	6.47	8.39	5.90
		1990-91	6.97	4.19	10.17	8.36	6.51	9.79
		1996-97	7.09	4.30	9.79	9.49	6.89	10.72
5	Wholesale trade in agricultural raw materials, live animals, food, beverages, intoxicants & textile (60)	1979-80	6.02	2.61	9.13	23.79	8.94	28.15
		1985-86	6.09	4.48	7.92	8.25	6.24	8.85
		1990-91	5.40	3.87	7.17	14.04	8.91	17.35
		1996-97	6.47	7.67	5.31	11.31	8.10	12.82
6	Wholesale trade not elsewhere classified (63)	1979-80	1.61	0.47	2.66	9.61	1.20	12.08
		1985-86	2.41	0.76	4.28	5.45	0.83	6.82
		1990-91	1.55	0.51	2.74	3.57	1.12	4.57
		1996-97	1.99	1.44	2.51	4.42	1.93	5.59
7	Wholesale trade in fuel, lighting products, medicines, perfumery, cosmetics, fertilisers & pesticides, metal porcelain and glass utensils crockery & chinaware, cane wood, paper, skin leather fur, petrol, mobile oil and allied products (61)	1979-80	1.43	0.35	2.42	4.49	2.12	5.19
		1985-86	1.91	0.40	3.64	4.99	0.98	6.17
		1990-91	1.70	0.40	3.19	5.64	0.63	7.77
		1996-97	1.58	0.33	2.79	4.33	0.67	6.05
8	Wholesale trade in all types of machinery and equipment including transport equipment (62)	1979-80	0.40	0.07	0.70	1.30	0.02	1.67
		1985-86	0.62	0.03	1.29	3.55	0.02	4.59
		1990-91	0.48	0.00	1.03	2.12	0.00	3.11
		1996-97	0.39	0.03	0.74	2.13	0.12	3.08

### 3.2.2 The Trade Activities which are Mainly Rural and the Ones Which are Mainly Urban

There are only two trade activities in which both rural enterprises and rural employment dominate. They are code 65, retail trade in food articles and beverages, and code 60, wholesale trade in agricultural raw materials, live animals, food beverages and textiles. There is no trade activity in which rural areas account for as much as half of gross value added, although code 65, retail trade in food articles etc., comes close. The majority of enterprises in code 63, wholesale trade not elsewhere classified, are located in rural areas, but they generate a relatively small share of income – barely 14 per cent. Because rural enterprises generally employ fewer workers per unit than urban ones, the share of employment accounted for by rural located units is invariably below rural area's share in the total number of enterprises.

**Table 3.2.2: Share of Rural Areas in Employment, Enterprises and GVA by Two-Digit Industrial Category, All India: 1979-80, 1985-86, 1990-91 and 1996-97**

S.No. (Rank)	Description (NIC Code)	Year	Share of Rural Areas in		
			Employment	Enterprises	GVA
1	Retail trade in food & food articles beverages, tobacco & intoxicants (65)	1979-80	62.17	65.24	46.40
		1985-86	68.29	69.13	40.34
		1990-91	67.59	70.53	55.11
		1996-97	59.96	62.08	48.30
2	Wholesale trade in agricultural raw materials, live animals, food, beverages, intoxicants & textiles (60)	1979-80	20.75	34.49	8.53
		1985-86	39.08	55.26	17.31
		1990-91	38.39	52.36	19.99
		1996-97	58.25	61.62	22.92
3	Retail trade not elsewhere classified (68)	1979-80	27.14	35.89	17.60
		1985-86	30.60	39.91	8.87
		1990-91	46.10	53.12	28.08
		1996-97	44.79	49.56	35.73
4	Wholesale trade not elsewhere classified (63)	1979-80	14.00	26.69	2.85
		1985-86	16.69	32.06	3.48
		1990-91	17.67	33.38	9.94
		1996-97	35.75	57.91	13.99
5	Retail trade in textile (66)	1979-80	35.72	45.71	26.09
		1985-86	34.09	47.26	29.69
		1990-91	32.24	40.78	24.55
		1996-97	29.78	36.89	23.23
6	Retail trade in fuels, household utilities & durables (67)	1979-80	25.86	34.34	13.77
		1985-86	35.34	43.15	11.11
		1990-91	22.70	29.29	13.36
		1996-97	23.89	28.84	17.32
7	Wholesale trade in fuel, lighting products medicines, fertilisers & pesticides, perfumery, cosmetics, metal porcelain and glass utensils crockery & chinaware, cane, wood, paper, skin leather fur, petrol, mobile oil and allied products (61)	1979-80	11.80	18.95	10.70
		1985-86	10.97	17.35	4.51
		1990-91	12.68	23.30	3.50
		1996-97	10.25	15.61	4.93
8	Wholesale trade in all types of machinery and equipment including transport equipment (62)	1979-80	8.10	42.07	0.42
		1985-86	2.46	4.30	0.11
		1990-91	0.13	0.23	0.02
		1996-97	3.71	5.85	1.74

### 3.2.3 The Identification of Expanding and Contracting Activities Within Unorganised Trade

Three criteria are adopted here to identify “sunrise” and “sunset” activities within unorganised trade. The first is their contribution to income generation. Which activities have recorded consistently large positive GVA growth rates, and which have not? Their employment generation record constitutes the second factor to be considered. This is then combined in growth rate terms, with the evidence on the performance of each trade activity in terms of labour productivity.

No retail or wholesale trade activity shows consistently high GVA growth rates for rural plus urban areas combined, and only two activities enjoyed positive income growth throughout the nearly 20 year period covered by the unorganised trade surveys. They are retail trade in textiles (code 66) and wholesale trade in agricultural raw materials and so on (code 60). During the 1990s, however, most trade activities did well, with two miscellaneous trade categories – one wholesale and one retail – recording GVA growth rates approaching ten per cent. The really spectacular GVA growth rates are found in rural areas, where three trade activities achieved GVA growth rates averaging above 10 per

cent compound, and a fourth following not too far behind, with substantial positive GVA growth in every period. (In table 3.2.3, to reduce the impact of what are thought to be unrealistically high GVA estimates for 1985-86, growth rate figures are presented for the longer 1979-80 to 1990-91 period as well as for its two sub-periods). The top performances in rural areas were turned in by retail trade not elsewhere classified (code 68) and its wholesale trade counterpart, (code 63). Rural retail trade in fuels, household utilities and durables also did extremely well, followed by wholesale trade in agricultural raw materials, and related products, (code 60). The performance of rural retail trade in food articles and beverages, which had been creditable during the 1980s, sagged during the 1990s, a serious matter since this is the activity which absorbs the majority of trade workers in rural areas. No unorganised trade activity suffered prolonged, or recent, negative GVA growth in either rural or urban locations.

**Table 3.2.3: Sunrise and Sunset Industries Ranked by Growth Rates in Gross Value Added: All India: 1979-80 to 1985-86, 1985-86 to 1990-91 and 1990-91 to 1996-97 by Two-Digit Industry Code, Rural Urban and All Locations**

(at constant 1993-94 prices)

Sl. No. Rank	Description (NIC Code)	Period	Growth Rates in GVA		
			Rural	Urban	All Locations
1	Wholesale trade not elsewhere classified (63)	1979-80 to 1985-86	14.13	10.22	10.34
		1985-86 to 1990-91	7.87	-13.07	-12.54
		1979-80 to 1990-91	21.56	-1.92	-1.32
		1990-91 to 1996-97	15.65	8.31	9.73
2	Retail trade not elsewhere classified (68)	1979-80 to 1985-86	17.49	33.93	31.70
		1985-86 to 1990-91	21.16	-6.47	-3.78
		1979-80 to 1990-91	37.87	26.67	27.54
		1990-91 to 1996-97	13.55	5.98	9.42
3	Retail trade in textiles (66)	1979-80 to 1985-86	17.38	13.92	14.88
		1985-86 to 1990-91	-3.52	4.22	0.22
		1979-80 to 1990-91	13.92	17.92	15.08
		1990-91 to 1996-97	7.33	6.47	8.25
4	Retail trade in fuels, household utilities & durables (67)	1979-80 to 1985-86	18.40	23.35	22.72
		1985-86 to 1990-91	1.51	-2.65	-2.17
		1979-80 to 1990-91	19.89	20.61	20.50
		1990-91 to 1996-97	11.13	6.00	6.78
5	Wholesale trade in all type of machinery and equipment including transport equipment (62)	1979-80 to 1985-86	14.61	43.46	43.38
		1985-86 to 1990-91	-36.38	-12.90	-14.14
		1979-80 to 1990-91	-21.38	27.86	26.28
		1990-91 to 1996-97	104.85	4.84	6.27
6	Retail trade in food & food articles beverages, tobacco & intoxicants (65)	1979-80 to 1985-86	24.13	29.34	27.05
		1985-86 to 1990-91	-2.75	-13.69	-8.64
		1979-80 to 1990-91	21.27	14.41	17.84
		1990-91 to 1996-97	2.14	6.52	4.23
7	Wholesale trade in agricultural raw materials, live animals, food, beverages, intoxicants & textiles (60)	1979-80 to 1985-86	14.37	-0.04	1.66
		1985-86 to 1990-91	8.99	7.75	5.89
		1979-80 to 1990-91	22.88	6.38	6.62
		1990-91 to 1996-97	4.86	0.22	2.68
8	Wholesale trade in fuel, lighting products, medicines, fertilisers & pesticides, perfumery, cosmetics, metal porcelain and glass utensils, crockery & chinaware, cane wood, paper, skin leather fur, petrol, mobile oil and allied products (61)	1979-80 to 1985-86	6.85	24.80	23.41
		1985-86 to 1990-91	-7.19	-1.41	-2.41
		1979-80 to 1990-91	0.41	23.34	20.94
		1990-91 to 1996-97	7.41	1.04	1.90

Performance on the employment front is spotty. Although employment gains are generally larger than job losses, all activities except code 68, (retail trade not elsewhere classified), suffered from periodic cutbacks in employment in either rural or urban areas or both. Wholesale trade in all types of machinery and equipment (code 62) suffered the most persistent job losses (see table 3.2.4), but they also enjoyed the highest and most rapidly growing levels of GVA per worker. (See table 3.2.6).

The growth rate figures corresponding to the changes in employment levels given in table 3.2.4 are presented as table 3.2.5 below. Productivity growth rates are given in table 3.2.6, following.

**Table 3.2.4: Employment Gains and Employment Losses in Unorganised Trade by NIC Two-Digit Industrial Category: All India, Rural Urban and All Locations: 1979-80 to 1985-86, 1985-86 to 1990-91 and 1990-91 to 1996-97**

Description (NIC Code)	Period	Employment Gains			Employment Losses		
		Rural	Urban	All Locations	Rural	Urban	All Locations
Wholesale trade in agricultural raw materials, live animals, food, beverages, intoxicants & textile (60)	1979-80 to 1985-86	250011	66853	316864	--	--	--
	1985-86 to 1990-91	--	12025	8218	-3806	--	--
	1990-91 to 1996-97	375835	--	299663	--	-76172	--
Wholesale trade in fuel, lighting products, medicines, fertilisers & pesticides, perfumery, cosmetics, metal, porcelain and glass utensils crockery & chinaware, cane wood, paper, skin leather fur, petrol, mobile oil and allied products (61)	1979-80 to 1985-86	15358	136950	152307	--	--	--
	1985-86 to 1990-91	5747	--	2664	--	-3083	--
	1990-91 to 1996-97	--	9388	1807	-7581	--	--
Wholesale trade in all type of machinery equipment including transport equipment (62)	1979-80 to 1985-86	--	58328	57174	-1154	--	--
	1985-86 to 1990-91	--	--	--	-2403	-9938	-12342
	1990-91 to 1996-97	2835	--	--	--	-13581	-10746
Wholesale trade not elsewhere classified (63)	1979-80 to 1985-86	40435	172047	212482	--	--	--
	1985-86 to 1990-91	--	--	--	-14962	-91724	-106686
	1990-91 to 1996-97	92739	19824	112563	--	--	--
Retail trade in food & food articles beverages, tobacco & intoxicants (65)	1979-80 to 1985-86	2365682	484371	2850053	--	--	--
	1985-86 to 1990-91	303972	245858	549831	--	--	--
	1990-91 to 1996-97	--	409181	--	-1342242	--	-933061
Retail trade in textiles (66)	1979-80 to 1985-86	152629	337616	490245	--	--	--
	1985-86 to 1990-91	--	--	--	-48258	-22527	-70784
	1990-91 to 1996-97	6824	124363	131188	--	--	--
Retail trade in fuels & household utilities & durable (67)	1979-80 to 1985-86	268308	171595	439903	--	--	--
	1985-86 to 1990-91	--	--	--	-277009	-35590	-312599
	1990-91 to 1996-97	61401	130150	191551	--	--	--
Retail trade not elsewhere classified (68)	1979-80 to 1985-86	215495	328333	543828	--	--	--
	1985-86 to 1990-91	1325830	889680	2215510	--	--	--
	1990-91 to 1996-97	719325	1009370	1728695	--	--	--

**Table 3.2.5: Growth Rate of Employment by NIC Codes and Rural Urban and All Locations: 1979-80 to 1985-86, 1985-86 to 1990-91 and 1990-91 to 1996-97**

Description (NIC Code)	Period	Growth rate of Workers		
		Rural	Urban	Total
Wholesale trade in agricultural raw materials, live animals, food, beverages, intoxicants & textiles (60)	1979-80 to 1985-86	18.37	1.95	6.51
	1985-86 to 1990-91	-0.19	0.39	0.16
	1990-91 to 1996-97	10.96	-1.98	4.07
Wholesale trade in fuel, lighting products, medicines, fertilisers & pesticides, perfumery, cosmetics, metal porcelain and glass utensils crockery & chinaware, cane wood, paper skin leather fur, petrol, mobile oil and allied products (61)	1979-80 to 1985-86	10.24	11.76	11.58
	1985-86 to 1990-91	3.11	-0.22	0.17
	1990-91 to 1996-97	-3.14	0.51	0.09
Wholesale trade in all type of machinery equipment's including transport equipment (62)	1979-80 to 1985-86	-6.09	15.71	14.57
	1985-86 to 1990-91	-46.09	-2.07	-2.53
	1990-91 to 1996-97	64.81	-2.48	-1.93
Wholesale trade not elsewhere classified (63)	1979-80 to 1985-86	16.99	13.01	13.61
	1985-86 to 1990-91	-4.99	-6.29	-6.06
	1990-91 to 1996-97	17.21	1.23	5.17
Retail trade in food & food articles beverages, tobacco & intoxicants (65)	1979-80 to 1985-86	7.63	2.89	5.96
	1985-86 to 1990-91	0.90	1.55	1.11
	1990-91 to 1996-97	-3.26	1.80	-1.46
Retail trade in textiles (66)	1979-80 to 1985-86	6.76	8.04	7.59
	1985-86 to 1990-91	-2.14	-0.50	-1.05
	1990-91 to 1996-97	0.25	2.04	1.48
Retail trade in fuels & household utilities & durable (67)	1979-80 to 1985-86	11.01	3.01	5.38
	1985-86 to 1990-91	-12.29	-0.68	-4.17
	1990-91 to 1996-97	2.91	1.87	2.11
Retail trade not elsewhere classified (68)	1979-80 to 1985-86	7.69	4.70	5.55
	1985-86 to 1990-91	26.25	10.57	16.31
	1990-91 to 1996-97	5.00	5.86	5.47

A better perspective on what is going on here is provided by the productivity figures in table 3.2.7 which reveal the unmistakable earnings superiority of the wholesale trade enterprises. They generate more income per enterprise and more income per worker than any of the retail trade activities. It is, of course, the latter which account for the vast majority of enterprises and workers. The activity which absorbs more workers than any other – retail trade in food and beverages – is the least productive of all activities in both per enterprise and per worker terms.

**Table 3.2.6: Growth Rate of Per Enterprise and Per Worker Productivity by Two-Digit Category, All India, Rural Urban and All Locations: 1979-80 to 1985-86, 1985-86 to 1990-91 and 1990-91 to 1996-97**

(at constant 1993-94 prices)

Description (NIC Code)	Period	GVA per Enterprises			GVA per worker		
		Rural	Urban	All Locations	Rural	Urban	All Locations
Wholesale trade in agricultural raw materials live animals, food, beverages, intoxicants & textiles (60)	1979-80 to 1985-86	-6.70	-6.00	-10.30	-3.38	-1.95	-4.56
	1985-86 to 1990-91	8.65	4.94	4.43	9.20	7.33	5.72
	1990-91 to 1996-97	-2.84	-1.56	-2.45	-5.50	2.25	-1.33
Wholesale trade in fuel, lighting products medicines, fertilizers & pesticides, perfumery, cosmetics, metal porcelain, utensils & chinaware, cane wood, paper, skin leather fur petrol, mobile oil and allied products (61) (61)crockery petrol, mobile oil and allied products (61)	1979-80 to 1985-86	-3.76	10.41	9.54	-3.08	11.67	10.60
	1985-86 to 1990-91	-14.88	-2.64	-5.06	-9.99	-1.19	-2.57
	1990-91 to 1996-97	11.73	-2.62	-0.34	10.90	0.52	1.81
Wholesale trade in all type of machinery equipment including transport equipment (62)	1979-80 to 1985-86	40.61	10.67	20.27	22.05	23.98	25.15
	1985-86 to 1990-91	13.99	-13.62	-14.13	18.01	-11.06	-11.90
	1990-91 to 1996-97	26.33	7.15	7.64	24.29	7.51	8.36
Wholesale trade not elsewhere classified (63)	1979-80 to 1985-86	-5.98	-5.18	-6.27	-2.45	-2.47	-2.88
	1985-86 to 1990-91	9.30	-10.85	-10.66	13.53	-7.24	-6.89
	1990-91 to 1996-97	-3.52	5.54	-0.36	-1.32	6.99	4.34
Retail trade in food & food articles beverages tobacco & intoxicants (65)	1979-80 to 1985-86	16.43	24.96	20.34	15.32	25.70	19.91
	1985-86 to 1990-91	-5.59	-15.08	-10.94	-3.62	-15.00	-9.64
	1990-91 to 1996-97	5.04	3.33	5.11	5.58	4.64	5.77
Retail trade in textiles (66)	1979-80 to 1985-86	8.20	6.11	6.49	9.94	5.44	6.77
	1985-86 to 1990-91	0.31	2.80	1.17	-1.41	4.75	1.28
	1990-91 to 1996-97	5.52	2.07	4.80	7.07	4.34	6.67
Retail trade in fuels & household utilities & durables (67)	1979-80 to 1985-86	6.65	18.22	14.83	6.65	19.75	16.45
	1985-86 to 1990-91	17.28	-0.36	4.60	15.73	-1.98	2.08
	1990-91 to 1996-97	7.20	1.90	2.75	7.99	4.06	4.58
Retail trade not elsewhere classified (68)	1979-80 to 1985-86	9.83	28.82	25.32	9.10	27.91	24.77
	1985-86 to 1990-91	-5.11	-18.49	-20.21	-4.03	-15.41	-17.27
	1990-91 to 1996-97	7.50	-1.85	2.48	8.15	0.11	3.74

A cross tabulation by employment and labour productivity growth rates for the period 1990-91 to 1996-97 reveals that, in growth terms, several trade activities enjoyed the best of all possible worlds – positive employment growth combined with positive labour productivity growth. The cross tabulation of trade activities into four possible categories on the basis of these growth rates is presented below, in two parts, one for rural and urban areas combined, the other for rural areas alone.

**Table 3.2.7: Levels of Per Enterprise and Per Worker Productivity by Two-Digit Category Ranked by GVA Per Worker in 1996-97: All India, Rural, Urban and All Locations: 1979-80, 1985-86, 1990-91 and 1996-97**

(in 1993-94 prices)

S.No. Rank	Description (NIC Code)	Year	GVA per Enterprise			GVA per Worker		
			Rural	Urban	All Locations	Rural	Urban	All Locations
1	Wholesale trade in all type of machinery and equipment including transport equipment (62)	1979-80	1610	277808	161617	1589	33296	30727
		1985-86	12441	510521	489122	5252	120911	118070
		1990-91	23944	245488	228308	12023	67294	62651
		1996-97	109403	384489	368385	49423	107769	105602
2	Wholesale trade in fuel, lighting products medicines, fertilisers & pesticides, perfumery, cosmetics, metal porcelain, utensils & chinaware, cane wood, paper, skin, leather, fur and glass crockery, petrol, mobile oil and allied products (61)	1979-80	68377	133467	121131	26661	29768	29401
		1985-86	54335	241785	209261	22101	57732	53823
		1990-91	24275	211481	161424	13056	54381	47256
		1996-97	49908	177924	157938	25570	56251	53107
3	Wholesale trade not elsewhere classified (63)	1979-80	22441	278962	210502	11337	63018	55783
		1985-86	15502	202740	142706	9769	54238	46816
		1990-91	24181	114153	81206	18426	37258	32756
		1996-97	19160	162112	79322	16896	57792	43174
4	Wholesale trade in agricultural raw materials, live animals, food, beverages, intoxicants & textile (60)	1979-80	37731	212919	152493	15235	42753	37043
		1985-86	24888	146849	79458	12398	37999	27994
		1990-91	37686	186872	98691	19255	54132	36970
		1996-97	31241	168705	84000	13332	62558	33885
5	Retail trade in textiles (66)	1979-80	12402	29587	21731	7887	12415	10798
		1985-86	19904	42241	31685	13930	17063	15995
		1990-91	20215	48487	33576	12977	21514	17044
		1996-97	28673	55386	45532	20231	28355	25936
6	Retail trade in fuels, household utilities & durables (67)	1979-80	4832	15823	12049	3484	7607	6541
		1985-86	7112	43195	27627	5128	22429	16315
		1990-91	15779	42425	34591	10647	20294	18089
		1996-97	24787	47952	41272	17544	26283	24195
7	Retail trade not elsewhere classified (68)	1979-80	10357	27145	21120	6995	12201	10788
		1985-86	18182	124073	81813	11798	53444	40701
		1990-91	13986	44646	26465	9606	23145	15775
		1996-97	22378	39542	31036	15981	23317	20031
8	Retail trade in food & food articles beverages, tobacco & intoxicants (65)	1979-80	5315	11521	7473	3536	6713	4738
		1985-86	13244	43857	22694	8319	26486	14080
		1990-91	9936	19369	12716	6918	11750	8484
		1996-97	13676	23970	17579	9843	15777	12219

In recent years for rural and urban areas taken together most trade activities combined positive employment growth rates with increases in labour productivity – an unambiguous improvement for all. However, two activities achieved increases in labour productivity at least partly at the cost of reduced employment. The two trade activities in which the downsizing of the workforce helped raise GVA per worker are: (i) wholesale trade in machinery and equipment, (code 62), which employs less than one half of one per cent of all unorganised trade workers and is therefore of no great consequence in terms of job losses, and (ii) retail trade in food articles, beverages and so on (code 65), the unorganised trade activity which employs more people than any other. (Refer back to table 3.2.1). More than nine lakh workers lost their jobs in this activity group during the 1990s in rural and urban areas combined. Since there was an increase in the number of urban code 65 workers, the entire burden of the restructuring which took place in this dominant segment of trade was borne by



the rural workers who lost, in all, more than 1.3 million jobs. (These absolute figures are given in table 3.2.4).

**Panel 3.2.1: A Cross Classification into Four Sets of Unorganised Trade Activities, Arranged by Employment and Labour Productivity Growth Rates: 1990-91 to 1996-97**

<b>A</b>	<b>Rural and Urban Areas Combined</b>
I	Positive Employment Growth and Positive Labour Productivity Growth – Rural+Urban (Ranked from Highest to Lowest Employment Growth Rates 1990-91 to 1996-97)
1.	Retail trade not elsewhere classified (68)
2.	Wholesale trade not elsewhere classified (63)
3.	Retail trade in fuels household utilities and durables (67)
4.	Retail trade in textiles (66)
5.	Wholesale trade in fuel, lighting products, medicines, fertilizers and pesticides, cosmetics; metal, porcelain and glass utensils, chinaware, cane, wood, paper, skins, leather, fur (61)
II	Positive Employment Growth and Negative Productivity Growth
1.	Wholesale trade in agricultural raw materials, live animals, food, beverages and textiles (60)
III	Positive Labour Productivity Growth and Negative Employment Growth (Ranked from Highest to Lowest Productivity Growth Rates 1990-91 to 1996-97)
1.	Wholesale trade in all types of machinery and equipment, including transport equipment (62)
2.	Retail trade in food articles, beverages, tobacco and intoxicants (65)
<b>B</b>	<b>Rural Areas Only</b>
I	Positive Employment Growth and Positive Productivity Growth (Ranked from Highest to Lowest Employment Growth Rates 1990-91 to 1996-97)
1.	Wholesale trade in all types of machinery and equipment, including transport equipment (62)
2.	Retail trade not elsewhere classified (68)
3.	Retail trade in fuels, household utilities and durables (67)
4.	Retail trade in textiles (66)
II	Positive Employment Growth and Negative Productivity Growth
1.	Wholesale trade not elsewhere classified (63)
2.	Wholesale trade in agricultural raw materials, live animals, food, beverages, intoxicants and textiles
III	Positive Labour Productivity Growth and Negative Employment Growth (Ranked from Highest to Lowest Productivity Growth Rates 1990-91 to 1996-97)
1.	Wholesale trade in fuel, lighting products, medicines, fertilizers and pesticides, cosmetics, metal, porcelain and glass utensils, crockery and chinaware, cane, wood, paper (61)
2.	Retail trade in food articles, beverages, tobacco and intoxicants (65)

In general, the performance of trade in rural areas was somewhat worse than in urban centres. Only one two-digit NIC code group faced a decline in labour productivity in urban areas, but in rural areas two categories suffered this fate. One of them, wholesale trade in agricultural raw materials, live animals, food, beverages and textiles employs the third largest number of unorganised trade workers in rural areas. Rapidly declining labour productivity in this activity is therefore a matter for concern. In addition two trade activity groups recorded positive labour productivity growth combined with negative employment growth, which is certainly a good thing from the point of view of the workers who have managed to retain their jobs in these trade activity categories. One of them is, of course, the trade activity which provides employment to more than half of all trade workers in rural areas – code 65 – retail trade in food articles, beverages and intoxicants.

There are thus only two significant trade activities which give cause for concern, both of them important in rural areas because they employ very large numbers of people. One of them is wholesale trade in agricultural raw materials, food, textiles and so on, (NIC code 60), where labour productivity growth during the 1990s is negative at –5.50 per cent per year in rural areas and –1.33 per cent overall. The other is the ubiquitous retail trade in food articles and beverages, (code 65) where a very

large number of rural outlets, (803,193) closed down during the 1990s. Their exit has undoubtedly improved productivity levels, but one wonders where the more than 1.3 million rural people formerly absorbed in these enterprises, found alternative means of livelihood. Hopefully they have found more productive work. This may not be as difficult as it might appear, because as table 3.2.6 shows, out of all trade activities, retail trade in food articles and beverages is the least productive both in terms of GVA per enterprise and GVA per worker.

In conclusion it may be said that the restructuring which has taken place within trade has been constructive. People are moving out of the least productive activities in very large numbers. In almost all of the more productive branches of trade, both employment and labour productivity growth rates have been positive during the 1990s. The only fly in the ointment is that, as in the case of unorganised manufacturing, so also in the case of unorganised trade: the workers who have borne the brunt of the restructuring process appear to be the rural workers at the lowest rung of the earnings ladder.

### **3.2.4 Employment Elasticities at the Two-Digit Level in Unorganised Trade**

In unorganised trade, in a large number of activities, labour productivity declined at some time or another. This shows up in table 3.2.8 (i) in the shape of positive employment elasticities greater than one, unmarked by any star, (\*), and (ii) in the shape of negative employment elasticities marked with a double star, (\*\*). The double stars, (\*\*) highlight the cases where positive employment growth took place despite negative GVA growth.

Six out of the eight two-digit trade activities listed in table 3.2.8 generate elasticity estimates of these two types. These include: (i) wholesale trade in agricultural raw materials, etc., (code 60) in both 1979-80 to 1985-86 and again in 1990s; (ii) wholesale trade in fuel, etc., (code 61) during the early 1980s in rural areas, and during the late 1980s in rural areas and overall; (iii) code 62, wholesale trade in all types of machinery, in rural areas only during the late 1980s; and (iv) wholesale trade not elsewhere classified (code 63) in both rural and urban areas, during the early 1980s and again in rural areas only during the 1990s. In short, all of the wholesale trade group suffered such setbacks at one time or another.

Retail trade got off relatively lightly, and all such incidents of excessive employment growth pushing down productivity occurred during the late 1980s. Retail trade in textiles was the only retail trade activity to escape this fate altogether.

The other interesting cases are the ones where downsizing of the workforce took place during a period when gross value added was rising. In table 3.2.8, such cases are marked with a dot, (•). There are not very many of them, and in all of them the contraction of the workforce occurred either in rural areas, or in urban areas, but not in both. Thus it appears at first glance that there is nothing very systematic about it. But that is not so. Take the case of wholesale trade in agriculture raw materials (code 60). In the late 1980s, gross value added went up; rural employment was reduced; and in urban areas, despite positive GVA growth, employment remained virtually unchanged. This episode appears to constitute a correction of the excessive employment expansion of the previous period. In rural areas, other wholesale trade groups seem to have undergone similar adjustments, commonly following similar workforce build-ups during periods of relatively slow GVA growth. Retail trade in food products (code 65) provides a further example of a similar sequence of events.

**Table 3.2.8: Employment Elasticities at the Two-Digit Level in Unorganised Trade by Rural, Urban and All Locations, 1979-80 to 1985-86, 1985-86 to 1990-91 and 1990-91 to 1996-97**

Description (NIC Code)	Period	Employment Elasticities		
		Rural	Urban	Total
Wholesale trade in agricultural raw materials, live animals, food, beverages, intoxicants & text ile (60)	1979-80 to 85-86	1.28	-48.75**	3.92
	1985-86 to 90-91	-0.02 •	0.05	0.03
	1990-91 to 96-97	2.26	-9.00 •	1.52
Wholesale trade in fuel, lighting products ,medicines, fertilizers & pesticides, perfumery, cosmetics, metal porcelain and glass utensils crockery & chinaware, cane wood , paper skin leather fur , petrol, mobil oil and allied products (61)	1979-80 to 85-86	1.49	0.47	0.49
	1985-86 to 90-91	-0.43**	0.16*	-0.07**
	1990-91 to 96-97	-0.42 •	0.49	0.05
Wholesale trade in all type of machinery equipment including transport equipment (62)	1979-80 to 85-86	-0.42 •	0.36	0.34
	1985-86 to 90-91	1.27*	0.16*	0.18*
	1990-91 to 96-97	0.62*	-0.51 •	-0.31 •
Wholesale trade not elsewhere classified (63)	1979-80 to 85-86	1.20	1.27	1.32
	1985-86 to 90-91	-0.63 •	0.48*	0.48*
	1990-91 to 96-97	1.10	0.15	0.53
Retail trade in food & food articles beverages, tobacco & intoxicants (65)	1979-80 to 85-86	0.32	0.10	0.22
	1985-86 to 90-91	-0.33**	-0.11**	-0.13**
	1990-91 to 96-97	-1.52 •	0.28	-0.35 •
Retail trade in textiles (66)	1979-80 to 85-86	0.39	0.58	0.51
	1985-86 to 90-91	0.61*	-0.12 •	-4.77 •
	1990-91 to 96-97	0.03	0.32	0.18
Retail trade in fuels & household utilities & durable (67)	1979-80 to 85-86	0.60	0.13	0.24
	1985-86 to 90-91	-8.14**	0.26*	1.92*
	1990-91 to 96-97	0.26	0.31	0.31
Retail trade not elsewhere classified (68)	1979-80 to 85-86	0.44	0.14	0.18
	1985-86 to 90-91	1.24*	-1.63**	-4.31**
	1990-91 to 96-97	0.37	0.98	0.58

**Notes** 1. Large positive elasticities are left unmarked if both employment and GVA growth are positive. (If both growth rates are negative, the elasticity is marked with a star, \*).

2. If both employment and GVA growth rates are negative, the elasticity is marked with a star, \*.

3. Cases of negative GVA growth and positive employment growth are marked with a durable star, \*\*.

4. Cases of positive GVA growth and negative employment growth are marked with a small dot, •.

In short, these elasticities may be poor predictors of the future trajectories of employment growth in response to given changes in gross value added. But they do tell us a great deal about the behaviour of employment in unorganised trade at the two digit level. They tell us, first, that the workforce in most categories has had a tendency to over expand when GVA growth was positive, and sometimes to expand even when GVA growth was negative. On the other hand, these elasticities also demonstrate that unorganised trade groups have had the capacity to adjust collectively, with a time lag, to situations of declining labour productivity in the preceding period.

### 3.2.5 Fixed Assets, Capital / GVA Ratios and Growth Rates in the Value of Fixed Assets per Enterprise by Two-Digit Industrial Category

#### (i) On the Value of Fixed Assets per Enterprise

The typical wholesale trade unit dealing in machinery and equipment (code 62) possessed assets valued at more than Rs. 92 thousand per unit. This is more than six times the assets reported for the much more numerous retail trade category, code 65, retail trade in food articles, beverages and intoxicants. Among retail trade activities, the groups with assets valued at more than Rs. 40 thousand in 1996-97 were retail trade in fuels, household utilities and durables (code 67), and retail trade in textiles (code 66).

Three trade activities possessed assets valued at less than Rs. 40 thousand. These include one wholesale trade group (code 63), and two very large retail trade groups, the miscellaneous retail trade not elsewhere classified (code 68), and at the bottom, retail trade in food articles etc. (code 65), with assets valued typically at less than Rs. 15,000.

Table 3.2.9 gives further details.

**Table 3.2.9: Value of Fixed Assets per Enterprise by Two-digit Industrial Category, All India, Rural, Urban and All Locations, 1990-91 and 1996-97**

(in Rs. 000 at constant 1993-94 prices)

Description (NIC Code)	Year	Rural	Urban	All Locations
Wholesale trade in agricultural raw materials, live animals, food, beverages, intoxicants & textile (60)	1990-91	16.71	37.83	26.78
	1996-97	22.52	70.51	40.94
Wholesale trade in fuel, lighting products medicines, fertilisers & pesticides, perfumery, cosmetics, metal porcelain, utensils & chinaware, cane wood, paper, skin leather fur and glass crockery petrol, mobile oil and allied products (61)	1990-91	12.32	43.96	36.59
	1996-97	24.87	81.95	73.04
Wholesale trade in all type of machinery and equipment including transport equipment (62)	1990-91	18.18	36.80	36.75
	1996-97	30.51	96.19	92.34
Wholesale trade not elsewhere classified (63)	1990-91	8.08	29.26	22.19
	1996-97	4.78	65.90	30.50
Retail trade in food & food articles, beverages, tobacco & intoxicants (65)	1990-91	9.50	13.65	10.72
	1996-97	11.07	20.67	14.71
Retail trade in textiles (66)	1990-91	17.66	26.93	23.15
	1996-97	22.92	52.71	41.72
Retail trade in fuels, household utilities & durables (67)	1990-91	14.58	25.87	22.56
	1996-97	17.30	55.03	44.15
Retail trade not elsewhere classified (68)	1990-91	9.28	23.36	15.88
	1996-97	15.48	36.89	26.28

A comparison of the estimates for the value of assets per enterprise with those for enterprise and labour productivity given in table 2.2.6, suggests a strong connection between them. The intuitively obvious relationships were confirmed by statistical test.

Spearman's rank correlation ( $\rho$ ) is 0.952 in the case of value of fixed assets and GVA per enterprise in rural areas and 0.976 in the case of urban areas. Both are significant at the 1 per cent level. For rural and urban areas combined,  $\rho$  falls to 0.786, significant only at the 5 per cent level. For fixed assets per enterprise and GVA per worker,  $\rho$  is lower, at 0.786 in rural areas and much lower and insignificant in the case of units in urban centres.

In short, the most productive enterprises, in both rural and urban areas, are those belonging to branches of trade which use relatively large amounts of fixed capital, while the least productive enterprises belong to industries which employ very little fixed capital. These results are much the same as those derived in chapter 2 for unorganised manufacturing.

Where the results differ, is with respect to fixed assets and GVA per worker. In the case of manufacturing the relationship was robust and highly significant. In the case of trade, while there is a significant link between the value of fixed assets per enterprise and labour productivity in rural areas, there is none whatsoever in urban centres. The rapid growth of very small trade enterprises in urban centres may be related to the fact that respectable returns to labour may be earned in some branches of trade on the strength of a rather modest investment in fixed assets.

In 1996-97, the typical own account trade enterprise possessed a small fraction of the assets owned by the non-directory and directory establishments. The value of fixed assets per enterprise in own account trade units typically ranged between one half and one quarter of the value of fixed assets in non-directory establishments, and from one quarter to one tenth of the fixed asset values of directory trade establishments. The figures, given in table 3.2.10, in thousands of rupees at constant 1993-94 prices, also reveal the substantial gap which exists between the value of fixed assets belonging to the rural units of most categories of trade and the value of assets possessed by urban units belonging to the same two-digit category.

#### **(ii) The Growth of Fixed Assets Over Time**

It is obvious from the absolute figures given in table 3.2.10, that a tremendous amount of investment in fixed assets took place between 1990-91 and 1996-97. Increases in fixed assets per enterprise of this order might be expected to push up enterprise productivity and labour productivity growth rates, and, possibly, to generate increased employment opportunities as well. The results of tests of these propositions are reported towards the end of this subsection.

The growth rate figures which are given in table 3.2.11, show that substantial investment in fixed assets took place in all two-digit unorganised trade activities, when rural and urban areas are considered together. In rural areas, however, substantial dis-investment appears to have taken place in code 63 activities, (wholesale trade not elsewhere classified). All of the decline in the value of fixed assets per enterprise in this two-digit category can be traced to the negative growth in the fixed assets of own account enterprises. In rural areas, the growth rate of fixed assets may have been negative also for directory establishments in two wholesale trade activities and in one non-directory establishment retail trade category. In urban areas, enhanced values of fixed assets per enterprise are the rule for all enterprise types in all two-digit categories, with only a single exception. The figures are given in table 3.2.11.

**Table 3.2.10: Value of Fixed Assets per Enterprise by Two-Digit Industrial Category, Rural, Urban and All Locations: All India 1990-91, 1996-97**

(Rs. 000, at constant 1993-94 prices)

Description (NIC Code)	Year	Rural			Urban			All Locations		
		OATE	NDTE	DTE	OATE	NDTE	DTE	OATE	NDTE	DTE
Wholesale trade in agricultural raw materials, live animals, food, beverages, intoxicants & textile (60)	1990-91	9.10	35.98	60.66	28.53	61.52	67.61	16.43	50.06	66.30
	1996-97	9.50	38.53	73.56	42.76	88.94	195.69	20.30	70.12	101.87
Wholesale trade in fuel, lighting products medicines, fertilisers & pesticides, perfumery, cosmetics, metal porcelain, utensils & chinaware, cane wood, paper, skin leather fur and glass crockery petrol, mobile oil and allied products (61)	1990-91	2.36	46.31	120.81	43.60	58.92	87.22	26.69	57.38	89.18
	1996-97	13.97	54.83	89.88	38.74	87.33	262.86	32.78	85.23	246.67
Wholesale trade in all type of machinery and equipment including transport equipment (62)	1990-91	1.22	28.41	61.60	30.79	48.04	99.46	30.71	47.99	99.45
	1996-97	9.25	199.99	34.81	66.44	87.62	213.98	59.62	89.16	210.54
Wholesale trade not elsewhere classified (63)	1990-91	6.15	30.10	59.04	15.40	53.54	75.36	10.92	51.34	75.00
	1996-97	3.28	53.71	140.26	34.03	95.87	160.56	12.14	92.48	159.81
Retail trade in food & food articles, beverages, tobacco & intoxicants (65)	1990-91	9.13	25.78	21.51	11.19	43.47	39.63	9.71	36.28	36.22
	1996-97	10.41	33.36	81.59	17.09	63.34	114.03	12.86	53.25	95.81
Retail trade in text iles (66)	1990-91	15.01	50.55	47.14	22.85	47.60	82.74	19.26	48.22	80.49
	1996-97	19.02	71.63	91.10	35.61	100.47	214.49	28.77	96.19	188.50
Retail trade in fuels, household utilities & durables (67)	1990-91	8.19	61.13	43.14	18.59	55.00	75.64	15.21	56.18	74.94
	1996-97	14.95	40.60	119.38	41.88	97.78	186.55	33.17	90.70	176.87
Retail trade not elsewhere classified (68)	1990-91	7.65	29.21	73.71	18.18	49.54	86.50	12.21	42.82	84.75
	1996-97	12.31	60.66	91.10	25.47	86.42	205.53	18.56	79.29	185.60

**Table 3.2.11: Growth Rate of Value of Fixed Assets per Enterprise by Two-Digit Industrial Category, Rural, Urban and All Locations: all India 1990-91 and 1996-97**

(Rs. 000, at constant 1993-94 prices)

Code	Rural				Urban				All Locations			
	OATE	NDTE	DTE	All Types	OATE	NDTE	DTE	All Types	OATE	NDTE	DTE	All Types
60	0.66	1.06	3.01	3.02	6.42	5.84	17.76	6.24	3.30	5.32	6.83	3.68
61	31.49	2.63	-4.45	6.28	-1.80	6.24	18.50	5.03	3.21	6.28	16.94	6.13
62	36.57	35.02	-8.41	7.44	12.56	9.69	12.51	10.16	10.75	10.00	12.23	9.49
63	-9.23	9.31	14.24	-8.27	12.97	9.38	12.34	9.00	1.64	9.48	12.34	1.40
65	2.04	4.05	22.77	2.37	6.73	5.96	17.66	6.32	4.41	6.08	16.15	4.87
66	3.70	5.51	10.67	3.89	7.06	12.18	15.78	8.49	6.37	11.21	13.99	7.76
67	9.69	-6.10	16.95	2.59	13.31	9.26	14.90	10.83	12.74	7.65	14.13	9.67
68	7.60	11.90	3.31	7.74	5.32	8.94	14.24	5.81	6.65	9.94	12.82	6.89

The propositions that trade activities which invested rapidly would enjoy rapid growth in gross value added per enterprise, in labour productivity, and possibly in employment were tested by generating Spearman's rank correlation coefficients for the growth of fixed assets per enterprise and these variables.

The correlation between the rate of growth of fixed assets per enterprise and the rate of growth of GVA per enterprise is significant at the 5 per cent level, in both rural and urban areas, with coefficients of 0.810 and 0.738 for rural and urban areas respectively. Similar results are obtained for the correlation between the rate of growth of fixed assets per enterprise and the rate of growth of GVA per worker, although the coefficients are marginally lower in both rural and urban areas.

However, there is no significant correlation whatsoever between fixed asset growth and employment growth.

This set of exercises leads to the conclusion that investment in fixed assets in unorganised trade enterprises tends to increase both per enterprise and per worker productivity, but it does not create additional employment opportunities, and it may, in some cases, tend to displace labour.

### **(iii) Capital / GVA and Capital / Labour Ratios**

Capital / GVA ratios in unorganised wholesale trade activities are in all cases lower than capital / GVA ratios in retail trade. This is true even for the two wholesale trade activities in which the value of fixed assets is greater than in any retail trade category. (This may be verified by reference to the absolute figures in table 3.2.9). Moreover in most branches of wholesale trade, urban capital / GVA ratios are lower than the corresponding rural capital / GVA ratios. These findings suggest that capital is used more efficiently in wholesale trade than in retail trade, and, within wholesale trade, that urban units make better use of fixed assets than rural units do.

The results from retail trade activities are equally interesting. The capital / GVA figures suggest that in 1990-91, urban units made more efficient use of capital than rural units. By 1996-97, the situation had changed completely. In all retail trade activities in 1996-97, rural capital / GVA ratios had become lower than urban ones.

The value of fixed assets per worker is generally higher in wholesale trade than in retail trade. But there are exceptions. Both retail trade in textiles (code 66) and retail trade in fuels, household utilities and durables (code 67) record relatively high capital / labour ratios. The lowest capital / labour ratios of all are found in retail trade in food products and beverages (code 65).

Capital / labour ratios in urban areas are invariably higher than in rural areas, commonly as much as double the rural values in the case of wholesale trade. The gap between rural and urban areas appears to be getting wider over time.

Details can be seen in table 3.2.12.

**Table 3.2.12: Capital / GVA and Capital / Labour Ratios by Two-Digit Industrial Category in Unorganised Trade: Rural, Urban and All Locations: 1990-91 and 1996-97**

Description (NIC Code)	Year	Rural	Urban	All Locations	Rural	Urban	All Locations
Wholesale trade in agricultural raw materials, live animals, food, beverages, intoxicants & textile (60)	1990-91	0.49	0.25	0.30	9.53	13.78	12.15
	1996-97	0.72	0.42	0.49	9.62	26.15	16.53
Wholesale trade in fuel, lighting products medicines, fertilisers & pesticides, perfumery, cosmetics, metal porcelain, utensils & chinaware, cane wood, paper, skin leather fur and glass crockery petrol, Mobile oil and allied products (61)	1990-91	0.69	0.28	0.30	8.97	15.32	14.51
	1996-97	0.50	0.46	0.46	12.74	25.91	24.56
Wholesale trade in all type of machinery and equipment including transport equipment (62)	1990-91	0.81	0.21	0.21	9.69	14.06	14.06
	1996-97	0.28	0.25	0.25	13.79	26.96	26.47
Wholesale trade not elsewhere classified (63)	1990-91	0.35	0.33	0.33	6.39	12.29	11.25
	1996-97	0.25	0.41	0.38	4.22	23.49	16.60
Retail trade in food & food articles, beverages, tobacco & intoxicants (65)	1990-91	0.96	0.72	0.85	6.67	8.42	7.24
	1996-97	0.81	0.86	0.84	7.97	13.60	10.22
Retail trade in textiles (66)	1990-91	0.88	0.64	0.69	11.50	13.77	13.04
	1996-97	0.80	0.95	0.92	16.17	26.98	23.76
Retail trade in fuels, household utilities & durables (67)	1990-91	0.93	0.66	0.70	9.89	13.49	12.67
	1996-97	0.70	1.15	1.07	12.24	30.16	25.88
Retail trade not elsewhere classified (68)	1990-91	0.68	0.57	0.60	6.58	13.25	10.18
	1996-97	0.69	0.93	0.85	11.06	21.75	16.96

Disaggregations by enterprise type reveal that capital / GVA ratios are lower in directory trade establishments than they are in the own account and non-directory enterprises. Non-directory establishments commonly record higher capital / GVA ratios than either smaller, or larger, enterprises.

In urban areas the scale advantages of the larger directory trade establishments are decisive, and in a number of trade activities, urban own account enterprises have higher capital / GVA ratios than any other enterprise type. In rural areas there is no such regularity. Instead there are several cases, concentrated in the wholesale trade segment, where the lowest capital / GVA ratios are reported by the own account units and there are also several activities in which the rural directory establishments appear to have higher capital / GVA ratios than any one else. These observations may be confirmed by reference to table 3.2.13.



**Table 3.2.13: Capital / GVA ratio by Two-Digit Industrial Category and Enterprise Type All India, Rural, Urban and All Locations: 1990-91 and 1996-97**

Description (NIC Code)	Year	Rural			Urban			All Locations		
		OATE	NDTE	DTE	OATE	NDTE	DTE	OATE	NDTE	DTE
Wholesale trade in agricultural raw materials, live animals, food, beverages, intoxicants & textile (60)	1990-91	0.55	0.48	0.41	0.61	0.34	0.11	0.59	0.38	0.13
	1996-97	0.43	0.62	1.53	0.71	0.65	0.16	0.59	0.64	0.32
Wholesale trade in fuel, lighting products medicines, fertilisers & pesticides, perfumery, cosmetics, metal porcelain, utensils & chinaware, cane wood, paper, skin leather fur and glass crockery petrol, Mobile oil and allied products (61)	1990-91	0.22	0.86	1.08	0.53	0.51	0.13	0.51	0.53	0.14
	1996-97	0.73	0.80	0.20	0.79	0.64	0.27	0.78	0.65	0.26
Wholesale trade in all type of machinery and equipment including transport equipment (62)	1990-91	0.24	0.88	0.55	0.27	0.56	0.10	0.27	0.56	0.10
	1996-97	0.08	3.06	0.20	0.39	0.47	0.12	0.36	0.49	0.12
Wholesale trade not elsewhere classified (63)	1990-91	0.32	0.41	0.44	0.42	0.66	0.14	0.39	0.63	0.15
	1996-97	0.19	0.76	1.26	0.75	0.51	0.14	0.47	0.52	0.15
Retail trade in food & food articles, beverages, tobacco & intoxicants (65)	1990-91	0.97	0.98	0.10	0.77	0.91	0.11	0.89	0.93	0.11
	1996-97	0.81	0.75	0.93	0.87	0.90	0.46	0.84	0.86	0.61
Retail trade in textiles (66)	1990-91	0.85	1.20	0.29	0.81	0.67	0.34	0.83	0.74	0.34
	1996-97	0.77	0.89	1.23	1.05	1.08	0.47	0.95	1.05	0.50
Retail trade in fuels, household utilities & durables (67)	1990-91	0.71	1.35	0.44	0.94	1.05	0.16	0.89	1.10	0.16
	1996-97	0.63	1.20	1.09	1.48	1.07	0.32	1.24	1.08	0.34
Retail trade not elsewhere classified (68)	1990-91	0.69	0.82	0.29	1.03	0.83	0.12	0.87	0.83	0.13
	1996-97	0.82	1.30	0.03	1.03	1.01	0.35	0.95	1.06	0.19

In about half of all activities, capital / labour ratios are the lowest in own account units, but in an almost equal number of cases, the directory establishments record lower capital labour ratios than the other enterprise types. Non directory trade establishments tend to have relatively high capital labour ratios in all unorganised trade activities.

Regardless of enterprise type, rural units almost invariably operate with lower capital / labour ratios than urban units. Details are given in table 3.2.14.

**Table 3.2.14: Capital / Labour Ratios by Two-Digit by Industrial Category and Enterprise Type: All India, Rural, Urban and All Locations: 1990-91 and 1996-97**

Description (NIC Code)	Year	Rural			Urban			All Locations		
		OATE	NDTE	DTE	OATE	NDTE	DTE	OATE	NDTE	DTE
Wholesale trade in agricultural raw materials, live animals, food, beverages, intoxicants & textile (60)	1990-91	6.64	14.28	6.96	15.40	18.03	8.37	10.59	16.62	8.09
	1996-97	7.01	13.82	10.56	25.15	28.48	23.01	13.83	23.39	13.92
Wholesale trade in fuel, lighting products medicines, fertilisers & pesticides, perfumery, cosmetics, metal porcelain, utensils & chinaware, cane wood, paper, skin leather fur and glass crockery petrol, Mobile oil and allied products (61)	1990-91	2.14	14.84	13.26	24.42	16.89	10.54	17.74	16.67	10.71
	1996-97	10.83	18.49	10.61	21.75	28.05	26.30	19.72	27.46	25.04
Wholesale trade in all type of machinery and equipment including transport equipment (62)	1990-91	1.24	12.04	6.84	20.61	14.47	11.48	20.58	14.46	11.48
	1996-97	5.37	59.74	3.74	37.18	27.40	21.17	33.50	27.86	20.86
Wholesale trade not elsewhere classified (63)	1990-91	5.26	12.09	8.00	9.03	16.70	9.45	7.55	16.36	9.42
	1996-97	3.01	21.06	20.94	20.39	26.98	18.85	9.67	26.63	18.91
Retail trade in food & food articles, beverages, tobacco & intoxicants (65)	1990-91	6.52	10.61	3.65	7.36	16.06	5.39	6.77	13.98	5.12
	1996-97	7.69	14.46	9.89	12.11	23.72	14.14	9.35	20.89	11.73
Retail trade in textiles (66)	1990-91	10.43	19.29	7.64	14.16	15.73	10.14	12.55	16.39	10.02
	1996-97	14.82	27.02	14.24	24.13	33.78	22.88	20.60	32.87	21.55
Retail trade in fuels, household utilities & durables (67)	1990-91	5.98	27.66	5.97	11.53	18.71	10.18	9.92	20.07	10.09
	1996-97	11.39	17.45	17.11	28.26	35.41	22.87	23.25	33.50	22.15
Retail trade not elsewhere classified (68)	1990-91	5.66	12.48	9.49	12.11	17.00	10.86	8.63	15.72	10.68
	1996-97	9.39	25.68	6.74	18.24	30.69	22.36	13.73	29.47	18.66

### Part III: The Regional Dimension: Unorganised Trade in Fifteen Major States

#### Introduction

The regional analysis begins in section one with the presentation of estimates on the number of enterprises, workers, and gross value added by unorganised trade in fifteen major states. The analysis is carried out for unorganised trade as a whole, for wholesale and retail trade separately, and for each two digit level activity within unorganised trade. Section two deals similarly with the rural-urban distribution of trade activity in each of the fifteen states. Section three gives an account of the structure of unorganised trade within each state. The degree of diversification of trade activities is measured for each state and for rural and urban areas separately. Section four analyses the performance of unorganised trade in each region. Interstate productivity disparities are measured and an attempt made to find out what factors account for regional differences in enterprise and labour productivity. In the case of retail trade, state per capita incomes are the decisive factor. This section ends with a discussion of employment elasticity estimates and their implications for future prospects for labour productivity growth.

#### 3.3.1 Enterprises, Employment and Gross Value Added: Absolute Numbers, Regional Shares and the Determinants of Inter-regional Differences

This section is presented in four subsections. Subsection (i) provides the basic estimates of employment and gross value added by unorganised trade in each state. States which generate disproportionately high or low shares in all India unorganised trade employment and value added are identified. Subsection (ii) addresses the question: what factors account for the size of the unorganised trade sector in different states? The income generated by unorganised trade in each state is then

compared with estimates of gross state domestic product generated by all trade – organised and unorganised combined to bring out the interstate contrasts in the relative importance of organised and unorganised trade. Subsection (iii) examines the share of specified states in each of the two branches of trade, wholesale and retail, taken separately. Finally subsection (iv) provides estimates for the regional contribution to employment and gross value added by each of the eight two-digit groups within trade.

**(i) Absolute Numbers and Regional Shares**

As anticipated, large states with large populations commonly account for substantial shares in the number of unorganised trade units in the country as a whole, while less populous states account for smaller shares. In table 3.3.1, the 15 major states covered in the present study have been listed in order of their total (rural plus urban) contribution to all-India unorganised trade employment in 1996-97.

As in the case of unorganised manufacturing, Uttar Pradesh accounts for the largest share of unorganised trade employment of any state in India. Again, as in the case of unorganised manufacturing, West Bengal appears in second position despite the fact that in terms of population, the state ranks only fifth. Evidently West Bengal generally has a larger share in unorganised non-farm employment in India than what might be expected on the basis of its share in population. In both manufacturing and trade, this disproportionality can be traced to West Bengal’s very high share in *rural* unorganised manufacturing and trade employment.

Table 3.3.1 gives the corresponding figures for other states. It will be noticed that both Bihar and Madhya Pradesh record disproportionately small shares in unorganised trade employment.

**Table 3.3.1: Absolute Number of Workers in Unorganised Trade Each of Fifteen States, and Rank in Share of All India Employment in Rural, Urban and All Locations, 1979-80, 1985-86, 1990-91 and 1996-97**

State	Year	Absolute Number of Workers			Rank in Share of Employment		
		Rural	Urban	Total	Rural	Urban	Total
Uttar Pradesh (1)	1979-80	777,488	642,270	1,419,758	1	2	1
	1985-86	1,458,250	1,049,571	2,507,821	2	2	1
	1990-91	1,549,202	1,233,993	2,783,195	1	1	1
	1996-97	1,861,177	1,521,501	3,382,678	1	1	1
West Bengal (5)	1979-80	572,674	595,440	1,168,114	3	3	3
	1985-86	1,499,847	978,567	2,478,414	1	3	2
	1990-91	1,159,650	694,530	1,854,180	3	5	4
	1996-97	1,299,771	1,017,089	2,316,860	2	4	2
Maharashtra (3)	1979-80	452,860	777,543	1,230,403	5	1	2
	1985-86	697,505	1,079,151	1,776,656	4	1	3
	1990-91	785,560	1,195,564	1,981,124	5	2	2
	1996-97	801,733	1,146,053	1,947,787	5	2	3
Andhra Pradesh (6)	1979-80	618,932	299,775	918,707	2	9	5
	1985-86	665,931	658,795	1,324,726	5	5	6
	1990-91	853,035	774,396	1,627,431	4	4	5
	1996-97	851,665	908,584	1,760,249	4	5	4
Bihar (2)	1979-80	564,966	307,018	871,984	4	8	6
	1985-86	965,448	363,350	1,328,798	3	8	5
	1990-91	1,475,011	404,147	1,879,158	2	9	3
	1996-97	1,252,595	472,226	1,724,821	3	9	5

State	Year	Absolute Number of Workers			Rank in Share of Employment		
		Rural	Urban	Total	Rural	Urban	Total
Tamil Nadu (7)	1979-80	383,785	588,630	972,415	6	4	4
	1985-86	468,066	884,470	1,352,536	6	4	4
	1990-91	572,086	973,842	1,545,929	8	3	6
	1996-97	434,449	1,028,713	1,463,162	8	3	6
Karnataka (9)	1979-80	242,274	334,556	576,830	11	6	8
	1985-86	386,097	381,367	767,464	10	7	8
	1990-91	483,740	539,253	1,022,992	9	8	8
	1996-97	610,727	709,330	1,320,057	6	6	7
Madhya Pradesh (4)	1979-80	267,645	270,532	538,177	9	10	9
	1985-86	417,121	334,557	751,678	8	9	9
	1990-91	585,483	547,113	1,132,596	7	7	7
	1996-97	495,702	639,690	1,135,393	7	7	8
Gujarat (10)	1979-80	254,672	482,763	737,435	10	5	7
	1985-86	287,855	510,968	798,823	12	6	7
	1990-91	389,113	572,055	961,168	11	6	9
	1996-97	378,229	626,720	1,004,948	9	8	9
Rajasthan (8)	1979-80	159,929	222,628	382,557	12	11	12
	1985-86	101,464	235,032	336,496	14	12	13
	1990-91	268,278	276,731	545,009	13	12	12
	1996-97	358,137	403,941	762,078	10	11	10
Punjab (13)	1979-80	154,191	73,232	227,423	13	15	14
	1985-86	339,833	257,194	597,027	11	11	10
	1990-91	151,632	314,691	466,323	14	11	14
	1996-97	255,279	412,317	667,596	12	10	11
Orissa (11)	1979-80	297,441	99,057	396,498	8	13	11
	1985-86	419,856	149,599	569,455	7	14	12
	1990-91	655,990	206,038	862,028	6	14	10
	1996-97	333,252	193,409	526,661	11	15	12
Kerala (12)	1979-80	354,322	139,095	493,417	7	12	10
	1985-86	399,851	174,940	574,791	9	13	11
	1990-91	420,225	230,020	650,245	10	13	11
	1996-97	232,620	267,485	500,105	13	13	13
Delhi (15)	1979-80	3,109	310,891	314,000	15	7	13
	1985-86	27,821	280,419	308,240	15	10	14
	1990-91	12,516	339,998	352,514	15	10	15
	1996-97	24,528	356,889	381,416	15	12	14
Haryana (16)	1979-80	79,626	77,987	157,613	14	14	15
	1985-86	103,236	132,523	235,759	13	15	15
	1990-91	318,661	179,890	498,551	12	15	13
	1996-97	149,539	226,559	376,098	14	14	15

*Note:* Numbers in brackets are the respective States' shares in total population.

Panel 3.3.1 provides an overview of these, and other disproportionalities in the regional distribution of unorganised trade employment. The seven states on the left hand side of the panel all account for a disproportionately large share of unorganised trade employment; those on the right for a disproportionately small share. It may be significant that most of the BIMARU states report fewer unorganised trade workers than their population alone might appear to justify. Their relative poverty may be the operative factor. The logic is straightforward. Low per capita incomes are likely to result in relatively low levels of demand for purchased consumption goods, and this in turn, may well be reflected in low levels of demand for workers in unorganised trade. On the basis of this logic, however, Haryana would appear to have turned up on the wrong side of the ledger. Nevertheless, that is not the case. There is a special explanation for the Haryana observations, which is backed up by field survey data<sup>4</sup>. What it shows is that many Haryana consumers routinely go to nearby out-of-state cities for some of their requirements. The cities in question are Chandigarh in the north and Delhi in the south. This practise may account for Haryana's place on the right hand side list instead of on the left-hand side, where most of the other rich states are listed.

**Panel 3.3.1: List of States Whose Share in All India Unorganised Trade Employment Ranks**

Sl. No.	Higher than their Share in Population	Sl. No.	Lower than their Share in Population
1	Andhra Pradesh (4 <sup>th</sup> versus 6 <sup>th</sup> )	1	Bihar (5 <sup>th</sup> versus 2 <sup>nd</sup> )
2	Delhi (14 <sup>th</sup> versus 15 <sup>th</sup> )	2	Haryana (15 <sup>th</sup> versus 14 <sup>th</sup> )
3	Gujarat (9 <sup>th</sup> versus 10 <sup>th</sup> )	3	Kerala (13 <sup>th</sup> versus 12 <sup>th</sup> )
4	Karnataka (8 <sup>th</sup> versus 9 <sup>th</sup> )	4	Madhya Pradesh (8 <sup>th</sup> versus 4 <sup>th</sup> )
5	Punjab (11 <sup>th</sup> versus 13 <sup>th</sup> )	5	Orissa (12 <sup>th</sup> versus 11 <sup>th</sup> )
6	Tamil Nadu (6 <sup>th</sup> versus 7 <sup>th</sup> )	6	Rajasthan (10 <sup>th</sup> versus 8 <sup>th</sup> )
7	West Bengal (2 <sup>nd</sup> versus 5 <sup>th</sup> )		

*Note:* Maharashtra and Uttar Pradesh both rank the same in terms of unorganised trade employment shares and population shares.

A parallel exercise for states' shares in gross value added by unorganised trade produces the ranked state wise GVA magnitudes presented in table 3.3.2 below.

**Table 3.3.2: Absolute Value of GVA in Unorganised Trade in each of Fifteen States, Ranked by Share in All India GVA in Rural, Urban and All Locations, 1979-80,1985-86,1990-91 and 1996-97**  
(Constant 1993-94 prices in Rs. Lakhs)

State (Share in all-India Population)	Year	Gross Value Added			Ranks by Share of All India		
		Rural	Urban	Total	Rural	Urban	Total
Maharashtra (9.41)	1979-80	25,352	125,281	150,633	3	1	1
	1985-86	42,580	356,704	399,284	7	2	2
	1990-91	86,727	309,528	396,255	4	1	1
	1996-97	197,189	376,404	573,593	2	1	1
Uttar Pradesh (16.93)	1979-80	26,976	96,593	123,569	2	2	2
	1985-86	104,408	172,024	276,431	1	6	5
	1990-91	98,282	191,600	289,882	3	2	2
	1996-97	201,728	322,291	524,019	1	2	2
West Bengal (7.84)	1979-80	28,002	85,121	113,122	1	4	3
	1985-86	73,421	247,634	321,055	3	4	4
	1990-91	100,141	124,139	224,279	2	7	4
	1996-97	157,969	181,431	339,399	3	5	3

<sup>4</sup> This is not a new phenomenon. It has been going on at least since 1972-73. More recently a field survey carried out in 1992, revealed a substantial increase in the practise of out-of-state purchasing. A resurvey, to be conducted in 2002, is expected to show a further increase.

State (Share in all-India Population)	Year	Gross Value Added			Ranks by Share of All India		
		Rural	Urban	Total	Rural	Urban	Total
Tamil Nadu (6.10)	1979-80	15,002	56,880	71,882	7	7	6
	1985-86	20,974	80,890	101,864	13	10	11
	1990-91	46,718	170,808	217,525	6	4	5
	1996-97	39,124	277,724	316,848	12	3	4
Andhra Pradesh (7.43)	1979-80	13,622	22,578	36,199	8	10	11
	1985-86	91,807	49,720	141,527	2	11	9
	1990-91	40,627	155,777	196,404	7	6	7
	1996-97	67,479	174,945	242,424	5	6	5
Madhya Pradesh (7.89)	1979-80	13,027	32,135	45,162	9	9	9
	1985-86	22,569	49,010	71,579	11	12	13
	1990-91	35,091	112,834	147,925	8	8	9
	1996-97	53,468	185,022	238,490	8	4	6
Gujarat (4.92)	1979-80	17,515	89,584	107,099	6	3	4
	1985-86	24,555	211,210	235,765	10	5	6
	1990-91	33,952	167,820	201,772	9	5	6
	1996-97	57,002	163,575	220,577	7	7	7
Bihar (10.63)	1979-80	21,155	20,494	41,649	5	12	10
	1985-86	47,324	82,505	129,829	4	9	10
	1990-91	159,974	98,098	258,072	1	11	3
	1996-97	118,400	98,765	217,165	4	13	8
Karnataka (5.15)	1979-80	6,137	65,958	72,095	12	6	5
	1985-86	22,000	159,088	181,087	12	7	8
	1990-91	33,194	105,017	138,211	10	9	10
	1996-97	53,256	162,800	216,056	9	8	9
Punjab (2.37)	1979-80	10,125	13,013	23,138	10	13	13
	1985-86	31,797	336,241	368,038	8	3	3
	1990-91	21,262	98,347	119,609	14	10	12
	1996-97	60,289	107,638	167,926	6	11	10
Rajasthan (5.46)	1979-80	5,142	22,282	27,424	13	11	12
	1985-86	42,724	46,666	89,390	5	13	12
	1990-91	30,181	70,966	101,147	11	13	13
	1996-97	50,998	115,320	166,318	10	10	11
Kerala (3.14)	1979-80	23,880	35,171	59,052	4	8	8
	1985-86	42,712	141,990	184,702	6	8	7
	1990-91	61,194	75,938	137,132	5	12	11
	1996-97	48,883	99,221	148,104	11	12	12
Delhi (1.31)	1979-80	395	70,509	70,904	15	5	7
	1985-86	5,136	562,379	567,515	14	1	1
	1990-91	3,242	170,964	174,206	15	3	8
	1996-97	5,556	141,387	146,943	15	9	13
Orissa (3.59)	1979-80	9,947	7,795	17,742	11	15	14
	1985-86	25,438	17,873	43,310	9	15	14
	1990-91	28,150	41,774	69,924	13	14	14
	1996-97	24,179	93,712	117,891	13	14	14
Haryana (2.04)	1979-80	4,596	11,741	16,337	14	14	15
	1985-86	3,190	28,926	32,116	15	14	15
	1990-91	29,453	29,637	59,091	12	15	15
	1996-97	19,034	45,544	64,578	14	15	15

In this case the gaps between each state's contributions to GVA by unorganised trade at the all-India level and state population shares are much wider. The outstanding cases are Gujarat, Punjab and

Tamil Nadu on the left-hand side, and Bihar, Madhya Pradesh, Orissa and Rajasthan in the right hand list of panel 3.3.2.

**Panel 3.3.2: List of States whose Share in All-India GVA by Unorganised Trade in 1996-97 Ranks:**

Sl.No.	Higher than their Share in Population	Sl. No.	Lower than their Share in Population
1	Andhra Pradesh (5 <sup>th</sup> versus 6 <sup>th</sup> )	1	Bihar (9 <sup>th</sup> versus 2 <sup>nd</sup> )
2	Delhi (13 <sup>th</sup> versus 15 <sup>th</sup> )	2	Madhya Pradesh (6 <sup>th</sup> versus 4 <sup>th</sup> )
3	Gujarat (4 <sup>th</sup> versus 10 <sup>th</sup> )	3	Orissa (14 <sup>th</sup> versus 11 <sup>th</sup> )
4	Maharashtra (1 <sup>st</sup> versus 3 <sup>rd</sup> )	4	Rajasthan (11 <sup>th</sup> versus 8 <sup>th</sup> )
5	Punjab (10 <sup>th</sup> versus 13 <sup>th</sup> )	5	Uttar Pradesh (2 <sup>nd</sup> versus 1 <sup>st</sup> )
6	Tamil Nadu (4 <sup>th</sup> versus 7 <sup>th</sup> )		
7	West Bengal (3 <sup>rd</sup> versus 5 <sup>th</sup> )		

*Note:* Haryana's ranks coincided at 15<sup>th</sup> place, Karnataka's at 9<sup>th</sup> and Kerala's at 12<sup>th</sup>

Table 3.3.3 gives the shares of specified states in enterprises, employment and gross value added by unorganised trade for the four survey years, from 1979-80 to 1996-97. Possible reasons for the disproportionalities highlighted in panels 3.3.1 and 3.3.2 and implicit in these percentage figures are explored in the next subsection.

**Table 3.3.3: Share of Specified States in All India Unorganised Trade Enterprises, Employment and Gross Value Added, Rural, Urban and All Locations, 1979-80, 1985-86, 1990-91 and 1996-97**

State	Year	Share in Enterprises			Share in Employment			Share in GVA		
		Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	1979-80	9.49	5.20	7.60	11.32	5.02	8.03	5.60	2.72	3.38
	1985-86	6.79	8.70	7.55	7.59	8.52	8.03	11.76	1.89	4.15
	1990-91	7.69	7.88	7.77	8.48	8.89	8.67	4.83	7.99	7.04
	1996-96	7.60	8.08	7.82	8.54	8.80	8.67	5.36	6.54	6.16
Bihar	1979-80	11.67	6.27	9.30	10.33	5.14	7.62	8.69	2.47	3.88
	1985-86	13.18	5.52	10.12	11.00	4.70	8.05	6.06	3.14	3.81
	1990-91	16.90	5.55	12.46	14.66	4.64	10.01	19.02	5.03	9.25
	1996-96	11.87	5.16	8.78	12.56	4.57	8.50	9.40	3.69	5.52
Delhi	1979-80	0.07	4.72	2.12	0.06	5.20	2.74	0.16	8.51	6.61
	1985-86	0.38	2.70	1.31	0.32	3.63	1.87	0.66	21.38	16.64
	1990-91	0.13	3.33	1.39	0.12	3.90	1.88	0.39	8.77	6.24
	1996-96	0.22	3.18	1.59	0.25	3.46	1.88	0.44	5.29	3.73
Gujarat	1979-80	4.14	5.93	4.93	4.66	8.08	6.45	7.19	10.81	9.99
	1985-86	2.97	5.75	4.08	3.28	6.61	4.84	3.15	8.03	6.91
	1990-91	3.36	6.01	4.40	3.87	6.56	5.12	4.04	8.61	7.23
	1996-96	3.52	5.74	4.54	3.79	6.07	4.95	4.53	6.11	5.61
Haryana	1979-80	1.45	1.55	1.49	1.46	1.31	1.38	1.89	1.42	1.52
	1985-86	1.23	1.84	1.48	1.18	1.71	1.43	0.41	1.10	0.94
	1990-91	3.35	2.39	2.97	3.17	2.06	2.65	3.50	1.52	2.12
	1996-96	1.68	2.45	2.03	1.50	2.19	1.85	1.51	1.70	1.64
Karnataka	1979-80	4.35	5.87	5.02	4.43	5.60	5.04	2.52	7.96	6.72
	1985-86	4.11	5.22	4.55	4.40	4.93	4.65	2.82	6.05	5.31
	1990-91	4.55	6.34	5.25	4.81	6.19	5.45	3.95	5.39	4.95
	1996-96	5.95	6.63	6.27	6.12	6.87	6.50	4.23	6.09	5.49
Kerala	1979-80	6.74	2.39	4.83	6.48	2.33	4.31	9.81	4.24	5.51
	1985-86	5.02	2.45	3.99	4.56	2.26	3.48	5.47	5.40	5.41
	1990-91	4.24	2.57	3.59	4.18	2.64	3.46	7.28	3.90	4.92
	1996-96	2.55	2.48	2.52	2.33	2.59	2.46	3.88	3.71	3.76

State	Year	Share in Enterprises			Share in Employment			Share in GVA		
		Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Madhya Pradesh	1979-80	4.60	5.04	4.80	4.90	4.53	4.70	5.35	3.88	4.21
	1985-86	4.70	4.27	4.52	4.75	4.33	4.55	2.89	1.86	2.10
	1990-91	5.14	6.24	5.57	5.82	6.28	6.03	4.17	5.79	5.30
	1996-96	5.11	6.14	5.59	4.97	6.19	5.59	4.25	6.92	6.06
Maharashtra	1979-80	7.22	11.48	9.09	8.28	13.02	10.75	10.41	15.12	14.05
	1985-86	7.30	10.85	8.72	7.95	13.96	10.76	5.46	13.56	11.70
	1990-91	7.12	11.90	8.99	7.81	13.72	10.55	10.31	15.89	14.20
	1996-96	6.93	9.57	8.14	8.04	11.10	9.60	15.66	14.07	14.58
Orissa	1979-80	5.31	2.19	3.94	5.44	1.66	3.47	4.09	0.94	1.65
	1985-86	5.24	2.40	4.10	4.79	1.94	3.45	3.26	0.68	1.27
	1990-91	6.04	2.57	4.68	6.52	2.36	4.59	3.35	2.14	2.51
	1996-96	3.48	2.13	2.86	3.34	1.87	2.59	1.92	3.50	3.00
Punjab	1979-80	2.83	1.31	2.16	2.82	1.23	1.99	4.16	1.57	2.16
	1985-86	3.67	3.63	3.66	3.87	3.33	3.62	4.07	12.78	10.79
	1990-91	1.57	3.59	2.36	1.51	3.61	2.48	2.53	5.05	4.29
	1996-96	2.70	4.12	3.35	2.56	3.99	3.29	4.79	4.02	4.27
Rajasthan	1979-80	2.93	4.22	3.50	2.93	3.73	3.34	2.11	2.69	2.56
	1985-86	1.21	3.39	2.08	1.16	3.04	2.04	5.47	1.77	2.62
	1990-91	2.58	3.32	2.87	2.67	3.18	2.90	3.59	3.64	3.63
	1996-96	3.79	4.01	3.89	3.59	3.91	3.75	4.05	4.31	4.23
Tamil Nadu	1979-80	6.18	9.40	7.60	7.02	9.85	8.50	6.16	6.86	6.70
	1985-86	3.49	10.16	6.16	5.33	11.44	8.20	2.69	3.07	2.99
	1990-91	5.08	10.25	7.10	5.68	11.17	8.23	5.55	8.77	7.80
	1996-96	4.11	8.84	6.29	4.36	9.96	7.21	3.11	10.38	8.05
Uttar Pradesh	1979-80	16.65	13.56	15.29	14.22	10.75	12.41	11.08	11.66	11.53
	1985-86	18.49	17.51	18.10	16.62	13.58	15.19	13.38	6.54	8.10
	1990-91	16.74	16.45	16.63	15.39	14.16	14.82	11.69	9.83	10.39
	1996-96	20.34	16.95	18.78	18.66	14.73	16.66	16.02	12.05	13.32
West Bengal	1979-80	10.48	9.88	10.21	10.47	9.97	10.21	11.50	10.27	10.55
	1985-86	15.41	12.43	14.22	17.09	12.66	15.02	9.41	9.41	9.41
	1990-91	11.53	8.79	10.46	11.52	7.97	9.87	11.91	6.37	8.04
	1996-96	13.60	10.54	12.19	13.03	9.85	11.41	12.54	6.78	8.63

**(ii) The Factors Which Account for Interstate Differences in the Number of Unorganised Trade Enterprises and Workers, and Gross Value Added by them**

In principle, regional demand factors should account for the size of the unorganised trade sector in different states. States with large populations and high per capita incomes should employ large numbers of workers and contribute substantially to all-India gross value added by the industry. On the other hand, small states and states where per capita incomes are low may be expected to support a relatively small unorganised trade sector.

These propositions were tested through two sets of regressions. In the first, the explanatory factors considered are state populations and state gross domestic product per capita. In the second set, a third explanatory variable is introduced – the share of rural areas in total state population. It was anticipated that a high degree of ruralisation in a state would tend to depress trade activity, while a high degree of urbanisation would be associated with relatively high levels of trade activity.

The results are set out in table 3.3.4 where the number of enterprises enters as the dependent variable. They show that population size is all that matters today. However, twenty years ago, a relatively high share of rural population exerted a negative influence on the number of trade enterprises in a region.



The results of parallel exercises to determine the factors responsible for interstate variations in the number of workers, and gross value added by unorganised trade are given in tables 3.3.5 and 3.3.6.

**Table 3.3.4: Regression Results: Dependent Variable – Number of Unorganised Trade Enterprises in Each of Fifteen States: 1979-80, 1985-86, 1990-91**

Independent Variables	Statistics	Year			
		1979-80	1985-86	1990-91	1996-97
<b>First Regression Set</b>	$\bar{R}^2$	<b>.832</b>	<b>.720</b>	<b>.867</b>	<b>.819</b>
1. Population	Beta coefficient	.843	.831	.829	.888
	t-Value	6.301	4.757	7.113	6.727
	Significance	***	***	***	***
2. SGDP per Capita	Beta coefficient	-.132	-.066	-.182	-.059
	t-Value	.987	.377	1.560	.447
	Significance	–	–	–	–
<b>Second Regression Set</b>	$\bar{R}^2$	<b>.860</b>	<b>.696</b>	<b>.860</b>	<b>.814</b>
1. Population	Beta coefficient	.796	.826	.823	.886
	t-Value	6.403	4.494	6.840	6.608
	Significance	***	***	***	***
2. SGDP per Capita	Beta coefficient	-.457	-.115	-.265	-.185
	t-Value	2.145	.421	1.430	.892
	Significance	•	–	–	–
3. Rural Area's Share in Total Population	Beta coefficient	-.353	-.058	-.099	-.155
	t-Value	1.859	.241	.589	.796
	Significance	•	–	–	–

*Note:* 1. Stars, \*\*\*, \*\*, \* indicate levels of significance of at least 99 per cent, 97.5 per cent and 95 per cent respectively. A dot, •, identifies a significance level of more than 90 per cent but less than 95 per cent. A dash –, indicates not significant.

**Table 3.3.5: Regression Results: Dependent Variable – Number of Unorganised Trade Employment in Each of Fifteen States: 1979-80, 1985-86, 1990-91**

Independent Variables	Statistics	Year			
		1979-80	1985-86	1990-91	1996-97
<b>First Regression Set</b>	$\bar{R}^2$	<b>.642</b>	<b>.586</b>	<b>.835</b>	<b>.798</b>
1. Population	Beta coefficient	.767	.765	.833	.883
	t-Value	3.932	3.599	6.400	6.320
	Significance	***	***	***	***
2. SGDP per Capita	Beta coefficient	-.106	-.062	-.153	-.050
	t-Value	.504	.294	1.176	.361
	Significance	–	–	–	–

*Note:* 1. Stars, \*\*\*, indicates level of significance of at least 99 per cent. A dash –, indicates not significant.

**Table 3.3.6: Regression Results: Dependent Variable – Gross Value Added by Unorganised Trade in Each of Fifteen States: 1979-80, 1985-86, 1990-91**

Independent Variables	Statistics	Year			
		1979-80	1985-86	1990-91	1996-97
<b>First Regression Set</b>	<b>R<sup>2</sup></b>	<b>.094</b>	<b>.118</b>	<b>.296</b>	<b>.456</b>
1. Population	Beta coefficient	.531	.247	.658	.742
	t-Value	1.709	.794	2.450	3.242
	Significance	–	–	*	***
2. SGDP per Capita	Beta coefficient	.119	.597	.054	.024
	t-Value	.385	1.925	.202	.105
	Significance	–	•	–	–
<b>Second Regression Set</b>	<b>R<sup>2</sup></b>	<b>.190</b>	<b>.261</b>	<b>.327</b>	<b>.439</b>
1. Population	Beta coefficient	.437	.177	.629	.739
	t-Value	1.469	.617	2.388	3.177
	Significance	–	–	*	***
2. SGDP per Capita	Beta coefficient	-.536	.013	-.331	-.195
	t-Value	1.050	.031	.820	.540
	Significance	–	–	–	–
3. Rural Area's Share in Total Population	Beta coefficient	-.713	-.688	-.460	-.270
	t-Value	1.560	1.820	1.250	.800
	Significance	–	•	–	–

*Note:* 1. Stars, \*\*\*, \*\*, \* indicate levels of significance of at least 99 per cent, 97.5 per cent and 95 per cent respectively. A dot, •, identifies a significance level of more than 90 per cent but less than 95 per cent. A dash–, indicates not significant.

In the case of unorganised trade employment, the population factor alone accounts for most of the interstate differences in the size of the trade workforce. In the case of gross value added, the picture is more complex and perhaps distorted by errors in the underlying data for the earlier years. Taking the regression results at face value, however, it appears that population has become increasingly important over time, but that in the mid 1980s, state per capita incomes may have exerted a favourable influence, and a high rural share in total population may have tended to depress the regional contribution to gross value added. At the same time it must be said that, judging by the rather modest R<sup>2</sup> statistics, other factors, not captured by the regression, appear to have exercised an influence. The “other factors” at work may be simply the fact that the published gross value added data for the earlier years was less than satisfactory.

However, the regression results for the most recent year appears to be solidly grounded in reality. Errors and logical impossibilities, (such as large negative figures for gross value added derived from substantial samples), do not occur in the basic data. Moreover, the regional figures are consistent with state level estimates for gross (state) domestic product from trade, shown in table 3.3.6.

This is as it should be. Given the wide definition of the unorganised segment of trade – it encompasses everything except government and public sector enterprises – the regional distribution of GVA by unorganised trade ought to resemble the state wise distribution for trade as a whole. It does. The correlation coefficient for the shares of each state in all India GSDP and all India gross value added by unorganised trade is 0.928.

The absolute numbers are given together with the figures for state shares in table 3.3.7.

**Table 3.3.7: Gross Domestic Product form All India Trade and Gross Value Added from Unorganised Trade 1996-97, by Specified States, with Share of Each State in All India**

State	GSDP-All Trade (lakhs)	GVA Unorganised Trade (lakhs)		Share of each State in All India	
				GSDP	GVA
Andhra Pradesh	965,009	242,424	(15,144)	7.42	6.16
Bihar	721,554	217,165	(7,910)	5.55	5.52
Delhi	575,288	146,943	(na)	4.42	3.73
Gujarat	974,540	220,577	(4,008)	7.49	5.61
Haryana	391,093	64,578	(1,721)	3.01	1.64
Karnataka	795,062	216,056	(9,028)	6.11	5.49
Kerala	538,751	148,104	(43,017)	4.14	3.76
Madhya Pradesh	743,951	238,490	(4,672)	5.72	6.06
Maharashtra	1,824,839	573,593	(9,974)	14.03	14.58
Orissa	314,714	117,891	(5,494)	2.42	3.00
Punjab	573,901	167,926	(na)	4.41	4.27
Rajasthan	602,992	166,318	(4,330)	4.64	4.23
Tamil Nadu	1,320,436	316,848	(16,082)	10.15	8.05
Uttar Pradesh	1,379,195	524,019	(20,837)	10.60	13.32
West Bengal	818,645	339,399	(14,421)	6.29	8.63
All India	13,006,128	3,934,671	(164,402)	100.00	100.00

*Note:* The gross state domestic product figures for trade include hotels and restaurants; the GVA figures for unorganised trade exclude them. (Since the latest GVA figures for unorganised hotel and restaurants are for 1993-94, it was decided not to add them in, instead they are given in brackets)

In principle, most of the differences between the all-trade and the unorganised trade figures given above should be attributed to the income generated in the organised trade segment in each state. Thus what the GSDP and GVA shares figures for each state tell us is that unorganised trade is relatively more important in Uttar Pradesh and West Bengal than in most other states. On the other hand, compared to other states, Andhra Pradesh, Gujarat, Haryana and Tamil Nadu account for relatively large shares in gross value added by organised trade.

### (iii) The Share of Specified States in Wholesale and Retail Trade, Taken Separately

The state level figures for rural and urban areas combined, in table 33.8, following, fall into four possible configurations when compared to their respective states populations. First, there are states which generate disproportionately low shares in both employment and gross value added. At the other extreme are those where both employment and income shares stand well above the level which might have been anticipated on the basis of population alone. In between are two smaller subsets: (i) states with disproportionately low shares in employment but high shares in gross value added and (ii) states with high shares in employment, but low shares in gross value added. These combinations, arranged in four quadrants, can tell us a good deal about the status of unorganised trade in each state.

Panel 3.3.3 below lists the states belonging to each quadrant, for wholesale and retail trade subsectors separately.

**Panel 3.3.3: States which Generate Disproportionately High and/or Low Shares of Total Employment and Gross Value Added by Unorganised Wholesale and Retail Trade 1996-97**

Low Shares in Employment and Low Shares in GVA		Low Shares in Employment and High Shares in GVA	
Wholesale Trade	Retail Trade	Wholesale Trade	Retail Trade
1. Andhra Pradesh 2. Haryana 3. Karnataka 4. Madhya Pradesh 5. Rajasthan 6. Uttar Pradesh	1. Bihar 2. Haryana 3. Madhya Pradesh 4. Orissa 5. Rajasthan	1. Kerala 2. <u>Maharashtra</u> 3. <u>Orissa</u>	1. Gujarat 2. Kerala 3. <u>Maharashtra</u>
High Shares in Employment and Low Shares in GVA		High Shares in Employment and High Shares in GVA	
Wholesale Trade	Retail Trade	Wholesale Trade	Retail Trade
1. <u>Bihar</u>	1. Andhra Pradesh 2. Uttar Pradesh	1. <u>Delhi</u> 2. Gujarat 3. Punjab 4. Tamil Nadu 5. West Bengal	1. Delhi 2. Karnataka 3. Punjab 4. Tamil Nadu 5. West Bengal

*Note:* States in the left hand quadrants which are underlined have disproportionately very low shares in value added, states in the right hand quadrants which are underlined have disproportionately very high shares in gross value added.

Clearly the states listed in the two left-hand side quadrants are characterised by low levels of unorganised trade activity as compared to other states. The three states in the bottom left hand side quadrant all employ a disproportionately large number of workers, but gross value added is low. This, of course, implies exceptionally low labour productivity levels. In short, their contributions on either the employment or the income generation fronts, or on both, are poor.

Those on the right hand side of panel 3.3.3, on the other hand, are doing well. The ones listed at the top enjoy the benefits of high gross value added per worker. Among the handful of states in the bottom right quadrant, activity levels, both in terms of employment and gross value added are high, compared to other states.

Many of the states in these lists, however have reached the position they hold today as a result of major changes in their relative positions over time.

West Bengal, for example, has recorded spectacular increases in *rural* employment and gross value added shares in wholesale trade. Urban Gujarat and urban Delhi, on the other hand have clearly lost ground to other states in terms of their relative contributions to employment and gross value added by both wholesale and retail trade. Maharashtra's shares in employment have gone down in both wholesale and retail trade in both rural and urban locations, but it has increased its share in rural gross value added by both wholesale and retail trade, and in urban wholesale trade as well. Rural Kerala is a conspicuous loser on both the employment and income generation fronts with respect to both wholesale and retail trade. There are, however, very few states, which have lost out across the board in both wholesale and retail trade and in both rural and urban areas. There are three which show consistently declining shares in employment: Maharashtra, Orissa and Tamil Nadu. Bihar is the only state which recorded consistently falling shares in gross value added in all branches of trade, in all locations.

**Table 3.3.8: Share of Specified states in All India Unorganised Trade Employment and Gross Value Added by Branch of Trade: Rural, Urban and All Locations: 1979-80, 1990-91 and 1996-97**

State	Year	Employment						GVA					
		Rural		Urban		All Locations		Rural		Urban		All Locations	
		Whole sale	Retail	Whole sale	Retail	Whole sale	Retail	Whole sale	Retail	Whole sale	Retail	Whole sale	Retail
Andhra Pradesh (7.43)	1979-80	7.07	11.47	4.63	27.54	5.12	13.95	2.44	6.04	2.24	3.16	2.25	4.10
	1990-91	6.20	8.59	9.61	8.77	8.65	8.67	2.76	5.08	7.67	8.11	7.07	7.01
	1996-97	2.17	9.21	7.83	8.92	5.30	9.06	2.06	5.76	5.25	7.03	4.76	6.56
Bihar (10.67)	1979-80	3.31	10.59	2.50	29.99	2.67	13.58	1.68	9.67	1.21	4.14	1.24	5.95
	1990-91	10.68	14.86	2.60	4.97	4.87	10.52	23.41	18.50	4.82	5.12	7.11	9.99
	1996-97	19.54	11.83	4.33	4.60	11.12	8.19	8.87	9.47	2.24	4.24	3.28	6.16
Delhi (1.31)	1979-80	0.00	0.06	12.99	22.04	10.39	3.44	0.00	0.18	10.82	6.45	10.05	4.40
	1990-91	0.02	0.13	8.56	3.13	6.16	1.45	0.06	0.42	9.99	8.13	8.77	5.32
	1996-97	0.04	0.27	5.11	3.24	2.85	1.77	0.15	0.48	7.35	4.50	6.22	3.03
Gujarat (4.92)	1979-80	6.87	4.58	13.99	39.16	12.56	9.90	5.19	7.47	11.97	9.78	11.49	9.02
	1990-91	8.05	3.66	9.36	6.10	8.99	4.73	7.69	3.60	10.48	7.43	10.14	6.04
	1996-97	3.40	3.83	8.09	5.81	6.00	4.83	7.56	4.16	5.94	6.18	6.19	5.44
Haryana (2.04)	1979-80	1.88	1.44	1.14	7.22	1.29	2.33	1.36	1.96	0.38	2.34	0.45	2.21
	1990-91	0.34	3.31	1.16	2.21	0.93	2.83	0.31	3.88	0.89	1.82	0.82	2.57
	1996-97	0.34	1.62	1.41	2.29	0.94	1.96	0.43	1.64	0.54	2.15	0.52	1.96
Karnataka (5.15)	1979-80	3.45	4.41	5.11	30.78	4.78	8.47	1.06	2.73	10.50	5.21	9.82	4.40
	1990-91	7.93	4.65	4.88	6.40	5.73	5.42	1.61	4.23	4.88	5.62	4.48	5.11
	1996-97	1.81	6.58	5.64	7.03	3.93	6.80	2.28	4.46	3.54	7.05	3.34	6.10
Kerala (3.14)	1979-80	12.31	6.27	3.08	12.04	4.93	7.16	26.17	7.52	3.73	4.71	5.32	5.63
	1990-91	8.16	3.98	3.63	2.48	4.90	3.32	10.44	6.90	5.00	3.33	5.67	4.63
	1996-97	1.73	2.40	3.91	2.42	2.94	2.41	5.17	3.73	5.24	3.13	5.23	3.35
Madhya Pradesh (7.89)	1979-80	14.71	8.05	18.72	66.09	17.92	16.99	1.93	5.83	2.20	5.37	2.18	5.52
	1990-91	1.79	6.02	4.80	6.52	3.96	6.24	2.02	4.43	5.20	6.05	4.81	5.46
	1996-97	4.69	8.37	5.13	6.33	4.93	7.34	0.53	4.70	8.41	6.35	7.18	5.74
Maharashtra (9.41)	1979-80	1.65	5.01	3.35	25.52	3.01	8.17	7.00	10.89	15.40	14.87	14.80	13.57
	1990-91	8.31	7.78	15.98	13.35	13.83	10.22	6.42	10.78	15.84	15.50	14.68	13.78
	1996-97	0.42	5.45	13.06	10.85	7.41	8.17	7.36	16.66	17.38	12.81	15.82	14.22
Orissa (3.59)	1979-80	8.19	5.34	0.98	9.54	2.43	5.99	6.36	3.75	0.24	1.57	0.67	2.28
	1990-91	1.04	6.79	1.58	2.49	1.42	4.91	0.78	3.65	1.49	2.46	1.40	2.89
	1996-97	0.77	3.61	0.86	2.00	0.82	2.80	1.39	1.98	8.43	1.63	7.33	1.76
Punjab (2.37)	1979-80	0.08	2.92	1.44	6.49	1.16	3.47	0.09	4.73	0.98	2.12	0.92	2.97
	1990-91	1.06	1.53	4.43	3.48	3.48	2.38	1.34	2.67	5.75	4.68	5.20	3.95
	1996-97	0.35	2.79	4.92	3.87	2.88	3.34	0.62	5.29	4.70	3.77	4.07	4.33
Rajasthan (5.46)	1979-80	3.54	2.90	3.20	20.64	3.27	5.63	2.88	2.00	2.43	2.92	2.46	2.62
	1990-91	2.55	2.67	3.57	3.11	3.28	2.86	2.66	3.70	2.70	4.09	2.70	3.95
	1996-97	1.05	3.86	4.11	3.89	2.75	3.87	1.12	4.40	4.60	4.20	4.06	4.28

State	Year	Employment						GVA					
		Rural		Urban		All Locations		Rural		Urban		All Locations	
		Whole sale	Retail	Whole sale	Retail	Whole sale	Retail	Whole sale	Retail	Whole sale	Retail	Whole sale	Retail
Tamil Nadu (6.10)	1979-80	4.65	7.11	11.52	52.15	10.14	14.04	1.95	6.75	6.21	7.37	5.90	7.17
	1990-91	7.18	5.61	11.85	11.06	10.54	8.00	4.08	5.73	9.63	8.10	8.95	7.23
	1996-97	1.82	4.62	11.45	9.77	7.15	7.21	2.36	3.20	11.43	9.98	10.01	7.49
Uttar Pradesh (16.93)	1979-80	16.71	14.13	8.81	59.89	10.40	21.17	23.27	9.37	15.52	8.22	16.07	8.60
	1990-91	8.23	15.75	9.09	14.99	8.85	15.42	10.83	11.79	9.68	9.66	9.83	10.43
	1996-97	12.02	19.36	11.25	15.18	11.59	17.25	14.48	16.20	8.17	13.52	9.15	14.51
West Bengal (7.84)	1979-80	11.21	10.45	16.36	49.01	15.32	16.38	6.00	12.27	11.05	9.58	10.69	10.46
	1990-91	27.05	10.74	6.55	8.20	12.31	9.63	23.93	10.47	5.09	6.97	7.41	8.25
	1996-97	42.60	9.94	10.45	9.77	24.80	9.85	35.15	9.80	4.62	7.60	9.39	8.41

Note: Share in total population is given in brackets in column 1.

Other features of the regional distribution of employment and gross value added by unorganised trade can also be confirmed by reference to the figures in table 3.3.8. For example, there are only five states where the state share in wholesale trade is greater than its share in retail trade. They are: Bihar, Delhi, Gujarat, Kerala and West Bengal. But in many states, (eight out of fifteen) the share of gross value added by wholesale trade is greater than the share of gross value added by retail trade. Similar comparisons can be made for rural and urban areas separately.

#### (iv) Regional Contributions to Employment and Gross Value Added by Two Digit Groups Within Trade

At the state level, within trade, eight<sup>5</sup> two-digit groups are distinguished. Four of them belong to the wholesale branch of trade, and four to retail trade. The largest of the wholesale trade activities is wholesale trade in agricultural raw materials, live animals, food, beverages, intoxicants and textiles, code 60. In the retail branch of trade, the single most important group is retail trade in food, food articles, beverages, tobacco and intoxicants. This subsection provides an overview of each state's contribution to employment and income generation in each of these and other major constituents of wholesale and retail trade.

#### (a) Wholesale Trade in Agricultural Raw Materials, Live Animals, Food, Beverages, Intoxicants and Textiles (code 60)

By 1996-97, four states had emerged as leaders in employment generation in wholesale trade in agricultural raw materials and other minor trade groups listed under NIC code 60. In order of the magnitude of their respective shares they were: West Bengal, Bihar, Uttar Pradesh and Tamil Nadu. In Bihar most of the employment was generated in rural areas. In Tamil Nadu, urban areas account for the state's large contribution to employment in this branch of trade. In the other two states, the rural and the urban contributions are both substantial. West Bengal's exceptionally high rural employment share may be noted. This is a feature of West Bengal's position in wholesale trade in its other branches as well.

In relation to gross value added by this branch of wholesale trade, Bihar's modest contribution is totally out of line with this state's large share in employment. Furthermore, India's top five states ranked according to their contribution to gross value added include two which do not figure at all in the list of major contributors to employment generation. The five leading states are: Maharashtra,

<sup>5</sup> A ninth two digit group, code 64, "commission agents" has been included under 'business services' in chapter five on unorganised services.

Tamil Nadu, West Bengal, Orissa and Uttar Pradesh. The two states which generate disproportionately large shares of value added are Maharashtra and Orissa. In both of them units in urban areas are mainly responsible. This is also true of Tamil Nadu, but in both Uttar Pradesh and West Bengal, rural areas make a relatively large contribution.

Over time there have been some noteworthy changes in the relative positions of states. Employment shares in Gujarat and Madhya Pradesh have clearly gone down. Bihar's rural share has been rising. During the 1990s, there has been a clear increase in the relative importance of Uttar Pradesh and West Bengal, especially in the case of rural employment.

In Maharashtra, Orissa and Tamil Nadu the growing relative contributions to gross value added are attributable to urban areas. The growing importance of Uttar Pradesh and West Bengal, on the other hand, is due entirely to rapid growth in rural areas. Their relative contributions from urban areas have tended to decline. Thus urban Maharashtra, Orissa and Tamil Nadu may be taking over from urban Uttar Pradesh and West Bengal as the major centres for income generation by this branch of wholesale trade, while West Bengal has taken over the leading position in rural areas, by a wide margin.

Further details can be gleaned from Table 3.3.9.

**Table 3.3.9: Share of Specified States in All India Unorganised Trade Employment and Gross Value Added by Wholesale Trade in Agricultural Raw Materials, Live Animals Food, beverages, intoxicants and textiles (Code 60) Rural, Urban and All Locations 1979-80, 1990-91 and 1996-97**

State	Employment								
	1979-80			1990-91			1996-97		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	6.18	3.43	4.00	5.01	12.03	9.34	2.05	8.85	4.89
Bihar	3.43	1.79	2.13	12.84	2.49	6.46	23.63	2.49	14.80
Delhi	0.00	5.83	4.62	0.02	3.51	2.17	0.01	3.28	1.38
Gujarat	4.88	14.91	12.83	7.47	9.91	8.97	3.79	8.30	5.67
Haryana	0.97	1.12	1.09	0.42	1.31	0.96	0.40	1.86	1.01
Karnataka	3.75	4.52	4.36	9.45	5.04	6.74	1.99	7.16	4.15
Kerala	9.65	1.98	3.57	6.83	3.81	4.97	1.02	3.58	2.09
Madhya Pradesh	17.08	17.18	17.16	2.18	6.00	4.53	5.43	4.51	5.04
Maharashtra	1.82	3.08	2.82	7.26	14.65	11.82	0.49	12.03	5.31
Orissa	8.39	1.05	2.57	0.91	2.24	1.73	0.87	1.01	0.93
Punjab	0.05	1.13	0.91	1.17	4.89	3.46	0.40	4.98	2.31
Rajasthan	2.57	3.35	3.19	3.06	4.14	3.73	1.18	4.83	2.70
Tamil Nadu	4.96	8.92	8.10	6.49	11.23	9.41	2.05	13.34	6.77
Uttar Pradesh	20.59	7.27	10.03	8.96	10.60	9.97	14.15	11.12	12.88
West Bengal	11.90	16.28	15.37	26.86	5.59	13.75	35.10	10.38	24.78
India	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Andhra Pradesh	3.13	1.55	1.68	2.43	9.18	7.96	2.31	5.96	5.12
Bihar	1.49	1.11	1.14	27.82	2.92	7.43	11.11	1.90	4.01
Delhi	0.00	7.54	6.90	0.01	8.25	6.76	0.03	1.27	0.99
Gujarat	3.24	14.00	13.08	7.01	13.57	12.38	9.28	5.86	6.65
Haryana	1.12	0.43	0.49	0.36	0.95	0.84	0.55	0.58	0.58
Karnataka	1.05	2.62	2.49	1.83	5.40	4.75	2.78	4.32	3.97
Kerala	27.60	4.23	6.22	7.09	6.36	6.49	2.05	5.18	4.46
Madhya Pradesh	2.24	2.77	2.72	2.40	5.33	4.80	0.57	3.62	2.92
Maharashtra	8.05	16.63	15.90	5.83	16.96	14.94	6.56	20.66	17.43
Orissa	5.71	0.37	0.83	0.54	1.26	1.13	1.81	13.43	10.76
Punjab	0.04	0.11	0.10	1.54	6.46	5.57	0.81	3.81	3.12
Rajasthan	3.36	3.38	3.38	3.12	2.55	2.66	1.15	4.92	4.06
Tamil Nadu	2.19	4.61	4.40	3.98	8.18	7.42	2.97	15.10	12.32
Uttar Pradesh	30.41	18.71	19.71	9.69	8.20	8.47	18.39	6.26	9.04
West Bengal	7.03	15.07	14.38	25.04	4.44	8.17	28.38	5.03	10.38
India	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

**(b) Wholesale Trade in Wood, Paper, Skin, Leather and Fur, Fuel, Petroleum, Chemicals, Perfumery, Ceramics, Glass, Ores and Metals (code 61)**

In this branch of wholesale trade, Bihar, Maharashtra, Uttar Pradesh and West Bengal employ the largest shares of the workforce. In Bihar and Maharashtra most of this is accounted for by units in urban locations. In West Bengal rural employment is the dominant factor. Orissa, which occupies an important place in wholesale trade in food, agricultural products and other code 60 activities, is nowhere in the picture in the case of employment in the code 61 wholesale trade group.

Madhya Pradesh, Maharashtra and Tamil Nadu occupy the top positions with respect to gross value added. In Madhya Pradesh and Tamil Nadu, it is the units in urban centres which account for their large shares in all-India gross value added. In Maharashtra, rural units contribute as well as urban ones.

Over time some states have risen in the rankings while others have tended to move down. On the employment front, rural Andhra Pradesh, Gujarat and Tamil Nadu have tended to become relatively less important. In terms of gross value added also Andhra Pradesh and Gujarat have become less important relative to other states.

States whose employment shares have increased include Madhya Pradesh, Uttar Pradesh, and West Bengal, where the rural workforce share rose sharply. Madhya Pradesh, Maharashtra and Rajasthan improved their relative contributions to gross value added. In Madhya Pradesh and Rajasthan, it was the urban units which accounted for this improvement. Further details are given in table 3.3.10.

**Table 3.3.10: Share of Specified States in All India Unorganised Trade Employment and Gross Value Added by Wholesale Trade in Wood, Paper, Skin, Leather and Fur, Fuel, Petroleum, Chemicals, Perfumery, Ceramics, Glass and Ores and Metals (Code 61) Rural, Urban and All Locations 1979-80, 1990-91 and 1996-97**

State	Employment								
	1979-80			1990-91			1996-97		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	5.72	6.95	6.80	20.48	8.99	10.44	6.85	6.08	6.16
Bihar	1.04	4.66	4.24	0.95	4.02	3.63	3.64	10.84	10.10
Delhi	0.00	10.89	9.61	0.00	7.81	6.82	0.94	1.75	1.66
Gujarat	3.41	6.40	6.04	14.62	8.44	9.23	1.51	6.20	5.72
Haryana	0.00	0.63	0.55	0.01	1.04	0.91	0.57	1.42	1.34
Karnataka	5.36	3.66	3.86	2.24	3.97	3.75	4.14	4.05	4.06
Kerala	18.95	5.83	7.37	4.32	4.31	4.31	3.97	2.82	2.94
Madhya Pradesh	12.49	12.82	12.78	0.25	4.62	4.07	8.07	8.10	8.10
Maharashtra	0.29	3.10	2.77	3.38	18.24	16.35	0.21	12.39	11.14
Orissa	3.21	0.92	1.19	1.39	1.30	1.31	0.50	0.66	0.65
Punjab	0.10	1.00	0.89	0.43	2.82	2.52	0.00	2.97	2.66
Rajasthan	14.69	1.02	2.64	0.07	4.13	3.62	1.46	5.52	5.10
Tamil Nadu	1.73	9.58	8.65	19.30	9.68	10.90	1.22	8.54	7.79
Uttar Pradesh	11.93	9.92	10.15	3.50	8.32	7.71	11.16	14.70	14.34
West Bengal	7.71	16.14	15.15	23.04	9.78	11.47	33.56	12.26	14.45
India	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00



State	Gross Value Added								
	1979-80			1990-91			1996-97		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	0.28	7.16	6.43	11.14	8.65	8.73	2.00	4.53	4.41
Bihar	0.36	4.28	3.86	1.97	4.60	4.51	1.50	5.12	4.94
Delhi	0.00	19.78	17.67	0.00	10.14	9.79	1.99	1.70	1.72
Gujarat	2.03	5.13	4.80	21.94	6.93	7.44	1.97	5.07	4.92
Haryana	0.00	0.36	0.32	0.01	0.79	0.76	0.21	0.79	0.76
Karnataka	0.78	3.10	2.85	-1.73	3.18	3.01	2.73	2.91	2.91
Kerala	22.39	6.90	8.55	7.10	3.85	3.96	6.96	2.97	3.16
Madhya Pradesh	0.37	2.18	1.99	0.21	5.63	5.45	0.17	25.95	24.68
Maharashtra	5.67	11.40	10.79	6.83	9.56	9.46	34.67	13.42	14.47
Orissa	1.76	0.24	0.40	2.29	2.77	2.75	0.17	0.90	0.87
Punjab	0.19	1.38	1.25	0.25	4.18	4.05	0.00	2.70	2.57
Rajasthan	-0.09	0.53	0.47	0.41	1.96	1.91	1.40	8.15	7.82
Tamil Nadu	0.00	8.10	7.23	9.55	13.42	13.29	0.54	10.40	9.92
Uttar Pradesh	5.33	12.50	11.74	3.15	15.82	15.39	8.96	8.90	8.90
West Bengal	2.20	12.24	11.17	27.75	8.26	8.92	18.78	4.87	5.56
India	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

**(c) Wholesale Trade in Machinery and Equipment Including Transport Equipment (code 62)**

Delhi, Gujarat, Maharashtra and Uttar Pradesh account for the major shares of employment in this branch of trade, and Delhi, Maharashtra and Punjab together account for as much as 72 per cent of all gross value added by this industry. Thus wholesale trade in machinery and equipment is the most regionally concentrated of all wholesale trade activities. Since the number of units in this industry is small, and sample size is rather modest, not much more can be said.

**Table 3.3.11: Share of Specified States in All India Unorganised Trade Employment and Gross Value Added by Wholesale Trade in all Types of Machinery Equipment including Transport Equipment (Code 62) Rural, Urban and All Locations 1979-80, 1990-91 and 1996-97**

State	Employment								
	1979-80			1990-91			1996-97		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	97.09	4.95	11.78	7.46	3.64	3.65	0.00	4.51	4.35
Bihar	0.00	3.11	2.88	0.00	0.90	0.90	19.54	0.42	1.13
Delhi	0.00	37.07	34.32	0.00	28.31	28.27	0.00	17.98	17.31
Gujarat	0.00	4.96	4.60	0.00	5.93	5.92	14.34	11.39	11.50
Haryana	0.00	0.77	0.71	0.00	0.39	0.39	0.00	0.80	0.77
Karnataka	0.00	16.63	15.40	0.00	7.09	7.08	0.00	4.01	3.86
Kerala	0.00	0.63	0.58	17.71	1.56	1.58	11.38	0.97	1.36
Madhya Pradesh	0.54	9.64	8.96	0.00	2.97	2.97	3.37	7.58	7.42
Maharashtra	0.08	3.26	3.02	7.85	11.82	11.82	0.00	16.68	16.06
Orissa	0.00	0.84	0.78	0.00	1.16	1.16	0.00	0.19	0.18
Punjab	0.00	1.58	1.47	0.00	4.14	4.13	2.15	5.11	5.00
Rajasthan	0.00	4.32	4.00	0.00	2.04	2.03	0.00	1.78	1.71
Tamil Nadu	0.00	3.58	3.32	0.00	17.70	17.68	0.00	4.66	4.49
Uttar Pradesh	1.25	4.31	4.09	34.04	6.67	6.70	0.60	10.84	10.46
West Bengal	0.00	3.62	3.35	32.95	3.60	3.64	2.43	6.08	5.95
India	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

State	Gross Value Added								
	1979-80			1990-91			1996-97		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	52.23	8.60	8.79	5.52	2.08	2.08	0.00	2.35	2.31
Bihar	0.00	1.38	1.37	0.00	14.65	14.64	7.34	0.26	0.38
Delhi	0.00	36.26	36.11	0.00	12.92	12.92	0.00	44.52	43.75
Gujarat	0.00	13.08	13.03	0.00	4.28	4.28	10.45	4.21	4.20
Haryana	0.00	0.65	0.64	0.00	1.12	1.12	0.00	0.17	0.16
Karnataka	0.00	1.08	1.08	0.00	5.19	5.19	0.00	1.58	1.55
Kerala	0.00	0.05	0.05	51.40	3.01	3.02	11.40	1.29	1.35
Madhya Pradesh	0.63	4.18	4.17	0.00	4.00	4.00	0.00	2.77	2.72
Maharashtra	2.21	11.89	11.85	8.11	14.10	14.10	9.34	16.66	16.41
Orissa	0.00	-0.33	-0.33	0.00	0.43	0.43	0.00	0.03	0.02
Punjab	0.00	1.12	1.11	0.00	4.71	4.71	1.00	11.75	11.55
Rajasthan	0.00	5.02	5.00	0.00	1.02	1.02	0.00	2.39	2.35
Tamil Nadu	0.00	4.55	4.53	0.00	10.64	10.63	0.00	2.03	1.99
Uttar Pradesh	35.63	3.27	3.41	11.69	3.02	3.03	0.93	5.42	5.33
West Bengal	0.00	2.14	2.13	23.28	1.82	1.83	7.83	1.52	1.51
India	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

**(d) Wholesale Trade in Commodities Not Elsewhere Classified (code 63)**

This set of miscellaneous wholesale trade activities is much more evenly distributed across states, at least in urban locations. However, rural wholesale trade in the code 63 group, is heavily concentrated in West Bengal in employment terms, and in Kerala and West Bengal in terms of gross value added. For rural and urban areas combined the key states are Maharashtra, Tamil Nadu and West Bengal with respect to workforce shares, and Kerala, Maharashtra, Uttar Pradesh and West Bengal with respect to gross value added shares. These observations may be confirmed by reference to table 3.3.12.

**Table 3.3.12: Share of Specified States in All India Unorganised Trade Employment and Gross Value Added by Wholesale Trade not elsewhere classified (Code 63) Rural, Urban and All Locations 1979-80, 1990-91 and 1996-97**

State	Employment								
	1979-80			1990-91			1996-97		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	0.22	2.73	2.38	3.94	6.25	5.84	1.77	8.58	6.15
Bihar	4.82	0.77	1.33	2.02	1.89	1.91	1.40	2.17	1.90
Delhi	0.00	21.87	18.80	0.07	15.17	12.50	0.00	8.93	5.74
Gujarat	21.40	8.80	10.57	7.37	10.30	9.78	1.55	8.77	6.19
Haryana	8.60	0.83	1.92	0.03	1.19	0.98	0.00	0.64	0.41
Karnataka	0.84	0.95	0.93	0.93	4.66	4.00	0.35	4.65	3.11
Kerala	23.78	2.51	5.48	21.20	3.12	6.32	4.80	6.70	6.02
Madhya Pradesh	5.29	16.58	15.00	0.02	2.58	2.13	0.00	2.43	1.56
Maharashtra	1.95	1.74	1.77	20.09	18.39	18.69	0.10	14.90	9.61
Orissa	11.98	0.03	1.70	1.78	0.32	0.58	0.32	0.95	0.73
Punjab	0.28	1.64	1.45	0.74	5.20	4.41	0.14	6.88	4.47
Rajasthan	1.07	1.71	1.62	0.62	1.98	1.74	0.32	1.72	1.22
Tamil Nadu	5.73	15.03	13.73	2.89	13.78	11.86	0.77	12.67	8.42
Uttar Pradesh	1.04	7.15	6.29	6.33	6.93	6.82	1.18	7.81	5.44
West Bengal	11.63	7.04	7.68	31.67	6.40	10.87	85.31	9.87	36.83
India	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

State	Gross Value Added								
	1979-80			1990-91			1996-97		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	0.08	0.85	0.83	0.73	4.63	4.25	1.16	6.03	5.35
Bihar	5.49	0.10	0.25	0.56	4.93	4.51	2.10	1.02	1.17
Delhi	0.00	11.10	10.78	0.45	9.48	8.61	0.00	6.90	5.93
Gujarat	25.37	10.04	10.47	5.08	11.85	11.20	2.49	8.02	7.25
Haryana	5.51	0.24	0.39	0.12	0.78	0.72	0.00	0.35	0.30
Karnataka	1.58	33.33	32.43	1.81	5.93	5.53	0.18	3.51	3.04
Kerala	22.69	1.70	2.30	38.76	3.54	6.92	17.63	10.00	11.07
Madhya Pradesh	2.39	0.61	0.66	0.00	5.16	4.67	0.51	3.51	3.09
Maharashtra	1.65	14.73	14.35	10.85	22.72	21.58	1.55	14.56	12.74
Orissa	19.37	0.00	0.56	1.80	1.01	1.08	0.15	9.76	8.41
Punjab	0.31	2.82	2.75	0.43	5.69	5.18	0.03	5.03	4.33
Rajasthan	4.56	0.66	0.77	0.25	5.88	5.34	0.98	1.23	1.19
Tamil Nadu	3.70	9.36	9.20	1.81	8.27	7.65	0.56	9.29	8.07
Uttar Pradesh	1.52	11.07	10.79	24.22	4.12	6.05	0.85	13.25	11.51
West Bengal	5.13	2.42	2.49	13.05	4.78	5.58	71.22	5.13	14.37
India	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

(e) **The Regional Distribution of Retail Trade Activities in Food, Beverages, Tobacco and Intoxicants (code 65)**

Uttar Pradesh and West Bengal account for the biggest shares of employment in retail trade in food and beverages, with Bihar's share in rural employment and Maharashtra's in urban employment both running into two figures as well. Gross value added by this segment of trade is highest in Maharashtra and Uttar Pradesh, with West Bengal not far behind. More generally, the regional distribution of this largest of all retail trade activities is unremarkable, reflecting the size of each states population more than anything else.

The figures given in table 3.3.13 do not suggest any significant changes in the relative positions of different states.

**Table 3.3.13: Share of Specified States in All India Unorganised Trade Employment and Gross Value Added by Retail Trade in Food and Food Articles, Beverages, Tobacco and Intoxicants (Code 65) Rural, Urban and All Locations 1979-80, 1990-91 and 1996-97**

State	Employment								
	1979-80			1990-91			1996-97		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	12.59	6.78	10.39	7.06	8.95	7.67	8.17	9.64	8.76
Bihar	11.11	5.64	9.04	15.99	5.08	12.45	11.00	4.78	8.51
Delhi	0.13	3.00	1.21	0.04	1.87	0.63	0.06	1.76	0.74
Gujarat	4.50	6.22	5.15	3.95	5.84	4.56	4.53	6.13	5.17
Haryana	1.34	1.17	1.27	3.43	1.54	2.81	1.87	2.21	2.00
Karnataka	4.93	6.17	5.40	5.60	7.32	6.15	8.16	8.30	8.22
Kerala	5.77	2.13	4.39	3.73	2.44	3.31	1.92	2.22	2.04
Madhya Pradesh	7.06	5.45	6.45	5.15	7.04	5.76	8.34	7.59	8.04
Maharashtra	6.02	13.65	8.91	7.29	13.58	9.33	6.79	11.25	8.58
Orissa	5.35	2.45	4.25	6.99	2.85	5.65	4.28	2.51	3.57
Punjab	3.02	0.96	2.24	1.67	2.54	1.95	2.91	3.35	3.09
Rajasthan	2.84	3.75	3.18	2.80	3.11	2.90	3.94	3.42	3.73
Tamil Nadu	6.64	10.03	7.93	5.72	12.23	7.83	4.35	9.07	6.24
Uttar Pradesh	13.01	11.91	12.59	16.83	14.91	16.21	17.91	13.43	16.11
West Bengal	9.50	9.24	9.40	9.96	7.78	9.25	8.97	10.07	9.41
India	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

State	Gross Value Added								
	1979-80			1990-91			1996-97		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	6.47	2.66	4.43	4.34	6.94	5.50	5.29	6.32	5.82
Bihar	9.43	5.66	7.41	25.07	4.07	15.64	9.50	5.50	7.43
Delhi	0.08	3.92	2.14	0.14	2.94	1.40	0.06	2.94	1.55
Gujarat	7.47	11.42	9.59	3.92	5.00	4.41	5.56	6.23	5.91
Haryana	1.98	2.31	2.16	3.79	1.57	2.79	2.25	2.28	2.26
Karnataka	3.43	4.37	3.94	5.56	8.39	6.83	6.49	7.34	6.93
Kerala	7.03	3.89	5.34	4.09	2.58	3.41	3.27	2.94	3.10
Madhya Pradesh	5.95	5.46	5.69	3.38	4.41	3.84	6.50	7.61	7.07
Maharashtra	11.83	14.88	13.46	9.84	19.16	14.02	9.73	13.77	11.82
Orissa	3.02	1.29	2.09	3.87	2.45	3.24	2.89	1.84	2.35
Punjab	5.01	1.50	3.13	3.03	3.38	3.19	4.65	3.62	4.12
Rajasthan	0.98	3.22	2.18	3.74	5.29	4.44	4.96	4.14	4.54
Tamil Nadu	6.45	7.19	6.85	4.40	9.22	6.56	2.67	8.79	5.84
Uttar Pradesh	8.14	9.55	8.90	9.91	11.05	10.42	15.82	12.42	14.06
West Bengal	12.29	10.76	11.47	10.64	7.05	9.03	9.66	8.82	9.23
India	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

**(f) The Regional Distribution of Retail Trade in Textiles (code 66)**

The situation with respect to textiles is in most respects similar to that of food and beverages. Retail trade employs the most people in Uttar Pradesh and West Bengal for rural and urban areas taken together. Rural Bihar and urban Maharashtra account for two digit shares in rural and urban employment respectively.

In terms of gross value added by retail trade in textiles, Uttar Pradesh and Maharashtra are the clear leaders. Again, rural Bihar is conspicuous for its high share in rural gross value added.

The figures presented in table 3.3.14 indicate an increase in West Bengal's employment shares during the 1990s, and possibly also in Karnataka's, but no significant changes in other states.

The gross value added figures suggest a fall in Maharashtra's contribution, largely offset by an increase in gross value added by retail textiles trade in Uttar Pradesh.

**Table 3.3.14: Share of Specified States in All India Unorganised Trade Employment and Gross Value Added by Retail Trade in Textiles (Code 66) Rural, Urban and All Locations: 1979-80, 1990-91 and 1996-97**

State	Employment								
	1979-80			1990-91			1996-97		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	9.65	2.65	5.15	11.52	8.24	9.30	8.47	7.96	8.11
Bihar	10.66	5.19	7.14	23.17	5.95	11.50	18.43	3.98	8.29
Delhi	0.95	4.90	3.49	0.12	4.14	2.84	0.50	4.08	3.02
Gujarat	4.40	11.74	9.12	2.35	7.27	5.68	2.99	6.11	5.18
Haryana	2.29	1.31	1.66	1.10	2.86	2.30	1.85	2.92	2.60
Karnataka	4.13	7.94	6.58	2.38	4.21	3.62	5.82	7.26	6.83
Kerala	4.24	1.76	2.64	3.19	1.75	2.21	2.45	2.23	2.30
Madhya Pradesh	5.28	5.10	5.16	5.04	7.45	6.67	7.25	5.99	6.37
Maharashtra	9.51	11.27	10.64	8.82	14.20	12.47	5.15	10.36	8.81
Orissa	2.12	1.32	1.60	3.46	3.14	3.25	2.43	2.20	2.27
Punjab	1.19	1.78	1.57	1.01	4.70	3.51	2.42	4.80	4.10
Rajasthan	3.95	4.19	4.11	3.93	3.48	3.62	5.08	5.42	5.31
Tamil Nadu	7.65	6.74	7.07	3.71	8.63	7.04	2.08	7.32	5.76
Uttar Pradesh	17.32	10.97	13.24	16.08	13.54	14.36	19.08	14.35	15.76
West Bengal	13.35	10.62	11.60	8.11	7.52	7.71	11.01	10.88	10.92
India	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

State	Gross Value Added								
	1979-80			1990-91			1996-97		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	3.06	2.16	2.40	3.81	9.79	8.46	8.05	8.34	8.27
Bihar	14.99	4.41	7.17	13.12	7.26	8.57	16.79	3.38	6.50
Delhi	0.32	6.16	4.64	0.26	5.00	3.95	2.30	4.84	4.25
Gujarat	5.22	9.15	8.13	3.91	8.91	7.80	3.06	5.22	4.72
Haryana	1.77	6.34	5.15	6.29	1.07	2.23	1.42	2.49	2.24
Karnataka	0.64	13.82	10.38	3.54	2.76	2.93	3.70	5.73	5.26
Kerala	9.04	1.87	3.74	3.56	2.60	2.82	3.19	2.15	2.39
Madhya Pradesh	6.62	1.81	3.07	3.50	3.56	3.55	5.94	6.87	6.66
Maharashtra	10.83	12.53	12.08	17.52	20.44	19.79	9.65	14.45	13.34
Orissa	0.68	2.82	2.26	0.95	3.25	2.73	1.89	2.22	2.15
Punjab	2.76	3.20	3.08	2.39	3.36	3.14	2.87	3.89	3.65
Rajasthan	5.96	2.23	3.20	4.91	6.20	5.91	6.09	6.01	6.02
Tamil Nadu	8.00	6.29	6.73	1.36	6.25	5.16	2.99	7.26	6.27
Uttar Pradesh	16.42	8.05	10.23	20.68	4.11	7.81	17.71	14.56	15.29
West Bengal	12.07	10.30	10.76	8.53	6.30	6.80	7.48	7.69	7.64
India	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

**(g) The Regional Distribution of Retail Trade in Fuels, Other Household Utilities and Durables (code 67)**

The regional employment shares follow a distinctive pattern, with relatively high rural shares in this branch of trade in the most populous states, and high urban shares in states, other than Delhi, which are centred on large urban conglomerations.

The most remarkable feature of the regional distribution of gross value added by this branch of trade is the extraordinarily high position of rural Punjab. Maharashtra's rural share is also disproportionately great, but not by nearly such a large margin. It may be noted that the Punjab urban share was outstanding also in 1990-91, comparing favourably with that of urban Delhi.

The figures in table 3.3.15 suggest the plausible proposition that this is one branch of retail trade in which gross value added is driven as much by per capita incomes as by population size. A regression was run to test this proposition.

This proposition was resoundingly confirmed. Both population shares and per capita incomes are highly significant at the 99.9 per cent level of significance. This is the only branch of retail trade where per capita incomes play an important role in accounting for interstate differences in the states' shares in all India gross value added.

**Table 3.3.15: Share of Specified States in All India Unorganised Trade Employment and Gross Value Added by Retail Trade in Fuels and Other Household Utilities and Durables (Code 67) Rural, Urban and All Locations: 1979-80, 1990-91 and 1996-97**

State	Employment								
	1979-80			1990-91			1996-97		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	5.03	3.42	3.84	10.00	7.32	7.93	6.22	8.27	7.78
Bihar	13.28	6.11	7.96	5.34	4.44	4.64	9.53	3.81	5.18
Delhi	1.10	3.64	2.99	1.50	5.62	4.69	1.21	2.65	2.31
Gujarat	3.56	5.60	5.08	3.66	6.39	5.77	3.07	6.16	5.42
Haryana	1.47	1.15	1.23	0.50	2.31	1.90	0.92	2.15	1.85
Karnataka	6.31	4.69	5.11	2.41	6.70	5.73	6.77	6.96	6.91
Kerala	5.56	1.71	2.71	4.22	2.19	2.65	4.66	2.62	3.11
Madhya Pradesh	8.55	4.33	5.42	5.84	6.35	6.24	12.80	6.16	7.74
Maharashtra	9.88	6.73	7.54	19.40	15.07	16.05	6.09	11.32	10.07
Orissa	4.21	1.18	1.97	8.00	2.11	3.45	2.23	1.71	1.84
Punjab	4.95	1.11	2.10	1.23	3.80	3.22	4.44	3.68	3.86
Rajasthan	4.00	5.23	4.91	0.86	2.36	2.02	3.04	3.52	3.40
Tamil Nadu	9.76	9.31	9.43	9.42	11.74	11.22	3.70	10.57	8.93
Uttar Pradesh	11.44	9.40	9.93	8.82	15.52	14.00	13.86	15.12	14.82
West Bengal	9.10	6.67	7.29	13.34	6.00	7.67	11.62	10.77	10.98
India	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Andhra Pradesh	3.83	2.94	3.06	1.21	7.53	6.68	3.86	6.70	6.21
Bihar	11.55	2.48	3.73	6.11	5.31	5.42	6.91	2.87	3.57
Delhi	0.84	6.24	5.50	4.02	12.86	11.68	0.86	3.30	2.88
Gujarat	9.56	9.40	9.42	2.69	4.71	4.44	3.40	8.61	7.71
Haryana	2.28	0.66	0.88	1.34	3.00	2.78	1.51	1.55	1.54
Karnataka	0.92	2.03	1.87	1.08	5.11	4.57	3.47	7.39	6.71
Kerala	5.55	3.68	3.94	3.74	2.40	2.58	5.54	4.43	4.62
Madhya Pradesh	10.00	4.23	5.02	1.62	7.68	6.87	4.23	5.83	5.56
Maharashtra	6.24	13.07	12.13	24.06	8.21	10.33	9.19	13.13	12.45
Orissa	5.25	1.17	1.74	2.64	1.77	1.89	1.17	1.59	1.52
Punjab	6.13	2.13	2.68	0.71	11.87	10.38	29.68	2.87	7.51
Rajasthan	4.51	2.71	2.95	1.71	5.31	4.83	3.33	2.66	2.77
Tamil Nadu	3.76	7.52	7.00	24.27	8.17	10.32	2.58	10.43	9.07
Uttar Pradesh	18.09	11.21	12.16	8.49	8.34	8.36	10.00	14.36	13.61
West Bengal	8.63	6.45	6.75	11.23	7.09	7.65	6.86	8.59	8.29
India	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

**(h) The Regional Distribution of Retail Trade Activities not Elsewhere Classified (code 68)**

In this miscellaneous category of retail trade activity there appears to be a greater concentration of activity in a small number of states in rural areas, with the urban distribution following the usual pattern of high employment and gross value added shares in Maharashtra, Tamil Nadu, Uttar Pradesh and West Bengal. What accounts for the disproportionately high employment shares in Andhra Pradesh must remain a bit of a mystery in the absence of analysis at the 3-digit level. The high figures for 1996-97, however, are not a statistical aberration. Shares of the same order of magnitude appear also in 1990-91.

In terms of gross value added trends, Delhi and Gujarat appear to have lost ground, and Maharashtra and urban Tamil Nadu to have gained.

**Table 3.3.16: Share of Specified States in All India Unorganised Trade Employment and Gross Value Added by Retail Trade not elsewhere classified (Code 68) Rural, Urban and All Locations: 1979-80, 1990-91 and 1996-97**

State	Employment								
	1979-80			1990-91			1996-97		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	6.50	4.18	4.86	13.26	9.35	11.15	11.93	8.63	10.11
Bihar	8.97	3.67	5.18	10.43	4.68	7.33	12.83	4.88	8.44
Delhi	0.68	7.12	5.38	0.24	3.48	1.99	0.55	4.89	2.94
Gujarat	5.62	9.46	8.46	2.90	5.90	4.52	2.59	5.24	4.05
Haryana	2.02	2.05	2.06	3.80	2.92	3.32	1.15	2.25	1.76
Karnataka	3.08	4.69	4.28	2.09	5.79	4.08	3.32	5.52	4.53
Kerala	7.88	3.39	4.67	4.98	2.95	3.89	3.08	2.64	2.84
Madhya Pradesh	5.07	3.49	3.96	9.41	5.47	7.29	8.01	5.05	6.38
Maharashtra	7.07	12.22	10.88	7.52	11.89	9.87	2.57	10.37	6.87
Orissa	4.59	0.97	1.99	6.62	1.88	4.07	2.58	1.46	1.96
Punjab	1.78	1.68	1.72	1.19	4.23	2.83	2.37	4.25	3.41
Rajasthan	2.44	2.98	2.85	2.23	3.31	2.81	3.60	4.07	3.86
Tamil Nadu	12.41	11.56	11.88	5.04	9.99	7.71	5.74	11.05	8.67
Uttar Pradesh	10.33	8.72	9.24	12.87	15.45	14.26	23.22	17.45	20.04
West Bengal	19.32	10.73	13.21	13.75	10.09	11.78	11.57	8.73	10.00
India	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Andhra Pradesh	7.27	4.51	5.00	8.04	8.62	8.46	6.17	7.22	6.84
Bihar	5.34	2.78	3.23	5.18	5.04	5.08	8.30	4.14	5.63
Delhi	0.41	10.21	8.48	0.60	9.56	7.21	0.59	6.06	4.11
Gujarat	8.75	8.06	8.18	2.83	9.79	7.97	2.67	5.54	4.51
Haryana	1.90	1.01	1.16	3.85	1.82	2.35	0.92	2.15	1.71
Karnataka	1.44	3.21	2.90	1.51	4.78	3.93	2.13	7.20	5.38
Kerala	9.64	7.97	8.26	15.70	4.53	7.46	4.16	3.12	3.49
Madhya Pradesh	2.76	7.85	6.95	7.91	7.17	7.36	2.16	5.38	4.23
Maharashtra	7.53	17.13	15.44	8.93	13.45	12.27	28.24	11.32	17.36
Orissa	10.10	1.46	2.98	4.05	2.44	2.86	0.94	1.26	1.14
Punjab	4.45	2.34	2.71	2.14	1.75	1.85	2.99	4.18	3.75
Rajasthan	3.08	3.01	3.02	3.58	1.93	2.36	3.49	4.18	3.94
Tamil Nadu	8.45	8.16	8.21	7.29	7.90	7.74	4.01	11.75	8.99
Uttar Pradesh	6.29	4.88	5.13	14.60	10.78	11.78	17.32	13.65	14.96
West Bengal	13.85	9.19	10.01	10.47	7.10	7.99	10.90	6.24	7.90
India	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

### 3.3.2 The Rural-Urban Distribution of Unorganised Trade in Each State

#### Introduction

The three subsections of this section deal with the rural-urban distribution of unorganised trade activity in fifteen states at three levels; first, for unorganised trade as a whole, secondly for retail and wholesale trade separately, and finally for specified trade activities at the two digit level.

**(i) Overview**

The geographical distribution of states where unorganised trade employment is now concentrated in urban areas corresponds closely to the regional pattern of states where unorganised manufacturing employment is similarly concentrated, except that there are seven such states in the case of unorganised trade, instead of only four as in the case of manufacturing. The seven states are: Delhi, Gujarat, Haryana, Madhya Pradesh, Maharashtra, Punjab and Tamil Nadu. Table 3.3.17 gives the rural share figures for four points of time: 1979-80, 1985-86, 1990-91, and 1996-97. The decline in the relative importance of rural employment over time is unmistakable in all states except Delhi and Rajasthan.

**Table 3.3.17: Share of Rural Areas in Total (Rural+Urban) Employment and GVA in Unorganised Trade in Fifteen States, 1979-80,1985-86, 1990-91 and 1996-97**

State	Year	Rural share of workers	Rural share in GVA
Andhra Pradesh	1979-80	69.97	37.63
	1985-86	53.95	64.87
	1990-91	60.33	20.69
	1996-97	52.39	27.84
Bihar	1979-80	70.38	50.79
	1985-86	78.18	36.45
	1990-91	82.57	61.99
	1996-97	72.91	54.52
Delhi	1979-80	1.97	0.56
	1985-86	17.42	0.90
	1990-91	5.93	1.86
	1996-97	7.61	3.78
Gujarat	1979-80	47.15	16.35
	1985-86	43.64	10.41
	1990-91	46.54	16.83
	1996-97	41.77	25.84
Haryana	1979-80	54.43	28.13
	1985-86	50.12	9.93
	1990-91	68.59	49.84
	1996-97	44.56	29.47
Karnataka	1979-80	48.60	8.51
	1985-86	54.16	12.15
	1990-91	52.78	24.02
	1996-97	51.21	24.65
Kerala	1979-80	78.25	40.44
	1985-86	75.49	23.13
	1990-91	71.96	44.62
	1996-97	54.56	33.01
Madhya Pradesh	1979-80	53.80	16.83
	1985-86	62.29	10.66
	1990-91	56.19	21.89
	1996-97	49.34	34.38



State	Year	Rural share of workers	Rural share in GVA
Maharashtra	1979-80	44.51	28.84
	1985-86	50.24	31.53
	1990-91	48.23	23.72
	1996-97	45.84	22.42
Orissa	1979-80	75.56	56.07
	1985-86	76.66	58.73
	1990-91	78.56	40.26
	1996-97	65.70	20.51
Punjab	1979-80	73.43	43.76
	1985-86	60.27	8.64
	1990-91	40.51	17.78
	1996-97	43.38	35.90
Rajasthan	1979-80	46.96	18.75
	1985-86	34.90	47.79
	1990-91	54.73	29.84
	1996-97	52.53	30.66
Tamil Nadu	1979-80	45.63	20.87
	1985-86	34.00	20.59
	1990-91	43.57	21.48
	1996-97	35.22	12.35
Uttar Pradesh	1979-80	61.05	21.83
	1985-86	61.32	37.77
	1990-91	61.31	33.90
	1996-97	58.40	38.50
West Bengal	1979-80	57.50	24.75
	1985-86	65.05	22.87
	1990-91	67.14	44.65
	1996-97	60.14	46.54

Gross value added by unorganised trade is predominantly urban in all states except Bihar. West Bengal is the only other state where the share of rural areas in gross value added comes even close to fifty percent. In several states, however, rural areas' share in gross value added has been rising. These include, besides West Bengal; possibly Andhra Pradesh, Gujarat, possibly Karnataka, Maharashtra, Punjab, Rajasthan and Uttar Pradesh. Figures are given in the last column of table 3.3.17.

## (ii) The Wholesale and Retail Trade Contrasts

Unorganised wholesale trade provides employment mainly to urban people in almost all states. The exceptions are Bihar and West Bengal where more than three quarters of all unorganised wholesale trade employment is located in rural areas. Other states with relatively high rural shares in the neighbourhood of 45 percent are Madhya Pradesh, Orissa and Uttar Pradesh. Evidently substantial rural employment shares are found in wholesale trade only in the north-eastern and central states. Elsewhere wholesale trade employment is predominantly, or overwhelmingly, urban.

Retail trade is an altogether different story. Employment in the unorganised segment is predominantly rural in only five states – Andhra Pradesh, Bihar, Madhya Pradesh, Orissa and West

Bengal – but the share of rural areas ranges from 40 to 50 percent in another five states. States recording rural employment shares below 40 percent are few and far between.

Details can be seen in Table 3.3.18. It will be noted that in every state except Bihar and West Bengal, employment in retail trade is more equally distributed as between rural and urban areas than it is in the case of wholesale trade.

**Table 3.3.18: Share of Rural Areas in Total (Rural+Urban) Employment and GVA in Unorganised Trade in Fifteen States, By Broad Industrial Category (Code 2 and Code 3 industries) 1979-80, 1990-91 and 1996-97**

State	Year	Employment		GVA	
		Wholesale	Retail	Wholesale	Retail
Andhra Pradesh	1979-80	27.72	69.60	1.75	6.42
	1990-91	20.12	55.65	5.97	18.99
	1996-97	18.27	50.43	6.76	32.19
Bihar	1979-80	24.89	65.99	1.76	10.96
	1990-91	61.58	79.28	73.36	73.71
	1996-97	78.44	71.70	42.20	56.39
Delhi	1979-80	0.00	1.45	0.00	0.43
	1990-91	0.09	5.03	0.10	3.44
	1996-97	0.67	7.51	0.37	5.78
Gujarat	1979-80	10.97	39.12	2.87	9.59
	1990-91	25.14	43.41	12.75	16.25
	1996-97	25.35	39.41	19.03	28.06
Haryana	1979-80	29.38	52.21	8.96	6.98
	1990-91	10.32	65.68	6.16	48.58
	1996-97	16.30	41.06	12.84	30.73
Karnataka	1979-80	14.47	44.03	1.08	3.12
	1990-91	38.85	48.18	4.96	16.99
	1996-97	20.55	47.99	10.64	26.84
Kerala	1979-80	50.09	74.10	17.14	15.67
	1990-91	46.76	67.27	20.50	50.59
	1996-97	26.31	49.38	15.41	40.84
Madhya Pradesh	1979-80	16.47	40.09	0.92	7.08
	1990-91	12.68	54.18	2.89	18.93
	1996-97	42.43	56.58	1.15	30.00
Maharashtra	1979-80	11.02	51.91	1.52	5.34
	1990-91	16.87	42.75	4.17	18.59
	1996-97	2.51	33.12	7.25	42.98
Orissa	1979-80	67.73	75.47	2.97	14.87
	1990-91	20.49	77.72	1.09	50.96
	1996-97	42.14	64.00	2.96	41.37
Punjab	1979-80	1.44	71.21	0.08	7.63
	1990-91	8.57	36.03	3.40	15.15
	1996-97	5.43	41.53	2.36	44.89

State	Year	Employment		GVA	
		Wholesale	Retail	Wholesale	Retail
Rajasthan	1979-80	21.70	43.59	2.43	3.27
	1990-91	21.79	52.38	6.74	21.23
	1996-97	17.11	49.46	4.31	37.79
Tamil Nadu	1979-80	9.19	42.82	0.67	6.28
	1990-91	19.14	39.37	4.19	18.77
	1996-97	11.38	31.81	3.68	15.65
Uttar Pradesh	1979-80	32.24	56.46	8.71	4.51
	1990-91	26.12	57.36	12.16	19.94
	1996-97	46.30	55.70	24.68	40.98
West Bengal	1979-80	14.68	53.95	2.19	10.18
	1990-91	61.72	62.65	26.19	30.56
	1996-97	76.68	50.07	58.42	42.76

*Note:* State level data for 1985-86 is not available for retail and wholesale trade separately

Urban units account for the bulk of gross value added by unorganised wholesale trade in all states except West Bengal, while the rural share of gross value added by unorganised retail trade is generally much higher than the corresponding figures for wholesale trade. There is only one state – Bihar – where more than half of all income generated by retail trade comes from rural units. West Bengal also stands out as an exceptional case where the rural share of gross value added by wholesale trade is greater than the corresponding rural share in retail trade.

### (iii) The Degree of Ruralisation of Specified Trade Activities at the Two-Digit Level

The only unorganised wholesale trade activity which is distinctively rural in character is wholesale trade in agricultural raw materials, live animals, food, beverages, intoxicants and textiles (code 60). On an all-India basis this is true only for employment. Gross value added by this activity arises mainly from urban units. The degree of ruralisation of this category of wholesale trade has been increasing over time, in most but not all states, in both employment and income terms. The exceptional states are Kerala, Orissa and Rajasthan. The decline in the rural share in these three states is much more than offset by the massive increase in rural areas' share in West Bengal, Uttar Pradesh, Gujarat, Haryana and Karnataka (in that order).

Wholesale trade not elsewhere classified (code 63) is the only other wholesale trade category in which rural employment contributes a significant element. However, only four states recorded rural shares in two-digit figures: Bihar, Kerala, Orissa and West Bengal. In all other states this group provides employment in rural areas only to a very small proportion of all workers engaged in these activities.

In the vast majority of states also, in the other two wholesale trade categories, employment is overwhelmingly concentrated in urban areas. The same applies to the distribution of GVA by these activities by rural or urban location. (See table 3.3.19 for details). Indeed, it appears that the sample was too small to capture any rural units at all in a number of states, especially in the case of wholesale trade in machinery and equipment, including transport equipment.

Employment in the single largest retail trade activity – retail trade in food and food articles, beverages, tobacco and intoxicants – is predominantly rural in 12 out of 15 major states, and with the sole exception of Delhi, substantially rural in the remaining states as well. In seven out of 15 states, the income contribution of rural areas is greater than that of outlets in urban locations.

The other retail trade activity in which, in most states, rural units make a major contribution to both employment and income generation is the miscellaneous category, retail trade not elsewhere classified (code 68).

Rural retail trade in textiles generates a dominant share of employment and income only in Bihar. Retail trade in fuels, household utilities and durables has a substantial rural employment presence only in Bihar and Madhya Pradesh, two poor states, and dominates in terms of gross value added only in Punjab, a rich one.

Thus code 60, (wholesale trade in agricultural raw materials, live animals, food, beverages, intoxicants and textiles) and code 65, (retail trade in food and food articles, beverages, tobacco and intoxicants), in wholesale and retail trade respectively, are the predominantly rural unorganised trade activities in the majority of states. All others are predominantly urban in character, although in employment generation terms, code 68, (retail trade not elsewhere classified) makes a very substantial rural contribution.

**Table 3.3.19: The Rural-Urban Distribution of Employment and Gross value Added by particular Industries (by 2-digit NIC code) in fifteen states: 1979-80, 1990-91 and 1996-97**

NIC Category	State	Share of rural in total (Rural+Urban)					
		Employment			GVA		
		1978-79	1990-91	1996-97	1979-80	1990-91	1996-97
<b>Wholesale trade in agricultural raw materials, live animals, food, beverages, intoxicants and textiles (60)</b>							
	Andhra Pradesh	32.06	20.61	24.44	15.87	5.54	10.34
	Bihar	33.41	76.28	92.99	11.13	67.87	63.47
	Delhi	0.00	0.28	0.54	0.00	0.04	0.73
	Gujarat	7.89	31.95	38.95	2.11	10.08	32.01
	Haryana	18.52	16.55	22.94	19.40	7.70	21.94
	Karnataka	17.85	53.86	27.94	3.61	6.97	16.04
	Kerala	56.01	52.77	28.48	37.86	19.81	10.53
	Madhya Pradesh	20.65	18.45	62.71	7.01	9.08	4.50
	Maharashtra	13.40	23.60	5.34	4.32	6.97	8.63
	Orissa	67.68	20.14	54.70	59.07	8.71	3.85
	Punjab	1.09	13.00	10.03	3.27	4.80	5.95
	Rajasthan	16.69	31.49	25.38	8.48	21.34	6.49
	Tamil Nadu	12.72	26.49	17.68	4.24	9.42	5.53
	Uttar Pradesh	42.58	34.49	63.97	13.17	20.18	46.61
	West Bengal	16.07	74.96	82.50	4.17	55.57	62.64
	India	23.24	38.39	58.25	8.53	18.14	22.92

NIC Category	State	Share of rural in total (Rural+Urban)					
		Employment			GVA		
		1978-79	1990-91	1996-97	1979-80	1990-91	1996-97
<b>Wholesale trade in wood, paper, skin, leather and fur, fuel, petroleum, chemicals, perfumery, ceramics, glass and ores and metals (61)</b>							
	Andhra Pradesh	9.91	24.87	11.41	0.47	4.30	2.24
	Bihar	2.90	3.33	3.69	0.99	1.29	1.50
	Delhi	0.00	0.00	5.76	0.00	0.00	5.70
	Gujarat	6.65	20.10	2.71	4.52	9.94	1.98
	Haryana	0.00	0.10	4.38	0.00	0.03	1.34
	Karnataka	16.40	7.58	10.44	2.93	-1.93	4.64
	Kerala	30.32	12.70	13.85	28.01	6.04	10.85
	Madhya Pradesh	11.53	0.78	10.21	2.00	0.13	0.03
	Maharashtra	1.24	2.62	0.19	5.63	2.43	11.82
	Orissa	31.86	13.47	7.93	46.94	2.81	0.96
	Punjab	1.30	2.17	0.00	1.61	0.21	0.00
	Rajasthan	65.75	0.24	2.94	-2.01	0.72	0.88
	Tamil Nadu	2.36	22.45	1.61	0.00	2.21	0.27
	Uttar Pradesh	13.86	5.76	7.98	4.86	0.53	4.96
	West Bengal	6.00	25.49	23.80	2.10	10.48	16.67
	India	13.24	12.68	10.25	10.70	3.37	4.93
<b>Wholesale trade in all types of machinery, equipment including transport equipment (62)</b>							
	Andhra Pradesh	61.11	0.26	0.00	2.49	0.06	0.00
	Bihar	0.00	0.00	64.17	0.00	0.00	33.35
	Delhi	0.00	0.00	0.00	0.00	0.00	0.00
	Gujarat	0.00	0.00	4.63	0.00	0.00	1.49
	Haryana	0.00	0.00	0.00	0.00	0.00	0.00
	Karnataka	0.00	0.00	0.00	0.00	0.00	0.00
	Kerala	0.00	1.43	31.15	0.00	0.39	5.86
	Madhya Pradesh	0.45	0.00	1.69	0.06	0.00	0.00
	Maharashtra	0.20	0.08	0.00	0.08	0.01	0.26
	Orissa	0.00	0.00	0.00	0.00	0.00	0.00
	Punjab	0.00	0.00	1.60	0.00	0.00	0.05
	Rajasthan	0.00	0.00	0.00	0.00	0.00	0.00
	Tamil Nadu	0.00	0.00	0.00	0.00	0.00	0.00
	Uttar Pradesh	2.27	0.65	0.21	4.38	0.09	0.08
	West Bengal	0.00	1.15	1.52	0.00	0.29	1.11
	India	7.41	0.13	3.71	0.42	0.02	1.74
<b>Wholesale trade not elsewhere classified (63)</b>							
	Andhra Pradesh	1.28	11.92	10.27	0.29	1.64	3.04
	Bihar	50.56	18.69	26.47	61.86	1.20	25.10
	Delhi	0.00	0.10	0.00	0.00	0.45	0.00
	Gujarat	28.34	13.31	8.93	6.89	4.35	4.80
	Haryana	62.72	0.62	0.00	40.17	1.63	0.00
	Karnataka	12.66	4.10	4.00	0.14	3.14	0.84
	Kerala	60.69	59.29	28.48	28.07	53.77	22.28

NIC Category	State	Share of rural in total (Rural+Urban)					
		Employment			GVA		
		1978-79	1990-91	1996-97	1979-80	1990-91	1996-97
	Madhya Pradesh	4.94	0.19	0.00	10.25	0.00	2.29
	Maharashtra	15.40	19.00	0.37	0.33	3.91	1.71
	Orissa	98.50	54.12	15.98	99.23	15.97	0.25
	Punjab	2.72	2.95	1.12	0.32	0.80	0.09
	Rajasthan	9.27	6.32	9.23	16.80	0.44	11.48
	Tamil Nadu	5.85	4.31	3.28	1.15	2.28	0.97
	Uttar Pradesh	2.31	16.39	7.75	0.40	38.41	1.04
	West Bengal	21.19	51.50	82.79	5.85	22.45	69.32
	India	17.76	17.67	35.75	2.85	9.60	13.99
<b>Retail trade in food and food articles, beverages, tobacco and intoxicants (65)</b>							
	Andhra Pradesh	75.46	62.17	55.92	67.77	43.42	43.90
	Bihar	75.98	86.79	77.52	59.06	88.33	61.74
	Delhi	1.94	4.34	4.57	1.64	5.39	1.93
	Gujarat	55.53	58.48	52.57	36.16	49.07	45.47
	Haryana	65.47	82.31	55.94	42.63	74.79	48.02
	Karnataka	56.38	61.46	59.54	40.46	44.87	45.24
	Kerala	82.90	76.15	56.43	61.01	66.10	50.94
	Madhya Pradesh	49.12	60.40	62.19	48.53	48.48	44.38
	Maharashtra	60.33	52.82	47.48	40.78	38.66	39.76
	Orissa	78.86	83.63	71.81	67.03	65.98	59.44
	Punjab	83.87	57.75	56.53	74.25	52.45	54.49
	Rajasthan	56.00	65.20	63.30	20.84	46.48	52.84
	Tamil Nadu	52.30	49.37	41.77	43.71	36.92	22.11
	Uttar Pradesh	64.31	70.18	66.62	42.43	52.40	54.33
	West Bengal	62.92	72.74	57.16	49.71	64.94	50.59
	India	94.73	67.59	59.96	46.40	55.11	48.30
<b>Retail trade in textile (66)</b>							
	Andhra Pradesh	66.59	39.95	31.10	33.29	10.05	22.61
	Bihar	52.66	64.95	66.25	54.57	34.15	60.02
	Delhi	3.33	1.33	4.98	1.82	1.46	12.56
	Gujarat	16.72	13.31	17.19	16.75	11.19	15.08
	Haryana	48.76	15.50	21.24	8.95	62.80	14.75
	Karnataka	20.91	21.19	25.37	1.60	26.91	16.37
	Kerala	59.02	46.45	31.75	63.03	28.16	30.93
	Madhya Pradesh	33.04	24.37	33.91	56.33	21.99	20.74
	Maharashtra	35.85	22.81	17.41	23.38	19.75	16.81
	Orissa	51.75	34.41	31.91	7.79	7.74	20.49
	Punjab	27.54	9.30	17.63	23.36	16.95	18.24
	Rajasthan	32.98	34.95	28.45	48.56	18.51	23.47
	Tamil Nadu	37.47	16.99	10.78	31.00	5.87	11.08
	Uttar Pradesh	49.11	36.12	36.06	41.85	59.08	26.91
	West Bengal	37.91	33.92	30.03	29.26	27.99	22.75

NIC Category	State	Share of rural in total (Rural+Urban)					
		Employment			GVA		
		1978-79	1990-91	1996-97	1979-80	1990-91	1996-97
	India	57.10	32.24	29.78	26.09	22.30	23.23
<b>Retail trade in fuels and other household utilities and durables (67)</b>							
	Andhra Pradesh	27.55	28.61	19.10	17.21	2.42	10.79
	Bihar	30.26	26.14	43.97	42.66	15.05	33.57
	Delhi	0.29	7.28	12.57	2.11	3.48	5.20
	Gujarat	13.67	14.39	13.53	13.98	8.10	7.63
	Haryana	27.62	5.94	11.90	35.53	6.42	16.88
	Karnataka	12.07	9.53	23.40	6.77	3.16	8.95
	Kerala	52.18	36.16	35.86	19.41	19.35	20.78
	Madhya Pradesh	21.61	21.26	39.49	27.43	2.80	13.17
	Maharashtra	40.15	27.43	14.44	7.08	28.77	12.79
	Orissa	63.69	52.71	29.01	41.70	18.67	13.35
	Punjab	59.87	8.70	27.47	31.46	0.69	68.44
	Rajasthan	18.04	9.74	21.32	21.00	4.72	20.82
	Tamil Nadu	17.44	19.06	9.91	7.39	31.39	4.93
	Uttar Pradesh	43.03	14.30	22.34	20.49	12.32	12.73
	West Bengal	31.42	39.50	25.30	17.60	19.61	14.32
	India	69.65	22.70	23.89	13.77	13.35	17.32
<b>Retail trade not elsewhere classified (68)</b>							
	Andhra Pradesh	34.63	54.81	52.87	25.61	24.87	32.24
	Bihar	44.74	65.61	68.09	29.13	26.72	52.73
	Delhi	0.69	5.55	8.30	0.84	2.18	5.09
	Gujarat	15.91	29.63	28.67	18.83	9.30	21.15
	Haryana	24.73	52.71	29.31	28.74	42.85	19.16
	Karnataka	13.69	23.64	32.83	8.72	10.06	14.12
	Kerala	47.19	59.08	48.64	20.52	55.15	42.55
	Madhya Pradesh	17.16	59.54	56.25	6.99	28.14	18.26
	Maharashtra	17.05	35.10	16.73	8.59	19.07	58.11
	Orissa	64.49	75.05	58.95	59.66	37.08	29.49
	Punjab	26.30	19.46	31.16	28.87	30.32	28.41
	Rajasthan	19.53	36.61	41.73	17.92	39.70	31.69
	Tamil Nadu	29.02	30.13	29.65	18.12	24.69	15.96
	Uttar Pradesh	32.18	41.61	51.91	21.59	32.46	41.37
	West Bengal	41.89	53.83	51.82	24.34	34.36	49.28
	India	52.39	46.10	44.79	17.60	26.20	35.73

### 3.3.3 The Structure of Unorganised Trade Within Each State

#### Introduction

This section is presented in three subsections. The structure of unorganised trade defined in terms of three enterprise types – own account enterprises, non-directory establishments and directory establishments – constitutes the subject matter of the first one. The second subsection goes into

greater detail, examining the relative importance of wholesale and retail trade in the employment and income generation process in each state. Figures are presented for rural and urban areas separately, as well as combined. The third subsection gives an account of the relative importance of each two-digit level trade activity within each state in terms of the structure of employment and gross value added. Interstate contrasts are highlighted along with significant changes over time, using Herfindahl concentration indices to bring out the trend in favour of increased diversification of trade activities in almost all states.

**(i) The Structure of Unorganised Trade in Fifteen States by Enterprise Type**

In trade, in contrast to manufacturing, large units do not constitute the majority anywhere. The small, family operated businesses are the dominant enterprise type in all states. In Orissa and Uttar Pradesh, these own account units accounted for as much as 90 per cent of all trade enterprises in 1996-97. In most, but not all, other states, the own account enterprise share is in the neighbourhood of 80 per cent. But there are exceptional states. Not surprisingly, Delhi heads this list, with only 56 per cent of all trade enterprises belonging to the own account enterprise category. Moreover, in Delhi, the share of the larger NDTE and DTE enterprises in employment has been rising over time. The other states where the larger trade enterprises account for a significant proportion of workers are: Gujarat, Kerala, Maharashtra and Tamil Nadu. But even in these states employment in the own account enterprise type ranges from 60 to 70 per cent.

Over time, in almost all states, the relative importance of the small, family operated, trade units has been on the rise in urban areas. The only state where this trend is not apparent is Haryana. In rural areas, however, there are a number of states where there has been an unambiguous fall in the share of these very small family operated businesses. These include: Andhra Pradesh, Bihar, Haryana, Kerala, Maharashtra, Punjab and West Bengal. In the other states, these very small retail outlets are either holding their own or gaining in importance relative to the larger units. The details are given in table 3.3.20.

**Table 3.3.20: The structure of Unorganised Trade Employment at State Level by Enterprise type, OATE, NDTE and DTE: 1979-80, 1985-86, 1990-91 and 1996-97**

State	Year	Share of Employment by Enterprise Type								
		Rural			Urban			Total		
		OATE	NDTE	DTE	OATE	NDTE	DTE	OATE	NDTE	DTE
Andhra Pradesh	1979-80	94.83	3.11	2.06	69.11	7.83	23.06	86.44	4.65	8.91
	1985-86	91.85	3.73	4.43	66.15	20.11	13.74	79.07	11.87	9.06
	1990-91	95.10	3.68	1.22	63.25	21.38	15.36	79.95	12.10	7.95
	1996-97	90.98	8.52	0.50	71.19	21.59	7.22	80.77	15.27	3.97
Bihar	1979-80	95.38	3.02	1.60	60.13	27.01	12.86	82.97	11.47	5.56
	1985-86	95.94	2.97	1.09	73.23	15.52	11.25	89.73	6.40	3.87
	1990-91	95.44	4.46	0.10	76.83	16.43	6.74	91.44	7.03	1.53
	1996-97	83.03	2.48	14.49	81.04	16.48	2.47	82.48	6.32	11.20
Delhi	1979-80	88.71	0.00	11.29	44.40	4.30	51.30	44.83	4.26	50.91
	1985-86	86.34	11.46	2.20	30.13	26.09	43.78	35.21	24.77	40.02
	1990-91	62.94	36.60	0.46	33.19	47.00	19.82	34.24	46.63	19.13
	1996-97	97.07	2.93	0.00	53.37	37.91	8.71	56.18	35.67	8.15
Gujarat	1979-80	69.08	12.16	18.76	44.71	5.45	49.84	53.13	7.77	39.10
	1985-86	77.19	12.89	9.92	49.21	34.81	15.98	59.29	26.91	13.80
	1990-91	79.09	18.05	2.86	59.79	27.82	12.40	67.60	23.86	8.54
	1996-97	79.75	13.35	6.90	63.20	30.03	6.77	69.43	23.75	6.82



State	Year	Share of Employment by Enterprise Type								
		Rural			Urban			Total		
		OATE	NDTE	DTE	OATE	NDTE	DTE	OATE	NDTE	DTE
Haryana	1979-80	85.85	2.22	11.93	73.97	3.44	22.59	79.97	2.83	17.20
	1985-86	97.23	1.94	0.83	67.98	26.20	5.82	80.79	15.58	3.63
	1990-91	96.52	3.06	0.42	75.03	20.60	4.37	88.77	9.39	1.84
	1996-97	94.93	4.71	0.36	72.56	24.47	2.97	81.46	16.61	1.93
Karnataka	1979-80	89.24	6.49	4.27	60.77	10.54	28.68	72.73	8.84	18.43
	1985-86	89.25	6.76	4.00	65.54	15.54	18.92	77.47	11.12	11.41
	1990-91	89.01	6.05	4.94	66.92	20.17	12.91	77.36	13.49	9.14
	1996-97	92.81	6.85	0.34	71.08	22.03	6.89	81.14	15.01	3.86
Kerala	1979-80	75.92	11.51	12.57	39.37	12.07	48.56	65.61	11.67	22.72
	1985-86	81.07	14.35	4.58	51.99	25.89	22.11	72.22	17.86	9.92
	1990-91	81.24	14.76	4.00	46.46	30.78	22.76	68.94	20.43	10.63
	1996-97	75.44	23.86	0.70	49.25	43.29	7.46	61.44	34.25	4.31
Madhya Pradesh	1979-80	85.68	3.84	10.48	72.88	5.62	21.50	79.24	4.73	16.02
	1985-86	94.62	4.84	0.54	63.34	24.24	12.41	80.70	13.48	5.82
	1990-91	95.97	2.91	1.12	68.06	21.38	10.56	82.49	11.83	5.68
	1996-97	93.07	6.51	0.42	76.02	17.72	6.25	83.47	12.83	3.71
Maharashtra	1979-80	72.08	11.45	16.47	51.91	9.53	38.56	59.34	10.24	30.43
	1985-86	81.13	16.16	2.71	42.03	26.16	31.82	57.38	22.23	20.39
	1990-91	83.81	14.38	1.81	54.92	30.73	14.35	66.37	24.25	9.38
	1996-97	77.98	12.53	9.49	59.89	26.93	13.19	67.34	21.00	11.66
Orissa	1979-80	83.49	9.47	7.05	74.79	10.64	14.57	81.31	9.76	8.93
	1985-86	87.01	11.70	1.29	71.00	18.21	10.79	82.80	13.41	3.78
	1990-91	95.18	4.27	0.55	72.40	19.07	8.53	89.73	7.81	2.46
	1996-97	96.63	2.28	1.09	78.71	16.87	4.42	90.05	7.64	2.31
Punjab	1979-80	94.82	1.35	3.83	61.25	4.19	34.56	84.01	2.27	13.73
	1985-86	95.34	4.36	0.30	66.44	23.00	10.56	82.89	12.39	4.72
	1990-91	86.52	12.10	1.37	54.21	36.19	9.61	64.71	28.36	6.93
	1996-97	87.85	12.14	0.01	66.15	28.89	4.96	74.45	22.48	3.07
Rajasthan	1979-80	81.79	5.66	12.55	70.89	5.37	23.74	75.44	5.49	19.06
	1985-86	81.28	16.92	1.80	42.13	48.17	9.70	53.93	38.74	7.32
	1990-91	92.51	7.07	0.41	67.39	23.54	9.07	79.76	15.44	4.81
	1996-97	92.03	7.94	0.02	67.97	26.65	5.39	79.28	17.86	2.87
Tamil Nadu	1979-80	79.46	14.03	6.50	53.67	14.85	31.49	63.85	14.53	21.63
	1985-86	82.08	12.98	4.94	50.67	26.56	22.77	61.54	21.86	16.60
	1990-91	85.94	12.55	1.51	59.17	22.59	18.24	69.08	18.88	12.05
	1996-97	88.75	10.15	1.10	58.95	31.64	9.41	67.80	25.26	6.94
Uttar Pradesh	1979-80	93.25	4.04	2.70	79.88	4.28	15.83	87.21	4.15	8.64
	1985-86	97.49	1.94	0.57	84.03	14.67	1.30	91.86	7.26	0.88
	1990-91	96.61	2.73	0.66	80.34	12.83	6.82	89.40	7.21	3.39
	1996-97	97.16	2.52	0.32	83.31	14.08	2.61	90.93	7.72	1.35
West Bengal	1979-80	84.54	10.30	5.16	49.10	15.15	35.75	66.48	12.77	20.75
	1985-86	90.73	8.26	1.02	57.42	26.44	16.14	77.58	15.44	6.99
	1990-91	86.53	11.58	1.89	64.43	19.32	16.25	78.25	14.48	7.27
	1996-97	82.57	7.06	10.36	69.52	27.53	2.96	76.84	16.05	7.11

Table 3.3.21 provides similar information on the contributions of each enterprise type to gross value added by unorganised trade.

In most states, the gross value added generated by own account enterprises alone exceeds the gross value added by non-directory and directory establishments combined. These larger enterprises contribute the bulk of gross value added by unorganised trade in only six states. Gujarat, Tamil Nadu, Kerala, Orissa, Delhi and Maharashtra are the states where the gross value added by own account enterprises comes to less than half the total. The range is tremendous – from Uttar Pradesh where own account enterprises generate about 80 per cent of gross value added to Maharashtra, where the figure is less than 35 per cent.

In rural areas, own account enterprises generate more than 80 per cent of gross value added in 12 out of 15 states. The exceptions are rural Gujarat (63.8 per cent), rural Kerala (65.4 per cent) with rural Maharashtra (36.5 per cent), at the bottom.

In the urban areas of 9 out of 15 states, the larger establishments generate more than half of gross value added, and in five of these the value added by urban own account units accounts for less than 40 per cent. The six states where gross value added by the small family units still dominates in urban areas are: Bihar, Haryana, Madhya Pradesh, Punjab, Uttar Pradesh and West Bengal. Table 3.3.21 gives the details.

In most states the own account enterprises appear to have had a chequered history. The most common trend over time is a decline in the own account enterprise share in gross value added up to the mid eighties or early 1990s, followed by a rise. For directory trade establishments, the trend is almost invariably uni-directional. Their relative contribution to gross value added has declined throughout in all states except Maharashtra and Punjab. In the rural areas of most states the share of the own account units in gross value added has been rising over time. There is no unambiguous long trend in the urban areas of most states. This may be confirmed by reference to the figures in table 3.3.21.

**Table 3.3.21: The Structure of Unorganised Trade GVA at the State Level by Enterprise Type, Own Account Enterprise, Non-directory Enterprise and Directory Enterprise: 1979-80, 1985-86, 1990-91 and 1996-97**

State	Year	Share of Gross Value Added by Enterprise Type								
		Rural			Urban			Total		
		OATE	NDTE	DTE	OATE	NDTE	DTE	OATE	NDTE	DTE
Andhra Pradesh	1979-80	88.41	4.81	6.78	18.75	8.51	72.74	44.96	7.12	47.92
	1985-86	86.13	3.34	10.53	36.27	25.41	38.31	68.61	11.10	20.29
	1990-91	88.39	10.56	1.06	33.82	35.93	30.25	45.11	30.68	24.21
	1996-97	82.85	14.70	2.45	48.64	29.59	21.77	58.16	25.45	16.39
Bihar	1979-80	93.01	4.10	2.88	55.42	17.88	26.71	74.51	10.88	14.60
	1985-86	91.20	6.75	2.05	47.30	18.22	34.48	63.30	14.04	22.66
	1990-91	84.36	14.71	0.92	30.91	23.00	46.09	64.04	17.86	18.09
	1996-97	87.52	3.67	8.81	66.04	28.43	5.54	77.75	14.93	7.32
Delhi	1979-80	67.29	21.26	11.45	28.17	1.50	70.33	28.39	1.61	70.01
	1985-86	87.31	9.63	3.06	69.11	19.85	11.04	69.27	19.76	10.97
	1990-91	65.47	33.10	1.44	16.04	30.15	53.80	16.96	30.21	52.83
	1996-97	96.14	3.86	0.00	32.48	37.22	30.30	34.89	35.96	29.15
Gujarat	1979-80	85.66	14.29	0.05	49.67	3.21	47.12	53.88	4.51	41.62
	1985-86	57.58	21.40	21.02	51.64	26.10	22.26	52.26	25.61	22.13
	1990-91	61.09	31.13	7.78	26.26	28.43	45.32	32.12	28.88	39.00
	1996-97	63.80	27.49	8.71	42.99	45.02	11.99	48.37	40.49	11.14

Contd.

Haryana	1979-80	69.47	2.34	28.19	67.46	1.33	31.22	68.03	1.61	30.36
	1985-86	88.52	5.86	5.62	48.03	45.43	6.54	52.05	41.50	6.45
	1990-91	94.78	3.24	1.98	42.50	43.10	14.40	68.56	23.23	8.21
	1996-97	92.25	7.04	0.71	61.14	30.46	8.40	70.31	23.56	6.14
Karnataka	1979-80	77.26	9.24	13.50	11.55	1.79	86.66	17.29	2.44	80.27
	1985-86	70.78	19.65	9.58	53.43	31.70	14.88	55.53	30.23	14.23
	1990-91	89.64	6.98	3.38	34.75	24.58	40.67	47.93	20.35	31.71
	1996-97	84.63	15.08	0.29	46.68	31.05	22.28	56.03	27.11	16.86
Kerala	1979-80	51.35	0.92	47.73	12.96	2.70	84.34	28.48	1.98	69.54
	1985-86	61.73	27.59	10.68	6.18	7.22	86.59	19.03	11.93	69.04
	1990-91	75.75	17.71	6.54	23.08	37.36	39.56	46.58	28.59	24.83
	1996-97	65.38	33.89	0.73	25.82	53.68	20.50	38.88	47.15	13.98
Maharashtra	1979-80	55.80	15.80	28.41	32.60	3.95	63.44	36.51	5.95	57.55
	1985-86	72.39	15.20	12.41	16.75	35.21	48.03	22.69	33.08	44.24
	1990-91	73.45	22.02	4.53	29.57	41.26	29.17	39.17	37.04	23.78
	1996-97	36.47	12.43	51.10	33.73	33.45	32.82	34.67	26.22	39.10
Madhya Pradesh	1979-80	62.66	3.85	33.49	52.78	2.85	44.37	55.63	3.14	41.23
	1985-86	81.94	16.36	1.70	26.83	38.79	34.38	44.21	31.72	24.07
	1990-91	86.78	4.83	8.39	23.99	39.34	36.67	38.89	31.15	29.96
	1996-97	89.55	9.18	1.27	50.86	25.21	23.93	59.53	21.62	18.85
Orissa	1979-80	40.12	13.60	46.28	51.04	5.79	43.17	44.92	10.17	44.91
	1985-86	83.23	12.51	4.26	47.18	22.88	29.94	68.35	16.79	14.86
	1990-91	91.53	7.02	1.45	55.68	18.87	25.45	70.11	14.10	15.79
	1996-97	92.67	2.91	4.42	23.47	11.67	64.86	37.66	9.87	52.46
Punjab	1979-80	82.25	1.49	16.26	45.97	1.47	52.56	61.85	1.47	36.68
	1985-86	95.63	3.97	0.40	90.01	5.71	4.28	90.49	5.56	3.94
	1990-91	67.04	14.34	18.62	18.55	35.31	46.14	27.17	31.59	41.24
	1996-97	85.95	14.04	0.00	58.27	32.08	9.65	68.21	25.60	6.19
Rajasthan	1979-80	35.53	16.79	47.68	35.07	4.91	60.02	35.16	7.25	57.59
	1985-86	86.04	12.95	1.01	21.54	57.21	21.25	52.37	36.06	11.57
	1990-91	85.22	13.50	1.28	52.06	17.45	30.48	61.96	16.27	21.77
	1996-97	83.94	15.98	0.08	47.37	38.67	13.96	58.58	31.71	9.70
Tamil Nadu	1979-80	69.79	11.86	18.34	20.94	6.47	72.59	31.13	7.59	61.27
	1985-86	40.02	15.66	44.32	8.50	30.16	61.34	14.99	27.17	57.83
	1990-91	70.28	15.30	14.42	28.04	25.77	46.19	37.11	23.52	39.37
	1996-97	80.11	17.18	2.71	37.55	37.91	24.54	42.81	35.35	21.85
Uttar Pradesh	1979-80	67.48	6.37	26.15	67.03	1.85	31.12	67.13	2.84	30.04
	1985-86	92.53	6.27	1.20	44.66	36.72	18.62	62.74	25.22	12.04
	1990-91	88.45	9.68	1.88	40.88	21.72	37.40	57.01	17.64	25.36
	1996-97	95.08	4.59	0.33	67.23	18.80	13.97	77.95	13.33	8.72
West Bengal	1979-80	79.10	11.94	8.96	41.40	7.47	51.13	50.73	8.58	40.69
	1985-86	85.54	11.66	2.80	79.55	11.17	9.27	80.92	11.28	7.79
	1990-91	74.11	23.83	2.07	39.00	23.30	37.71	54.67	23.53	21.79
	1996-97	84.22	7.90	7.88	58.16	33.89	7.95	70.29	21.79	7.92

**(ii) The Structure of Unorganised Trade Activities in Fifteen Major States and Changes in It Over Time**

In this subsection, the structure of unorganised trade employment and gross value added is examined, first in terms of the wholesale trade – retail trade break up, and then by two digit NIC category. Herfindahl indices are then calculated to determine whether or not the trade sector in each state is becoming more diversified.

**(a) The Relative Importance of Wholesale and Retail Trade in Fifteen States**

In all states except Bihar and West Bengal retail trade accounts for more than 90 per cent of all rural trade employment, and at least 80 per cent of urban employment. A similar pattern emerges for gross value added by rural and urban units. West Bengal is the only state in which rural retail units account for less than 80 per cent of gross value added.

In urban areas 80 per cent or more of all unorganised trade employment is accounted for by retail trade, but in the majority of states retail trade accounts for a comparatively lesser share of gross value added, in most states for between 60 and 80 per cent of the total. This implies, of course, that in the typical state, in urban areas, labour productivity in wholesale trade is much higher than it is in the retail trade segment.

The outlier figures for retail and wholesale trade shares in Orissa may be noted. The high urban wholesale trade shares in urban gross value added are traceable to the code 60 group – wholesale trade in agricultural raw materials, live animals, food, beverages, intoxicants and textiles, in the directory establishments. Within this small subset, it is attributable to code 608, wholesale trade in intoxicants including incidental bottling. The underlying data are clearly in error, but there was no way of making a defensible correction.

Further details can be seen in table 3.3.22.

**Table 3.3.22: Industrial Structure of Unorganised Trade Activities in Fifteen Major States, Shares of Wholesale and Retail Trade in all Unorganised Trade Employment and Gross Value Added: 1979-80, 1990-91 and 1996-97**

(at Constant 1993-94 prices)

State	Industrial Category	Employment			GVA		
		1979-80	1990-91	1996-97	1979-80	1990-91	1996-97
<b>Rural</b>							
Andhra Pradesh	Wholesale	2.19	3.49	2.41	5.35	6.10	4.16
	Retail	97.81	96.51	97.59	94.65	93.90	95.84
Bihar	Wholesale	1.12	3.48	14.73	2.38	13.12	10.20
	Retail	98.88	96.52	85.27	97.62	86.88	89.80
Delhi	Wholesale	0.00	0.78	1.65	0.00	1.64	3.58
	Retail	100.00	99.22	98.35	100.00	98.36	96.42
Gujarat	Wholesale	5.17	9.95	8.50	8.87	20.30	18.05
	Retail	94.83	90.05	91.50	91.13	79.70	81.95
Haryana	Wholesale	4.55	0.51	2.16	8.82	0.95	3.05
	Retail	95.45	99.49	97.84	91.18	99.05	96.95

State	Industrial Category	Employment			GVA		
		1979-80	1990-91	1996-97	1979-80	1990-91	1996-97
Karnataka	Wholesale	2.77	7.89	2.80	5.14	4.36	5.83
	Retail	97.23	92.11	97.20	94.86	95.64	94.17
Kerala	Wholesale	6.66	9.34	7.03	32.77	15.29	14.39
	Retail	93.34	90.66	92.97	67.23	84.71	85.61
Madhya Pradesh	Wholesale	6.23	1.47	5.54	4.43	5.16	1.35
	Retail	93.77	98.53	94.46	95.57	94.84	98.65
Maharashtra	Wholesale	1.18	5.09	0.79	8.26	6.64	5.08
	Retail	98.82	94.91	99.21	91.74	93.36	94.92
Orissa	Wholesale	5.28	0.76	2.20	19.18	2.48	7.83
	Retail	94.72	99.24	97.80	80.82	97.52	92.17
Punjab	Wholesale	0.10	3.37	1.30	0.27	5.67	1.39
	Retail	99.90	96.63	98.70	99.73	94.33	98.61
Rajasthan	Wholesale	4.24	4.56	2.78	16.74	7.90	3.00
	Retail	95.76	95.44	97.22	83.26	92.10	97.00
Tamil Nadu	Wholesale	2.32	6.04	3.96	3.89	7.83	8.21
	Retail	97.68	93.96	96.04	96.11	92.17	91.79
Uttar Pradesh	Wholesale	4.12	2.55	6.10	25.80	9.88	9.77
	Retail	95.88	97.45	93.90	74.20	90.12	90.23
West Bengal	Wholesale	3.75	11.22	30.96	6.40	21.43	30.30
	Retail	96.25	88.78	69.04	93.60	78.57	69.70
<b>Urban</b>							
Andhra Pradesh	Wholesale	11.79	15.28	10.09	38.70	31.57	22.13
	Retail	88.21	84.72	89.91	61.30	68.43	77.87
Bihar	Wholesale	6.23	7.93	10.75	20.61	31.48	16.75
	Retail	93.77	92.07	89.25	79.39	68.52	83.25
Delhi	Wholesale	31.93	31.01	16.78	59.90	37.49	38.28
	Retail	68.07	68.99	83.22	40.10	62.51	61.72
Gujarat	Wholesale	22.13	20.16	15.11	52.15	40.76	26.77
	Retail	77.87	79.84	84.89	47.85	59.24	73.23
Haryana	Wholesale	11.13	7.92	7.31	12.77	19.29	8.66
	Retail	88.87	92.08	92.69	87.23	80.71	91.34
Karnataka	Wholesale	11.67	11.14	9.31	64.20	29.77	16.02
	Retail	88.33	88.86	90.69	35.80	70.23	83.98
Kerala	Wholesale	16.90	19.42	17.12	41.33	42.29	38.91
	Retail	83.10	80.58	82.88	58.67	57.71	61.09
Madhya Pradesh	Wholesale	18.39	10.82	9.40	26.73	29.53	33.48
	Retail	81.61	89.18	90.60	73.27	70.47	66.52
Maharashtra	Wholesale	9.45	16.47	13.35	47.95	33.28	34.03
	Retail	90.55	83.53	86.65	52.05	66.72	65.97
Orissa	Wholesale	7.55	9.42	5.19	11.82	22.81	66.30
	Retail	92.45	90.58	94.81	88.18	77.19	33.70
Punjab	Wholesale	14.97	17.33	13.97	29.21	37.48	32.20
	Retail	85.03	82.67	86.03	70.79	62.52	67.80

State	Industrial Category	Employment			GVA		
		1979-80	1990-91	1996-97	1979-80	1990-91	1996-97
Rajasthan	Wholesale	10.99	15.88	11.93	42.53	24.40	29.39
	Retail	89.01	84.12	88.07	57.47	75.60	70.61
Tamil Nadu	Wholesale	14.95	14.99	13.04	42.83	36.73	30.32
	Retail	85.05	85.01	86.96	57.17	63.27	69.68
Uttar Pradesh	Wholesale	10.48	9.07	8.66	62.68	32.86	18.67
	Retail	89.52	90.93	91.34	37.32	67.14	81.33
West Bengal	Wholesale	20.99	11.62	12.04	50.67	26.28	18.78
	Retail	79.01	88.38	87.96	49.33	73.72	81.22
<b>All Locations</b>							
Andhra Pradesh	Wholesale	5.32	9.10	6.37	26.15	26.29	17.13
	Retail	94.68	90.90	93.63	73.85	73.71	82.87
Bihar	Wholesale	2.92	4.44	13.64	11.84	20.09	13.18
	Retail	97.08	95.56	86.36	88.16	79.91	86.82
Delhi	Wholesale	31.61	29.93	15.81	59.56	36.82	36.97
	Retail	68.39	70.07	84.19	40.44	63.18	63.03
Gujarat	Wholesale	16.28	16.03	12.63	45.07	37.26	24.52
	Retail	83.72	83.97	87.37	54.93	62.74	75.48
Haryana	Wholesale	7.81	3.19	5.26	11.66	10.14	7.01
	Retail	92.19	96.81	94.74	88.34	89.86	92.99
Karnataka	Wholesale	7.96	9.60	6.29	59.02	23.65	13.51
	Retail	92.04	90.40	93.71	40.98	76.35	86.49
Kerala	Wholesale	9.55	12.90	12.43	37.87	30.22	30.82
	Retail	90.45	87.10	87.57	62.13	69.78	69.18
Madhya Pradesh	Wholesale	13.92	5.98	7.25	20.29	23.73	26.28
	Retail	86.08	94.02	92.75	79.71	76.27	73.72
Maharashtra	Wholesale	5.34	11.95	9.56	41.27	27.37	24.08
	Retail	94.66	88.05	90.44	58.73	72.63	75.92
Orissa	Wholesale	5.85	2.83	3.30	15.94	14.61	54.31
	Retail	94.15	97.17	96.70	84.06	85.39	45.69
Punjab	Wholesale	4.89	12.79	9.12	16.59	31.81	21.14
	Retail	95.11	87.21	90.88	83.41	68.19	78.86
Rajasthan	Wholesale	8.17	10.31	7.63	37.69	19.47	21.29
	Retail	91.83	89.69	92.37	62.31	80.53	78.71
Tamil Nadu	Wholesale	9.96	11.68	10.34	34.67	30.43	27.59
	Retail	90.04	88.32	89.66	65.33	69.57	72.41
Uttar Pradesh	Wholesale	7.00	5.44	7.25	54.63	24.98	15.25
	Retail	93.00	94.56	92.75	45.37	75.02	84.75
West Bengal	Wholesale	12.54	11.37	22.65	39.71	24.11	24.14
	Retail	87.46	88.63	77.35	60.29	75.89	75.86

**(b) The Structure of Unorganised Trade at the Two Digit Level in Each of Fifteen Major States**

In all states other than Delhi, code 65 (retail trade in food, beverages, tobacco and intoxicants) employs the largest number of people. In Delhi, code 65 enterprises account for the second largest number of workers. Everywhere else second place is accounted for by the miscellaneous category, code 68, retail trade not elsewhere classified. In most states, unorganised trade is heavily concentrated in just these two groups within retail trade. Indeed, in three states – Karnataka, Madhya Pradesh and Orissa – retail trade in food, beverages etc (code 65) accounts for more than half of all employment and when the workers in code 68 enterprises are added in, these two groups together account for roughly 80 per cent of all workers in unorganised trade. But there are exceptions. In Bihar, Delhi and West Bengal, there is a third, additional, group with significant numbers of workers. In Delhi, it is retail trade in textiles. In Bihar and West Bengal it is the wholesale trade group – code 60 – wholesale trade in agricultural raw materials, live animals, food, beverages, intoxicants and textiles. These are the only two states where any wholesale trade group accounts for as much as ten per cent of employment.

Thus, in general, employment in unorganised trade is heavily concentrated in two retail trade activities only, with few exceptions. Gross value added by unorganised trade however is much more evenly distributed across two digit trade groups.

In all states, at least three groups account for ten per cent or more of gross value added by unorganised trade. In Delhi, Gujarat, Kerala, Madhya Pradesh, Orissa, Rajasthan and Tamil Nadu, there are at least four two-digit groups each accounting for more than ten per cent of value added by the industry. In nine states at least one wholesale trade activity figures in the list of major groups contributing at least ten per cent of gross value added by unorganised trade in the state.

In rural areas, employment concentration in retail trade (code 65) is much greater than in the cities, with twelve out of fifteen states recording more than half of the rural trade workforce engaged in retailing food, beverages, tobacco and intoxicants. Gross value added by rural units is similarly concentrated in only five states.

Further details, for rural and urban areas separately are given in tables 3.3.24 and 3.3.25. Table 3.3.23 provides the figures for rural and urban areas combined.

**Table 3.3.23: Industrial Structure of Trade: Shares of each Two-digit Group, in all Unorganised Trade Employment and Gross Value Added within Fifteen Major States: All Locations, 1979-80, 1990-91 and 1996-97**

(in constant 1993-94 prices)

State	NIC Code	Employment			GVA		
		1979-80	1990-91	1996-97	1979-80	1990-91	1996-97
Andhra Pradesh	60	3.00	5.81	3.65	11.86	16.73	9.40
	61	1.21	2.05	1.12	8.55	6.96	3.10
	62	0.64	0.20	0.20	3.38	0.64	0.80
	63	0.48	1.04	1.41	2.36	2.13	3.84
	65	78.02	48.36	46.40	39.78	24.40	27.38
	66	4.93	7.48	6.63	6.35	10.57	12.74
	67	4.53	6.42	6.67	6.59	8.12	9.35
	68	7.20	28.64	33.92	21.14	30.44	33.41
Bihar	60	1.68	3.48	11.27	6.60	11.90	8.22
	61	0.80	0.62	1.88	4.22	3.13	3.87
	62	0.16	0.04	0.05	0.43	3.44	0.15

State	NIC Code	Employment			GVA		
		1979-80	1990-91	1996-97	1979-80	1990-91	1996-97
Bihar	63	0.28	0.30	0.44	0.59	1.72	0.94
	65	69.86	68.00	46.01	54.70	52.76	39.00
	66	7.18	8.01	6.92	15.63	8.15	11.17
	67	12.15	3.25	4.53	6.60	5.01	6.00
	68	7.88	16.30	28.90	11.23	13.90	30.66
Delhi	60	10.13	6.24	4.75	24.81	16.01	2.99
	61	5.01	6.16	1.40	12.00	11.10	1.99
	62	5.42	7.23	3.60	7.09	4.49	24.97
	63	11.06	10.30	6.06	15.66	5.45	7.02
	65	25.27	18.43	18.10	9.80	6.97	12.00
	66	9.23	10.55	11.39	6.28	5.56	10.80
	67	10.27	17.52	9.12	6.03	21.16	7.16
Gujarat	60	11.98	9.46	7.41	31.14	25.83	13.41
	61	1.34	3.06	1.82	2.16	5.77	3.79
	62	0.31	0.56	0.91	1.69	1.29	1.60
	63	2.65	2.96	2.48	10.07	5.47	5.72
	65	49.25	48.68	48.00	29.10	19.02	30.52
	66	10.92	7.74	7.42	7.28	9.49	7.98
	67	7.77	7.91	8.14	6.85	5.25	12.76
	68	15.78	19.65	23.82	11.70	27.89	24.21
Haryana	60	4.76	1.96	3.52	7.70	5.87	3.98
	61	0.58	0.58	1.14	0.95	2.02	2.00
	62	0.22	0.07	0.16	0.55	1.15	0.21
	63	2.25	0.57	0.44	2.46	1.19	0.82
	65	56.06	57.93	49.70	42.96	41.15	39.94
	66	9.29	6.03	9.95	30.27	9.28	12.96
	67	8.89	5.01	7.44	4.21	11.23	8.73
	68	17.94	27.85	27.64	10.91	28.11	31.35
Karnataka	60	5.23	6.67	4.13	9.07	14.19	8.17
	61	1.10	1.17	0.99	1.96	3.42	2.29
	62	1.33	0.62	0.23	0.21	2.27	0.60
	63	0.30	1.13	0.95	47.77	3.94	2.45
	65	64.03	61.71	58.06	18.29	43.01	36.57
	66	10.00	4.63	7.45	14.25	5.20	9.09
	67	8.21	7.38	7.90	2.09	7.89	11.34
	68	9.80	16.69	20.29	6.36	20.06	29.49
Kerala	60	4.99	7.75	5.48	26.87	19.55	13.41
	61	2.45	2.11	1.88	6.97	4.52	3.63
	62	0.06	0.22	0.22	0.01	1.34	0.76
	63	2.05	2.82	4.85	4.01	4.97	13.01
	65	65.63	52.29	38.04	29.42	21.67	23.84
	66	4.96	4.45	6.62	6.08	5.04	6.03
	67	6.40	5.37	9.37	5.19	4.48	11.39



State	NIC Code	Employment			GVA		
		1979-80	1990-91	1996-97	1979-80	1990-91	1996-97
Madhya Pradesh	68	13.46	24.98	33.54	21.43	38.42	27.91
	60	3.61	4.06	2.50	15.38	13.39	5.45
	61	0.84	1.14	2.06	2.12	5.77	17.62
	62	0.28	0.24	0.51	1.29	1.64	0.96
Madhya Pradesh	63	0.61	0.55	0.57	1.51	3.11	2.25
	65	66.26	52.16	58.42	40.95	22.61	33.79
	66	8.44	7.71	7.28	6.52	5.89	10.42
	67	11.86	7.25	8.16	8.66	12.44	8.51
	68	8.10	26.89	20.50	23.58	35.16	21.00
Maharashtra	60	9.60	6.04	5.52	26.91	15.82	13.52
	61	1.70	2.63	1.97	3.45	3.74	4.29
	62	0.36	0.54	0.66	1.10	2.16	2.40
	63	2.25	2.74	2.09	9.82	6.63	3.86
	65	56.60	48.31	45.51	29.05	30.81	23.49
	66	7.81	8.23	6.97	7.70	12.26	8.68
	67	9.27	10.67	9.04	6.27	6.72	7.93
	68	12.40	20.82	28.24	15.70	21.87	35.82
Orissa	60	4.47	2.03	2.32	11.88	6.67	40.62
	61	0.49	0.48	0.39	1.09	6.16	1.25
	62	0.10	0.12	0.03	-0.26	0.37	0.02
	63	0.79	0.20	0.56	3.23	1.53	12.42
	65	75.82	67.26	63.24	38.40	40.29	22.70
	66	3.94	4.93	6.19	12.27	9.60	6.80
	67	7.24	5.27	5.26	7.63	6.45	4.71
	68	7.15	19.71	22.01	25.76	28.94	11.49
Punjab	60	2.75	7.52	4.55	1.13	20.06	8.28
	61	0.64	1.72	1.28	2.60	5.30	2.60
	62	0.32	0.80	0.59	0.67	2.38	5.77
	63	1.18	2.75	2.70	12.20	4.27	4.49
	65	67.80	42.90	43.13	43.78	23.20	27.94
	66	6.17	9.86	8.83	12.74	6.45	8.13
	67	10.74	9.09	8.72	9.00	27.39	16.33
	68	10.39	25.35	30.19	17.89	10.94	26.46
Rajasthan	60	5.74	6.93	4.66	31.44	10.84	10.86
	61	1.13	2.12	2.14	0.82	2.95	8.00
	62	0.52	0.34	0.18	2.54	0.61	1.18
	63	0.78	0.93	0.65	2.90	5.20	1.25
	65	57.75	54.55	45.68	25.84	38.17	31.08
	66	9.35	8.70	10.04	11.21	14.35	13.53
	67	14.73	4.88	6.74	8.39	11.38	6.09
	68	10.00	21.56	29.91	16.88	16.49	28.01
Tamil Nadu	60	5.73	6.17	6.07	15.68	14.55	17.31
	61	1.46	2.25	1.71	4.86	10.49	5.33
	62	0.17	1.03	0.24	0.88	2.96	0.53

State	NIC Code	Employment			GVA		
		1979-80	1990-91	1996-97	1979-80	1990-91	1996-97
	63	2.61	2.23	2.32	13.24	3.47	4.43
	65	56.14	51.97	39.76	31.12	26.25	20.99
	66	6.34	5.96	5.67	9.03	5.82	7.39
	67	10.24	9.56	9.21	7.62	11.32	10.46
	68	17.32	20.84	35.02	17.57	25.14	33.57
Uttar Pradesh	60	4.87	3.63	5.00	40.68	12.40	7.68
	61	1.17	0.88	1.36	4.57	10.73	2.89
	62	0.14	0.22	0.25	0.38	0.63	0.85
	63	0.82	0.71	0.65	9.00	2.06	3.82
	65	60.99	59.77	44.43	23.40	31.29	30.58
	66	8.68	6.75	6.71	7.95	6.61	10.89
	67	13.97	6.63	6.61	7.66	7.57	9.48
68	9.37	21.41	34.99	6.36	28.70	33.79	
West Bengal	60	9.06	7.52	14.05	32.43	15.05	13.61
	61	2.12	1.97	2.00	4.75	6.23	2.79
	62	0.14	0.18	0.20	0.26	0.49	0.37
	63	1.21	1.70	6.41	2.27	2.45	7.37
	65	55.39	51.20	37.90	32.95	35.05	30.98
	66	8.37	5.44	6.79	9.13	7.44	8.40
	67	7.34	5.45	7.15	4.65	8.13	8.92
68	16.36	26.54	25.51	13.56	25.15	27.55	

**Table 3.3.24: Industrial Structure of Trade: Shares of each Two-digit Industry in all Unorganised Trade Employment and Gross Value Added within Fifteen Major States: Rural, 1979-80, 1990-91 and 1996-97**

(in constant 1993-94 prices)

State	NIC Code	Employment			GVA		
		1979-80	1990-91	1996-97	1979-80	1990-91	1996-97
Andhra Pradesh	60	1.43	2.29	1.84	5.00	4.48	3.49
	61	0.18	0.97	0.26	0.11	1.45	0.25
	62	0.58	0.00	0.00	0.22	0.00	0.00
	63	0.01	0.24	0.30	0.02	0.17	0.42
	65	87.39	57.36	53.63	71.63	51.21	43.18
	66	4.87	5.70	4.26	5.62	5.14	10.35
	67	1.85	3.51	2.63	3.01	0.95	3.62
	68	3.70	29.94	37.07	14.38	36.61	38.69
Bihar	60	0.87	3.39	14.43	1.53	13.03	9.57
	61	0.04	0.03	0.10	0.09	0.06	0.11
	62	0.00	0.00	0.05	0.00	0.00	0.09
	63	0.22	0.07	0.16	0.76	0.03	0.43
	65	81.92	75.18	49.12	67.22	75.18	44.16
	66	5.84	6.63	6.31	17.74	4.49	12.30
	67	5.68	1.08	2.74	5.86	1.22	3.69
68	5.44	13.62	27.10	6.81	5.99	29.65	
Delhi	60	0.00	0.49	0.40	0.00	0.32	0.58
	61	0.00	0.00	1.25	0.00	0.00	3.00
	62	0.00	0.00	0.00	0.00	0.00	0.00
	63	0.00	0.28	0.00	0.00	1.32	0.00
	65	49.40	22.54	12.86	28.86	20.20	6.14

State	NIC Code	Employment			GVA		
		1979-80	1990-91	1996-97	1979-80	1990-91	1996-97
	66	31.07	3.96	8.82	20.54	4.36	35.88
	67	3.06	35.92	17.84	22.92	39.53	9.84
	68	16.47	36.80	58.83	27.67	34.27	44.56
Gujarat	60	2.74	7.46	7.67	4.02	15.48	16.61
	61	0.26	1.52	0.13	0.60	3.41	0.29
	62	0.00	0.00	0.11	0.00	0.00	0.09
	63	2.17	0.97	0.59	4.25	1.42	1.06
	65	79.20	70.31	67.03	64.35	55.45	53.70
Gujarat	66	5.29	2.55	3.39	7.46	6.31	4.66
	67	3.07	2.81	2.93	5.85	2.53	3.77
	68	7.27	14.38	18.15	13.46	15.41	19.82
Haryana	60	1.75	0.51	2.03	5.31	0.91	2.96
	61	0.00	0.00	0.13	0.00	0.00	0.09
	62	0.00	0.00	0.00	0.00	0.00	0.00
	63	2.80	0.01	0.00	3.52	0.04	0.00
	65	72.80	74.60	69.93	65.09	61.75	65.07
	66	8.98	1.46	5.32	9.63	11.69	6.49
	67	4.87	0.47	2.23	5.31	1.45	5.00
	68	8.80	22.96	20.37	11.14	24.17	20.38
Karnataka	60	2.24	7.60	2.49	8.94	8.91	8.10
	61	0.43	0.19	0.22	2.12	0.63	0.67
	62	0.00	0.00	0.00	0.02	0.00	0.12
	63	0.09	0.10	0.08	1.20	1.12	1.93
	65	86.62	80.21	74.72	61.95	57.04	43.71
	66	5.02	2.07	4.09	10.29	6.51	6.89
	67	2.38	1.49	4.00	4.41	3.79	5.02
	68	3.22	8.34	14.40	11.07	22.01	33.57
Kerala	60	3.89	6.33	3.36	25.16	8.68	4.28
	61	1.03	0.42	0.56	4.83	0.61	1.20
	62	0.00	0.00	0.14	0.00	0.01	0.14
	63	1.74	2.59	2.97	2.78	5.99	8.78
	65	75.77	61.62	46.15	44.38	32.10	36.80
	66	4.08	3.20	4.52	9.48	3.18	5.65
	67	4.65	3.01	7.23	2.49	1.94	7.17
	68	8.84	22.84	35.07	10.87	47.49	35.98
Madhya Pradesh	60	0.97	1.45	5.18	3.74	5.12	1.09
	61	0.02	0.02	0.33	0.15	0.03	0.03
	62	0.00	0.00	0.01	0.00	0.00	0.00
	63	0.19	0.00	0.00	0.54	0.00	0.23
	65	80.38	60.94	58.16	68.89	46.21	66.90
	66	6.08	3.63	3.88	12.74	5.46	9.64
	67	9.58	2.98	5.75	8.23	1.47	5.00
	68	2.78	30.97	26.43	5.71	41.70	17.11
Maharashtra	60	5.39	3.60	0.75	6.91	5.04	3.39
	61	0.53	0.17	0.01	1.15	0.42	1.48
	62	0.00	0.00	0.00	0.01	0.00	0.02
	63	0.30	1.31	0.03	0.19	1.18	0.19
	65	75.53	64.36	76.62	70.39	54.42	27.17
	66	7.01	4.74	4.45	10.70	11.06	4.24
	67	5.44	7.39	4.43	2.64	8.83	2.95
	68	5.78	18.43	13.70	8.01	19.05	60.56

State	NIC Code	Employment			GVA		
		1979-80	1990-91	1996-97	1979-80	1990-91	1996-97
Orissa	60	4.03	0.54	2.01	12.54	1.44	7.62
	61	0.21	0.09	0.05	0.92	0.43	0.06
Orissa	62	0.00	0.00	0.00	0.00	0.00	0.00
	63	1.04	0.14	0.14	5.73	0.61	0.15
	65	79.70	73.92	71.77	45.98	66.03	65.80
	66	2.72	2.23	3.12	1.71	1.85	6.79
	67	6.15	3.65	2.41	5.68	2.99	3.06
	68	6.15	19.44	20.50	27.45	26.66	16.51
Punjab	60	0.04	3.01	1.19	0.08	5.41	1.37
	61	0.01	0.11	0.00	0.10	0.06	0.00
	62	0.00	0.00	0.02	0.00	0.00	0.01
	63	0.05	0.25	0.08	0.09	0.19	0.01
Punjab	65	83.87	76.20	63.77	74.56	68.46	42.41
	66	2.51	2.82	4.07	6.83	6.15	4.13
	67	9.49	2.43	6.27	6.49	1.06	31.13
	68	4.03	15.18	24.60	11.85	18.67	20.94
Rajasthan	60	2.29	4.43	2.52	14.22	7.76	2.30
	61	1.77	0.01	0.13	-0.09	0.07	0.23
	62	0.00	0.00	0.00	0.00	0.00	0.00
	63	0.17	0.12	0.13	2.60	0.08	0.47
	65	77.36	72.26	61.53	28.72	59.46	53.57
	66	7.37	6.18	6.08	29.02	8.90	10.35
	67	6.36	0.96	3.06	9.40	1.80	4.14
	68	4.67	16.04	26.56	16.13	21.94	28.95
Tamil Nadu	60	1.85	4.42	3.62	3.17	6.38	7.75
	61	0.09	1.36	0.09	0.00	1.08	0.12
	62	0.00	0.00	0.00	0.00	0.00	0.00
	63	0.39	0.26	0.26	0.72	0.37	0.35
	65	74.41	69.33	55.94	64.88	45.14	37.58
	66	6.02	2.74	2.06	13.36	1.59	6.64
	67	4.52	4.92	3.07	2.69	16.54	4.18
	68	12.73	16.97	34.96	15.18	28.90	43.39
Uttar Pradesh	60	3.78	2.25	5.81	24.54	7.38	9.30
	61	0.30	0.09	0.20	1.02	0.17	0.37
	62	0.01	0.00	0.00	0.08	0.00	0.00
	63	0.03	0.21	0.09	0.16	2.33	0.10
	65	71.62	75.36	53.80	45.48	48.36	43.16
	66	7.78	4.38	4.40	15.24	11.52	7.61
	67	10.97	1.70	2.69	7.19	2.75	3.14
	68	5.51	16.00	33.01	6.29	27.48	36.31
West Bengal	60	2.97	9.01	20.66	5.46	18.73	18.32
	61	0.26	0.80	0.85	0.40	1.46	1.00
	62	0.00	0.00	0.01	0.00	0.00	0.01
	63	0.52	1.40	9.46	0.54	1.23	10.97
	65	71.09	59.55	38.62	66.17	50.98	33.67
	66	6.48	2.95	3.63	10.79	4.66	4.11
	67	4.71	3.44	3.22	3.30	3.57	2.75
	68	13.98	22.84	23.56	13.33	19.35	29.17

**Table 3.3.25: Industrial Structure of Trade: Shares of Each Two-digit Industry in all Unorganised Trade Employment and Gross Value Added within Fifteen Major States: Urban, 1979-80, 1990-91 and 1996-97**

(in constant 1993-94 prices)

State	NIC Code	Employment			GVA		
		1979-80	1990-91	1996-97	1979-80	1990-91	1996-97
Andhra Pradesh	60	6.24	9.70	5.34	16.00	19.93	11.68
	61	3.35	3.23	1.92	13.64	8.40	4.19
	62	0.76	0.42	0.38	5.28	0.81	1.11
	63	1.45	1.93	2.45	3.77	2.65	5.15
	65	58.68	38.45	39.62	20.55	17.40	21.28
	66	5.05	9.44	8.85	6.80	11.99	13.66
	67	10.07	9.63	10.46	8.74	9.99	11.55
	68	14.42	27.19	30.97	25.21	28.84	31.37
Bihar	60	3.18	3.84	2.89	11.30	10.05	6.60
	61	2.19	2.77	6.60	8.04	8.12	8.38
	62	0.46	0.20	0.07	0.83	9.05	0.22
	63	0.40	1.12	1.19	0.43	4.48	1.54
Bihar	65	47.67	41.78	37.78	43.11	16.20	32.81
	66	9.66	13.06	8.53	13.67	14.12	9.82
	67	24.08	11.18	9.27	7.28	11.19	8.76
	68	12.36	26.06	33.68	15.33	26.79	31.87
Delhi	60	10.23	6.45	5.04	24.95	16.31	3.09
	61	5.06	6.39	1.41	12.06	11.31	1.95
	62	5.47	7.50	3.85	7.13	4.58	25.95
	63	11.17	10.67	6.48	15.75	5.53	7.30
	65	25.03	18.28	18.46	9.69	6.72	12.23
	66	9.01	10.80	11.57	6.20	5.58	9.81
	67	10.34	16.84	8.52	5.94	20.81	7.05
	68	23.69	23.07	44.66	18.27	29.15	32.62
Gujarat	60	16.85	10.81	7.26	36.45	27.92	12.30
	61	1.91	4.11	2.84	2.46	6.25	5.01
	62	0.47	0.93	1.39	2.03	1.55	2.12
	63	2.90	4.31	3.62	11.21	6.29	7.34
	65	33.46	33.96	36.50	22.21	11.64	22.45
	66	13.90	11.27	9.85	7.25	10.13	9.14
	67	10.24	11.37	11.28	7.04	5.80	15.89
	68	20.27	23.23	27.25	11.35	30.42	25.75
Haryana	60	7.82	4.54	4.51	8.63	10.79	4.41
	61	1.16	1.61	1.81	1.32	4.03	2.79
	62	0.45	0.20	0.27	0.76	2.29	0.30
	63	1.70	1.58	0.73	2.05	2.34	1.16
	65	39.05	28.40	36.36	34.29	20.68	29.44
	66	9.60	14.12	13.01	38.34	6.88	15.67
	67	12.98	13.06	10.88	3.77	20.96	10.29
	68	27.24	36.50	32.43	10.82	32.03	35.94
Karnataka	60	7.37	5.84	5.53	9.58	17.38	9.10
	61	1.58	2.05	1.64	2.09	4.58	2.90
	62	2.28	1.18	0.43	0.23	2.99	0.80
	63	0.45	2.06	1.70	52.30	5.03	3.23
	65	47.88	45.12	43.71	11.94	31.21	26.58
	66	13.56	6.92	10.35	15.37	5.01	10.08
	67	12.38	12.66	11.27	2.13	10.06	13.70
	68	14.50	24.17	25.37	6.36	23.75	33.61

State	NIC Code	Employment			GVA		
		1979-80	1990-91	1996-97	1979-80	1990-91	1996-97
Kerala	60	7.78	10.34	7.33	28.04	28.31	17.91
	61	6.05	5.22	3.03	8.43	7.67	4.84
	62	0.21	0.61	0.28	0.02	2.40	1.07
	63	2.86	3.25	6.49	4.85	4.15	15.09
	65	39.81	35.25	30.99	19.26	13.27	17.46
	66	7.21	6.74	8.44	3.77	6.54	6.22
	67	10.86	9.70	11.24	7.03	6.53	13.47
	68	25.21	28.89	32.20	28.60	31.12	23.94
Madhya Pradesh	60	6.22	6.85	3.86	20.09	15.96	6.71
	61	1.65	2.35	3.64	2.92	7.55	22.70
	62	0.55	0.49	0.91	1.81	2.15	1.23
	63	1.02	1.13	0.98	1.91	4.08	2.84
	65	52.30	42.76	44.31	29.62	15.27	24.22
	66	10.77	12.07	9.47	4.00	6.02	10.65
	67	14.13	11.82	11.05	8.83	15.85	9.52
	68	13.36	22.53	25.77	30.82	33.12	22.13
Maharashtra	60	12.06	7.65	5.76	30.96	18.84	18.83
	61	2.38	4.24	3.11	3.91	4.67	5.77
	62	0.57	0.89	1.11	1.32	2.76	3.65
Maharashtra	63	3.39	3.68	3.37	11.77	8.15	5.79
	65	45.57	37.77	36.66	20.69	24.19	21.56
	66	8.28	10.53	9.14	7.09	12.60	11.01
	67	11.50	12.84	11.34	7.01	6.13	10.53
	68	16.25	22.40	29.50	17.26	22.66	22.87
Orissa	60	5.78	6.78	2.86	11.05	10.19	49.14
	61	1.34	1.75	0.99	1.32	10.02	1.56
	62	0.39	0.51	0.07	-0.60	0.63	0.02
	63	0.05	0.38	1.27	0.06	2.15	15.58
	65	64.14	46.06	48.54	28.76	22.94	11.58
	66	7.62	13.52	11.49	25.69	14.82	6.80
	67	10.53	10.42	10.18	10.11	8.78	5.13
	68	10.16	20.58	24.60	23.61	30.48	10.19
Punjab	60	8.45	9.70	6.63	1.94	23.23	12.14
	61	1.96	2.50	2.07	4.54	6.43	4.06
	62	0.99	1.18	0.95	1.18	2.90	9.00
	63	3.57	3.95	4.32	21.55	5.15	7.00
	65	33.97	26.86	30.35	19.99	13.42	19.84
	66	13.89	13.25	11.78	17.31	6.51	10.37
	67	13.39	12.30	10.25	10.93	33.09	8.04
	68	23.77	30.26	33.65	22.56	9.27	29.55
Rajasthan	60	8.22	9.35	6.56	35.41	12.16	14.65
	61	0.66	4.16	3.93	1.03	4.18	11.44
	62	0.89	0.66	0.34	3.12	0.87	1.71
	63	1.22	1.71	1.11	2.97	7.38	1.60
	65	43.67	37.39	31.63	25.17	29.12	21.14
	66	10.76	11.14	13.55	7.09	16.67	14.93
	67	20.74	8.67	10.01	8.16	15.46	6.96
	68	13.83	26.92	32.89	17.05	14.17	27.59
Tamil Nadu	60	8.26	7.20	7.11	19.00	16.78	18.65
	61	2.35	2.77	2.39	6.16	13.06	6.06
	62	0.28	1.64	0.35	1.12	3.77	0.60
	63	4.05	3.38	3.19	16.56	4.31	5.00
	65	44.24	41.77	32.93	22.16	21.09	18.66

State	NIC Code	Employment			GVA		
		1979-80	1990-91	1996-97	1979-80	1990-91	1996-97
	66	6.55	7.85	7.19	7.89	6.98	7.50
	67	13.96	12.28	11.80	8.93	9.89	11.34
	68	20.31	23.11	35.04	18.20	24.11	32.18
Uttar Pradesh	60	6.18	5.37	4.01	45.18	14.98	6.67
	61	2.23	1.88	2.78	5.57	16.15	4.47
	62	0.31	0.49	0.54	0.47	0.96	1.38
	63	1.77	1.34	1.33	11.47	1.92	6.15
	65	48.12	40.19	32.97	17.23	22.53	22.71
	66	9.76	9.73	9.54	5.91	4.09	12.95
	67	17.59	12.81	11.42	7.79	10.04	13.46
	68	14.05	28.20	37.42	6.38	29.33	32.22
West Bengal	60	14.91	5.02	5.60	41.30	12.08	9.51
	61	3.92	3.92	3.47	6.18	10.07	4.34
	62	0.28	0.47	0.46	0.35	0.89	0.69
	63	1.88	2.20	2.51	2.84	3.43	4.23
	65	40.29	37.27	36.98	22.02	22.21	28.63
	66	10.20	9.60	10.82	8.58	9.68	12.14
	67	9.88	8.80	12.17	5.09	11.81	14.30
	68	18.65	32.71	28.00	13.63	29.83	26.14

The problem with such large, detailed tables is that they fail to provide a perspective over view of what is going on. To make comparisons over time, and to assess the difference in the degree of concentration (or diversification) in rural and urban areas separately, a Herfindahl index is one solution.

The Herfindahl index, as used here, measures the degree to which either employment, or gross value added is concentrated in only a very small number of major two-digit trade groups with each state. A high value of the index indicates a high degree of concentration; a low one shows that there is considerable diversification of trade activities in the state. In general, one expects greater diversification of trade activities in more developed regions, in urban centres, and in principle, in very large geographical areas which are likely to include a wider range of natural resources, different types of agricultural or other raw materials, and more varied conditions generally. As a state develops, and /or becomes more urbanised, therefore, the Herfindahl concentration index is expected to come down.

These propositions are confirmed by the Herfindahl indices presented in table 3.3.26.

These indices show that in all states unorganised trade employment and the contributions of different trade groups to gross value added are both far more diversified in urban areas than in rural locations, usually by a very wide margin. Maharashtra shows the greatest rural-urban contrast in the degree of diversification of the trade workforce. In West Bengal, the rural and urban indices are both very low, indicating an exceptionally high degree of rural workforce diversification in unorganised rural trade. This is a new development. In West Bengal, where the rural indices declined throughout, the big increase in the degree of rural trade workforce diversification took place during the 1990s.

Although the rural indices are still high compared to the urban ones, in most states the decline in the degree of concentration is conspicuous. It may be noted, however, that there are three states where workforce concentration declined during the 1980s decade, but then increased during the 1990s. They are Andhra Pradesh, Delhi, and Maharashtra. What is interesting about the recent trend reversal in the rural areas of these states, is that this is the pattern most commonly followed in urban centres.

In eleven out of fifteen states urban workforce diversification took place during the 1980s, but this trend was reversed in the 1990s.

With respect to gross value added, the rural-urban contrasts are of the same order, with a very high degree of diversity in urban areas and substantial concentration in rural locations.

There is no common trend from state to state. In rural areas, the sources of gross value added within unorganised trade became more diversified from decade to decade in six out of fifteen states. They are: Andhra Pradesh, Bihar, Gujarat, Karnataka, Punjab and West Bengal. At the other extreme, there is a cluster of three states where the sources of gross value added became increasingly concentrated in both periods. These states are: Delhi, Haryana and Uttar Pradesh. In between are half a dozen states where the concentration process prevailed during the 1980s, but increased diversification is recorded during the subsequent decade. They include Kerala, Orissa and Rajasthan. In Maharashtra, Madhya Pradesh and Tamil Nadu, diversity increased during the 1980s, but tended to go down in the 1990s.

In the urban areas, the most common time profile is increased diversification in the sources of gross value added in the 1980s, followed by increased concentration later on. But only seven states fall into this group: Bihar, Haryana, Karnataka, Orissa, Rajasthan, Uttar Pradesh and West Bengal. There are however, four states where the degree of diversity increased continuously (Gujarat, Kerala, Madhya Pradesh and Maharashtra), three where concentration went up throughout (Andhra Pradesh, Delhi and Tamil Nadu); and one lone state (Punjab), where the urban sources of gross value added at first concentrated, and then diversified during the 1990s.

In short, in almost all states, and in both rural and urban areas, the economic development process led to an increase in the degree of workforce diversification during the 1980s, but in most states, in urban areas, increased concentration took place during the 1990s.

With respect to the sources of gross value added, there is no common trend in either rural or urban locations. The most that can be said is that in urban areas, the sources of gross value added are now, and always have been, much more diversified than in rural areas. Moreover, in general, the sources of gross value added are far more diverse in both rural and urban areas, than the sources of employment, which in the rural areas of most states remain relatively concentrated, despite the substantial increase in workforce diversification which has taken place over time in most states.

The statistical evidence for these observations is presented in table 3.3.26.

**Table 3.3.26: Industrial Concentration and Diversification of Employment and Gross Value Added in Fifteen Major States; Rural, Urban and All Locations: 1979-80, 1990-91 and 1996-97 (Herfindahl Indices)**

State	Year	Employment			GVA		
		Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	1979-80	0.7680	0.3831	0.6195	0.5403	0.1665	0.2344
	1990-91	0.4238	0.2508	0.3295	0.4012	0.1854	0.2033
	1996-97	0.4279	0.2755	0.3409	0.3494	0.1939	0.2229
Bihar	1979-80	0.6808	0.3114	0.5145	0.4917	0.2527	0.3468
	1990-91	0.5894	0.2744	0.4977	0.5879	0.1574	0.3235
	1996-97	0.3403	0.2774	0.3151	0.3086	0.2382	0.2705
Delhi	1979-80	0.3686	0.1661	0.1667	0.2546	0.1568	0.1563
	1990-91	0.3169	0.1519	0.1548	0.3166	0.1805	0.1812
	1996-97	0.4024	0.2626	0.2691	0.3417	0.2100	0.2091



State	Year	Employment			GVA		
		Rural	Urban	Total	Rural	Urban	Total
Gujarat	1979-80	0.6375	0.2125	0.3007	0.4447	0.2189	0.2162
	1990-91	0.5224	0.2102	0.2986	0.3612	0.2058	0.1989
	1996-97	0.4902	0.2375	0.3058	0.3590	0.1738	0.1974
Haryana	1979-80	0.5493	0.2593	0.3658	0.4522	0.2858	0.2965
	1990-91	0.6095	0.2534	0.4197	0.4537	0.2084	0.2737
	1996-97	0.5343	0.2686	0.3402	0.4725	0.2538	0.2843
Karnataka	1979-80	0.7549	0.2902	0.4394	0.4172	0.3255	0.2951
	1990-91	0.6568	0.2872	0.4210	0.3876	0.2022	0.2575
	1996-97	0.5829	0.2825	0.3920	0.3180	0.2228	0.2497
Kerala	1979-80	0.5877	0.2496	0.4589	0.2848	0.2133	0.2175
	1990-91	0.4385	0.2362	0.3479	0.3411	0.2113	0.2420
	1996-97	0.3453	0.2300	0.2761	0.2829	0.1671	0.1876
Madhya Pradesh	1979-80	0.6598	0.3272	0.4682	0.5023	0.2340	0.2595
	1990-91	0.4697	0.2675	0.3574	0.3932	0.1951	0.2162
	1996-97	0.4156	0.2869	0.3964	0.4888	0.1850	0.2110
Maharashtra	1979-80	0.5846	0.2704	0.3604	0.5189	0.1939	0.2023
	1990-91	0.4574	0.2295	0.3000	0.3552	0.1746	0.1936
	1996-97	0.6098	0.2482	0.3038	0.4446	0.1655	0.2195
Orissa	1979-80	0.6453	0.4421	0.5889	0.3094	0.2271	0.2500
	1990-91	0.5861	0.2886	0.4969	0.5086	0.1961	0.2679
	1996-97	0.5591	0.3208	0.4556	0.4716	0.2970	0.2522
Punjab	1979-80	0.7147	0.2180	0.4868	0.5788	0.1818	0.2637
	1990-91	0.6060	0.2081	0.2731	0.5104	0.2019	0.1904
	1996-97	0.4729	0.2365	0.2956	0.3225	0.1733	0.1942
Rajasthan	1979-80	0.6110	0.2715	0.3775	0.2225	0.2315	0.2153
	1990-91	0.5538	0.2430	0.3594	0.4160	0.1786	0.2218
	1996-97	0.4544	0.2426	0.3154	0.3838	0.1830	0.2156
Tamil Nadu	1979-80	0.5759	0.2698	0.3639	0.4636	0.1639	0.1862
	1990-91	0.5148	0.2565	0.3311	0.3191	0.1658	0.1826
	1996-97	0.4378	0.2570	0.2969	0.3417	0.1978	0.2079
Uttar Pradesh	1979-80	0.5355	0.2964	0.4104	0.2995	0.2637	0.2467
	1990-91	0.5962	0.2704	0.4135	0.3294	0.1975	0.2177
	1996-97	0.4045	0.2735	0.3314	0.3336	0.2007	0.2368
West Bengal	1979-80	0.5323	0.2414	0.3548	0.4714	0.2522	0.2454
	1990-91	0.4172	0.2674	0.3448	0.3362	0.1876	0.2254
	1996-97	0.2587	0.2467	0.2427	0.2466	0.1982	0.2116

### 3.3.4 The Performance of Unorganised Trade at the Region Level

#### Introduction

This section is arranged in three subsections.

The first of these assesses 'performance' in terms of growth rates in employment and gross value added in each state. Subsection (ii) then focuses on productivity. It begins with the state level estimates of levels of gross value added per enterprise and per worker, and goes on to examine corresponding productivity growth over three periods, 1979-80 to 1985-86, 1985-86 to 1990-91 and 1990-91 to 1996-97. This is done first for all of trade combined, then for the two branches, wholesale and retail trade, separately and finally for each two-digit category. Subsection (iii) focuses on interstate productivity disparities, and changes in them over time. It is shown that regional productivity disparities are large and persistent in wholesale trade, and modest or very low in the case of retail trade. Regression analysis failed to produce a satisfactory explanation for the inter-state

productivity inequalities in wholesale trade. In the case of retail trade, however, per capita incomes are the decisive factor which accounts, in large part, for the observed regional differences in both enterprise and labour productivity. Subsection (iv) deals with productivity growth at the region level analysis. The analysis demonstrates that if productivity growth is taken as the performance criterion, then retail trade units have outperformed units engaged in wholesale trade, almost everywhere.

**(i) Employment and Gross Value Added Growth: The Regional Picture**

Employment and gross value added estimates are presented here for three levels of aggregation: first for unorganised trade as a whole; then for wholesale and retail trade separately, and finally for each two-digit group within wholesale and retail trade. The subsection ends with a brief overview of the growth rate performance of unorganised trade.

**(a) Growth Rate Performance of Unorganised Trade as a Whole in Fifteen States**

In the vast majority of states the highest employment growth rates in unorganised trade were recorded during the 1980s. During the 1990s, unorganised trade employment contracted in six states – Bihar, Haryana, Kerala, Maharashtra, Orissa and Tamil Nadu – and grew at a slow pace in four more – Andhra Pradesh, Delhi, Gujarat and Madhya Pradesh. There was, however, a handful of states where unorganised trade employment expanded significantly during the 1990s. These include three where the trade workforce had contracted at some stage during the 1980s – Punjab, Rajasthan and West Bengal – and two where employment growth had expanded throughout – Karnataka and Uttar Pradesh.

Most of the recent low or negative overall employment growth rates have been caused by a contraction of the rural workforce during the 1990s. Eight states recorded negative employment growth in rural areas during this period and one, Maharashtra, a negligible positive figure. On the other hand recent urban employment growth is positive in all but two states – Maharashtra and Orissa.

There is thus a definite pattern to the employment generation performance of unorganised trade. Urban areas fared better than rural ones, and the best performances were turned in during the 1980s.

The patterns for growth in gross value added are somewhat different. Most of the negative growth rates emerge from the second half of the 1980s. Only Bihar and Delhi recorded negative overall GVA growth in the 1990s. Punjab is clearly the worst sufferer during the 1980s, with declining gross value added in both rural and urban areas. In most other states the big losses appear in urban areas only during the mid to late eighties. Only a few states suffered from a fall in gross value added by units in rural locations during the 1990s. They are: Bihar, Haryana, Kerala, Orissa and Tamil Nadu.

In most states performance in terms of gross value added growth is distinctly better than performance in terms of employment growth, suggesting widespread improvements in labour productivity, a topic which is discussed in the next main subsection.

**Table 3.3.27: The Performance of Unorganised Trade in Fifteen Major States in Terms of Growth Rates in Employment and GVA, Rural, Urban and All Locations: 1979-80 to 1985-86, 1985-86 to 1990-91, 1990-91 to 1996-97**

State	Year	Employment			Gross Value Added		
		Rural	Urban	All Locations	Rural	Urban	All Locations
Andhra Pradesh	79-80 to 85-86	1.23	14.02	6.29	37.44	14.06	25.51
	85-86 to 90-91	5.08	3.29	4.20	-15.05	25.66	6.77
	90-91 to 96-97	-0.02	2.49	1.21	8.12	1.80	3.29
Bihar	79-80 to 85-86	9.34	2.85	7.27	14.36	26.13	20.86
	85-86 to 90-91	8.85	2.15	7.18	27.58	3.52	14.73
	90-91 to 96-97	-2.48	2.42	-1.31	-4.52	0.10	-2.62
Delhi	79-80 to 85-86	44.09	-1.70	-0.31	53.37	41.35	41.43
	85-86 to 90-91	-14.77	3.93	2.72	-8.79	-21.19	-21.04
	90-91 to 96-97	10.91	0.75	1.22	8.64	-2.88	-2.58
Gujarat	79-80 to 85-86	2.06	0.95	1.34	5.79	15.37	14.06
	85-86 to 90-91	6.21	2.28	3.77	6.70	-4.50	-3.07
	90-91 to 96-97	-0.44	1.41	0.69	8.30	-0.39	1.38
Haryana	79-80 to 85-86	4.42	9.24	6.94	-5.90	16.22	11.92
	85-86 to 90-91	25.29	6.30	16.16	55.98	0.49	12.97
	90-91 to 96-97	-10.99	3.61	-4.24	-6.50	6.83	1.38
Karnataka	79-80 to 85-86	8.08	2.21	4.87	23.71	15.81	16.59
	85-86 to 90-91	4.61	7.17	5.92	8.57	-7.97	-5.26
	90-91 to 96-97	3.65	4.31	4.00	7.54	6.98	7.11
Kerala	79-80 to 85-86	2.04	3.90	2.58	10.18	26.19	20.93
	85-86 to 90-91	1.00	5.63	2.50	7.46	-11.77	-5.78
	90-91 to 96-97	-8.70	2.35	-3.96	-3.40	4.20	1.19
Madhya Pradesh	79-80 to 85-86	7.68	3.60	5.73	9.59	7.29	7.98
	85-86 to 90-91	7.02	10.34	8.54	9.23	18.15	15.62
	90-91 to 96-97	-2.53	2.43	0.04	6.69	7.91	7.62
Maharashtra	79-80 to 85-86	7.46	5.62	6.31	9.03	19.05	17.64
	85-86 to 90-91	2.41	2.07	2.20	15.29	-2.80	-0.15
	90-91 to 96-97	0.31	-0.65	-0.26	13.47	3.06	5.86
Orissa	79-80 to 85-86	5.91	7.11	6.22	16.94	14.83	16.04
	85-86 to 90-91	9.34	6.61	8.65	2.05	18.51	10.05
	90-91 to 96-97	-9.89	-0.97	-7.30	-2.31	13.24	8.37
Punjab	79-80 to 85-86	14.08	23.29	17.45	21.01	71.94	58.59
	85-86 to 90-91	-14.90	4.12	-4.82	-7.73	-21.80	-20.13
	90-91 to 96-97	8.34	4.24	5.68	17.39	1.40	5.36
Rajasthan	79-80 to 85-86	-7.30	0.91	-2.12	42.32	13.11	21.77
	85-86 to 90-91	21.47	3.32	10.12	-6.71	8.74	2.50
	90-91 to 96-97	4.54	5.99	5.29	8.40	7.76	7.95
Tamil Nadu	79-80 to 85-86	3.36	7.02	5.65	5.74	6.04	5.98
	85-86 to 90-91	4.10	1.94	2.71	17.37	16.12	16.39
	90-91 to 96-97	-4.15	0.85	-0.84	-2.69	7.77	5.96
Uttar Pradesh	79-80 to 85-86	11.05	8.53	9.95	25.30	10.10	14.36
	85-86 to 90-91	1.22	3.29	2.11	-1.20	2.18	0.95
	90-91 to 96-97	2.86	3.27	3.05	11.70	8.33	9.54
West Bengal	79-80 to 85-86	17.41	8.63	13.36	17.43	19.48	18.99
	85-86 to 90-91	-5.01	-6.63	-5.64	6.40	-12.90	-6.92
	90-91 to 96-97	1.77	6.04	3.49	7.26	6.01	6.58

**(b) The Regional Growth Rate Performance of Wholesale and Retail Trade Taken Separately**

On the employment front, wholesale trade has clearly suffered losses in many more states, than has retail trade. In wholesale trade employment contracted in nine states during the 1990s, and in only one of these nine, (Madhya Pradesh) during the 1980s

The retail trade branch did far better: employment contracted in only five states. In all of them this happened during the 1990s.

In wholesale trade, the downsizing of the workforce took place in rural areas in ten states, in urban areas in seven. In retail trade the cutbacks were much more heavily concentrated in rural areas, with nine states recording job losses in rural areas, while only three states suffered job losses in urban centres.

Unorganised wholesale trade also suffered the most in terms of a down turn in gross value added, with negative growth recorded in the rural areas of eight states and in the urban areas of nine. Retail trade got off more lightly, with five states suffering losses in rural areas, and only two in urban centres. The incidence of losses is heavily concentrated in the most recent decade.

What all this suggests is very widespread downward adjustments in employment in both wholesale and retail trade, with more of the cutbacks occurring in the wholesale trade branch. These workforce cutbacks are not generally associated with substantial improvements in gross value added. On the contrary, what the regional growth record for gross value added suggests is a generalised slowdown in the pace of unorganised trade activities during the 1990s as compared to the years of peak growth rates during the 1980s. The deceleration of GVA growth rates shows up in retail trade as well as in wholesale trade in most states, the major difference being that there are fewer cases of negative GVA growth in retail trade.

Table 3.3.28 gives state wise details.

**Table 3.3.28: Growth Rate of Employment and Gross Value Added by Wholesale and Retail Trade Branch, Rural, Urban and All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97**

State	Period	Employment						Gross Value Added					
		Wholesale			Retail			Wholesale			Retail		
		Rural	Urban	All	Rural	Urban	All	Rural	Urban	All	Rural	Urban	All
Andhra Pradesh	1979-80 to 1990-91	7.43	11.61	10.60	2.83	8.61	4.95	11.77	16.97	16.65	10.36	20.36	16.57
	1990-91 to 1996-97	-5.60	-3.85	-4.19	0.15	3.43	1.68	1.94	-3.56	-3.26	8.46	3.90	5.21
Bihar	1979-80 to 1990-91	20.95	4.80	11.38	8.88	2.36	7.08	40.39	18.61	23.21	18.92	12.61	16.39
	1990-91 to 1996-97	21.75	7.33	17.30	-4.33	1.94	-2.84	-8.15	-9.12	-8.72	-4.04	3.20	-1.35
Delhi	1979-80 to 1990-91	-	0.55	0.56	13.42	0.94	1.28	-	3.83	3.84	20.92	12.81	12.97
	1990-91 to 1996-97	24.59	-8.33	-8.25	10.75	3.70	4.12	22.50	-2.51	-2.47	8.31	-3.01	-2.56
Gujarat	1979-80 to 1990-91	10.31	0.70	2.30	3.44	1.79	2.47	14.51	3.33	3.94	4.92	7.74	7.04
	1990-91 to 1996-97	-2.82	-2.98	-2.94	-0.19	2.37	1.30	6.36	-6.33	-4.68	8.76	3.25	4.59
Haryana	1979-80 to 1990-91	-6.92	4.62	2.37	13.90	8.24	11.55	-3.35	12.92	10.97	19.29	8.00	12.56
	1990-91 to 1996-97	10.98	2.34	3.44	-11.22	3.72	-4.56	11.97	-5.52	-4.21	-6.80	8.92	1.93
Karnataka	1979-80 to 1990-91	17.28	3.99	7.21	6.10	4.49	5.23	14.85	-2.45	-2.12	16.67	11.21	12.56
	1990-91 to 1996-97	-11.63	1.46	-2.54	4.51	4.64	4.58	12.46	-2.70	-1.69	7.29	10.01	9.23
Kerala	1979-80 to 1990-91	4.73	6.01	5.39	1.29	4.39	2.19	1.64	7.43	5.74	11.24	7.05	9.08
	1990-91 to 1996-97	-12.60	0.39	-4.51	-8.34	2.79	-3.88	-4.30	2.94	1.54	-3.24	5.19	1.09
Madhya Pradesh	1979-80 to 1990-91	-10.24	-7.71	-8.08	2.82	-2.36	0.05	10.96	13.09	12.96	9.35	11.67	10.92
	1990-91 to 1996-97	-11.31	0.24	-0.87	-2.43	2.68	0.09	-13.17	10.06	9.36	7.34	7.00	7.10
Maharashtra	1979-80 to 1990-91	25.92	20.39	21.14	9.88	13.63	11.84	9.63	4.86	5.06	12.01	10.87	11.18
	1990-91 to 1996-97	2.31	-3.81	-2.62	0.20	-0.09	0.04	8.90	3.69	4.01	13.76	3.15	6.80
Orissa	1979-80 to 1990-91	-9.88	9.05	0.47	7.91	6.69	7.62	-8.71	23.63	12.39	11.85	15.06	13.45
	1990-91 to 1996-97	6.03	-9.64	-5.11	-10.10	-0.27	-7.37	16.60	33.49	32.65	-3.16	-0.28	-1.55
Punjab	1979-80 to 1990-91	37.01	15.70	16.49	-0.45	13.88	5.91	41.12	22.82	23.10	6.44	18.72	13.93
	1990-91 to 1996-97	-6.46	0.85	0.33	8.70	4.88	6.35	-5.43	-0.88	-1.01	18.19	2.73	7.79
Rajasthan	1979-80 to 1990-91	5.52	5.47	5.48	4.78	1.47	3.05	9.71	5.61	6.02	18.54	13.89	15.24
	1990-91 to 1996-97	-3.15	1.42	0.52	4.84	6.74	5.77	-6.63	10.93	9.48	9.27	6.67	7.60
Tamil Nadu	1979-80 to 1990-91	13.11	4.71	5.82	3.33	4.68	4.12	18.15	8.85	9.18	10.46	11.40	11.12
	1990-91 to 1996-97	-10.15	-1.29	-2.67	-3.82	1.20	-0.61	-1.98	4.94	4.61	-2.75	9.70	6.86
Uttar Pradesh	1979-80 to 1990-91	1.94	4.73	3.91	6.63	6.27	6.47	3.08	0.20	0.54	14.48	12.09	13.00
	1990-91 to 1996-97	17.61	2.54	7.70	2.28	3.35	2.74	11.51	-0.43	1.70	11.72	11.87	11.81
West Bengal	1979-80 to 1990-91	17.79	-3.90	3.37	5.84	2.45	4.42	25.32	-2.53	1.69	10.51	7.31	8.66
	1990-91 to 1996-97	18.97	6.62	15.07	-2.09	5.97	1.34	13.14	0.71	6.62	5.31	7.65	6.60

**(c) The Employment and Gross Value Added Growth Record at the Two-Digit Level**

This subsection covers four two-digit groups within wholesale trade and four retail trade groups.

**(c-i) Wholesale Trade in Agricultural Raw Materials, Live Animals, Food, Beverages, Intoxicants and Textiles (code 60)**

In the single largest wholesale trade group, (code 60), which includes wholesale trade in agricultural raw materials, live animals and food, negative employment growth prevailed in ten states during the nineties. Performance in the preceding decade had been much better than this. Only two states recorded job losses in the 1980s. Thus there is an unmistakable time pattern to the performance of this branch of wholesale trade. The 1980s were good years for employment generation; the 1990s were years of reductions in the size of the workforce.

In rural areas, roughly half the states recorded job losses in the nineties and in urban areas, ten out of fifteen states did so. The states where overall employment in this wholesale trade group expanded in the nineties are: Bihar, Haryana, Madhya Pradesh, Uttar Pradesh and West Bengal.

The number of states which performed well during the most recent decade in terms of income generation is not much larger and the contrast between the 1980s and the 1990s is the same. The 1990s was not a good decade for unorganised wholesale trade in agricultural raw materials and other code 60 commodities. But only four states suffered negative GVA growth in rural areas in the 1990s. They were: Bihar, Kerala, Madhya Pradesh and Punjab. The enterprises in urban areas however, were adversely affected in the ten out of fifteen states.

In short, the recession in wholesale trade activity in the 1990s hit urban enterprises more than rural ones, and depressed gross value added as much as employment in this branch of wholesale trade.

**Table 3.3.29: Employment and Gross Value Added Growth Rates in Unorganised Wholesale Trade in Agricultural Raw Materials, Live Animals, Food, Beverages, Intoxicants and Textiles (code 60) in Fifteen Major States: Rural, Urban and All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97**

State	Period	Employment			Gross Value Added		
		Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	1979-80 to 1990-91	7.47	13.47	11.88	9.35	21.60	20.32
	1990-91 to 1996-97	-3.28	-6.50	-5.78	4.05	-6.24	-5.48
Bihar	1979-80 to 1990-91	23.51	4.32	14.58	46.03	12.96	23.90
	1990-91 to 1996-97	21.89	-1.99	18.23	-8.94	-6.16	-8.00
Delhi	1979-80 to 1990-91	–	-3.32	-3.29	–	4.28	4.28
	1990-91 to 1996-97	7.57	-3.00	-2.96	18.80	-24.83	-24.74
Gujarat	1979-80 to 1990-91	13.85	-2.46	0.26	20.04	3.34	4.14
	1990-91 to 1996-97	-0.02	-4.62	-3.02	9.48	-12.20	-8.34
Haryana	1979-80 to 1990-91	1.42	2.68	2.46	0.83	11.02	9.66
	1990-91 to 1996-97	10.19	3.51	4.79	12.19	-6.93	-4.50
Karnataka	1979-80 to 1990-91	19.14	2.26	7.76	17.63	10.46	10.81
	1990-91 to 1996-97	-12.69	3.44	-3.42	11.85	-3.15	-1.61
Kerala	1979-80 to 1990-91	6.15	7.42	6.73	-1.11	7.34	4.88
	1990-91 to 1996-97	-17.18	-2.93	-8.94	-13.35	-2.88	-4.51

State	Period	Employment			Gross Value Added		
		Rural	Urban	Total	Rural	Urban	Total
Madhya Pradesh	1979-80 to 1990-91	11.33	7.55	8.14	12.61	17.26	16.98
	1990-91 to 1996-97	27.70	-6.21	5.79	-15.86	-15.54	-15.55
Maharashtra	1979-80 to 1990-91	1.34	-0.22	0.12	8.66	0.08	0.64
	1990-91 to 1996-97	-26.78	-4.91	-7.99	6.78	9.56	9.30
Orissa	1979-80 to 1990-91	-10.53	8.45	-0.11	-9.67	15.64	7.50
	1990-91 to 1996-97	10.35	-13.28	-5.37	26.19	44.25	43.10
Punjab	1979-80 to 1990-91	46.56	15.61	16.96	56.12	50.55	50.76
	1990-91 to 1996-97	-6.02	-1.68	-2.19	-4.97	-8.23	-8.06
Rajasthan	1979-80 to 1990-91	11.29	3.20	5.05	11.16	0.82	2.21
	1990-91 to 1996-97	-4.18	0.35	-0.96	-10.10	10.89	7.98
Tamil Nadu	1979-80 to 1990-91	12.24	3.38	5.00	18.16	9.33	9.88
	1990-91 to 1996-97	-7.05	0.66	-1.08	0.25	9.53	8.82
Uttar Pradesh	1979-80 to 1990-91	1.56	4.77	3.52	0.84	-3.74	-3.00
	1990-91 to 1996-97	19.03	-1.27	8.24	15.73	-4.36	1.75
West Bengal	1979-80 to 1990-91	17.95	-8.14	2.54	25.59	-7.45	-0.75
	1990-91 to 1996-97	15.62	7.82	13.93	6.90	2.19	4.95

**(c-ii) Wholesale Trade in Wood, Paper, Skin, Leather and Fur, Fuel, Petroleum, Chemicals, Perfumery, Ceramics, Glass, Ores and Metals (code 61)**

The 1990s downturn in wholesale trade activity in wood, paper, skin, leather, fuel petroleum, chemicals, ores and metals and other code 61 commodities appears to have affected certain states across the board, pushing down both employment and gross value added in both rural and urban areas. The states suffering the most extensive cutbacks are: Andhra Pradesh, Delhi, Gujarat, Kerala, Orissa, Tamil Nadu and possibly Punjab. Other states escaped altogether, registering both positive employment and positive GVA growth during the 1990s in both rural and urban areas. These fortunate few include: Bihar, Haryana, Karnataka, Madhya Pradesh, Rajasthan and West Bengal.

In rural areas, six states suffered employment losses in the 1980s and seven in 1990s. Thus the majority of states enjoyed employment expansion in both rural and urban areas. Moreover, employment cutbacks in this code 61 branch of wholesale trade were not merely confined to a smaller number of states than in the case of code 60 activities, they were concentrated in the three states which suffered job losses in both the 1980s and the 1990s. These states are Kerala, Maharashtra and Orissa.

Gross value added generated by code 61 trade in rural areas follows a similar pattern of positive and negative growth rates, except that Maharashtra, where employment losses took place in both decades, enjoyed positive GVA growth throughout.

In urban centres employment expanded in eight states and contracted in seven during the 1990s. There were no urban employment cutbacks during the 1980s. Gross value added also expanded in all states during the 1980s. However, in urban areas, in the nineties, this wholesale trade group was clearly in trouble. Ten out of fifteen states recorded negative growth in gross value added. The five states in which the units in urban areas escaped this fate are: Bihar, which had a negligible positive growth rates; Haryana, with a one per cent rate of growth only; Maharashtra, which enjoyed substantial positive GVA growth; Madhya Pradesh, which turned in an equally impressive performance; and Rajasthan, with the highest GVA growth rate of all. Since wholesale trade units in

this branch of trade are heavily concentrated in urban centres, the poor income generation performance of the urban units during the 1990s in most states indicates a downturn in the industry in these regions, offset by considerable growth in some other regions, notably Maharashtra, Madhya Pradesh and Rajasthan. This implies a redistribution of code 61 wholesale trade activities in favour of these three states during the 1990s, combined with cutbacks in employment in the case of one of them – Maharashtra.

Table 3.3.30 gives the supporting statistics for these observations.

**Table 3.3.30: Wholesale Trade in Wood, Paper, Skin, Leather and Fur, Fuel, Petroleum, Chemicals, Perfumery, Ceramics, Glass, Ores and Metals (code 61) in Fifteen Major States: Rural, Urban and All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97**

State	Period	Employment			Gross Value Added		
		Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	1979-80 to 1990-91	20.10	8.66	10.46	39.96	14.06	14.46
	1990-91 to 1996-97	-18.15	-5.36	-7.73	-17.51	-8.52	-8.82
Bihar	1979-80 to 1990-91	6.09	4.72	4.76	17.03	14.25	14.28
	1990-91 to 1996-97	19.02	17.09	17.16	3.06	0.60	0.64
Delhi	1979-80 to 1990-91	–	2.98	2.98	–	7.75	7.75
	1990-91 to 1996-97	–	-20.16	-19.43	–	-25.22	-25.22
Gujarat	1979-80 to 1990-91	22.09	8.86	10.41	24.46	15.23	15.85
	1990-91 to 1996-97	-31.69	-4.16	-7.02	-25.85	-3.71	-4.96
Haryana	1979-80 to 1990-91	–	11.18	11.19	–	20.35	20.35
	1990-91 to 1996-97	88.92	5.44	6.15	84.53	1.00	1.21
Karnataka	1979-80 to 1990-91	-1.21	6.94	5.97	-207.75	12.39	11.89
	1990-91 to 1996-97	6.44	0.84	1.33	–	-0.31	0.71
Kerala	1979-80 to 1990-91	-6.51	3.28	1.19	-9.72	6.34	3.79
	1990-91 to 1996-97	-4.40	-5.86	-5.67	7.07	-2.94	-2.15
Madhya Pradesh	1979-80 to 1990-91	5.51	10.07	10.02	-4.72	27.82	27.60
	1990-91 to 1996-97	65.32	9.58	11.28	3.68	18.47	18.46
Maharashtra	1979-80 to 1990-91	-5.04	9.60	8.65	1.92	5.71	5.53
	1990-91 to 1996-97	-36.96	-5.29	-5.65	37.92	14.45	15.99
Orissa	1979-80 to 1990-91	-0.89	9.53	7.18	2.63	40.09	32.59
	1990-91 to 1996-97	-17.24	-9.36	-10.22	-28.12	-14.96	-15.20
Punjab	1979-80 to 1990-91	22.31	16.69	16.78	2.90	23.99	23.83
	1990-91 to 1996-97	-100.00	1.30	0.96	-100.00	-5.53	-5.56
Rajasthan	1979-80 to 1990-91	-34.24	20.51	9.35	-215.30	26.23	26.54
	1990-91 to 1996-97	54.64	5.08	5.52	29.79	25.82	25.85
Tamil Nadu	1979-80 to 1990-91	33.17	6.25	8.50	-320.93	18.40	18.64
	1990-91 to 1996-97	-36.63	-1.41	-4.95	-31.00	-4.24	-4.53
Uttar Pradesh	1979-80 to 1990-91	-4.34	4.46	3.61	-4.47	17.25	16.77
	1990-91 to 1996-97	15.79	9.72	10.12	26.17	-11.10	-10.47
West Bengal	1979-80 to 1990-91	18.14	1.42	3.59	26.21	8.19	9.07
	1990-91 to 1996-97	2.62	4.07	3.71	1.15	-6.86	-5.82

**(c-iii) Wholesale Trade in All Types of Machinery and Equipment (code 62)**

Wholesale trade in machinery and equipment (code 62), is another trade group which is heavily concentrated in urban centres. Since this group as a whole is relatively small, one result was that the



enterprise sample in rural areas was too thin to capture any cases at all in many states. For this reason, only the growth rates for rural and urban areas combined is presented in table 3.3.31. These total figures reflect mainly the growth performance of urban units.

Wholesale trade in machinery and equipment performed better than any other commodity specific wholesale trade group, turning in a performance similar to that of the large miscellaneous category, wholesale trade not elsewhere classified. During the 1980s, positive employment growth was recorded in all states except Andhra Pradesh, Bihar, Karnataka and Rajasthan, and gross value added went up everywhere except Orissa and Rajasthan. The 1990s were not so bouyant, but still this trade group did almost as well as the large miscellaneous category, coded 63. Only six states experienced cutbacks in employment, while seven states suffered set backs on the income generation front. Kerala, Orissa and Tamil Nadu were the only states where negative growth was recorded during the nineties, in both employment and gross value added.

The performance of each state can be seen in the growth figures of table 3.3.31.

**Table 3.3.31: Wholesale Trade in all Types of Machinery and Equipment (code 62) in Fifteen Major States: All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97**

State	Period	Employment	Gross Value Added
Andhra Pradesh	1979-80 to 1990-91	-5.08	0.27
	1990-91 to 1996-97	0.75	6.82
Bihar	1979-80 to 1990-91	-5.03	41.78
	1990-91 to 1996-97	1.64	-39.99
Delhi	1979-80 to 1990-91	3.75	4.11
	1990-91 to 1996-97	-9.06	26.82
Gujarat	1979-80 to 1990-91	8.05	3.30
	1990-91 to 1996-97	8.62	4.80
Haryana	1979-80 to 1990-91	0.02	20.20
	1990-91 to 1996-97	8.86	-21.76
Karnataka	1979-80 to 1990-91	-1.61	31.88
	1990-91 to 1996-97	-10.65	-12.70
Kerala	1979-80 to 1990-91	15.58	65.45
	1990-91 to 1996-97	-4.16	-7.17
Madhya Pradesh	1979-80 to 1990-91	5.41	22.32
	1990-91 to 1996-97	12.94	-12.20
Maharashtra	1979-80 to 1990-91	8.28	11.82
	1990-91 to 1996-97	2.81	14.71
Orissa	1979-80 to 1990-91	9.52	-217.00
	1990-91 to 1996-97	-26.29	-32.26
Punjab	1979-80 to 1990-91	16.03	30.33
	1990-91 to 1996-97	0.98	20.70
Rajasthan	1979-80 to 1990-91	-0.71	-1.06
	1990-91 to 1996-97	-4.50	19.49
Tamil Nadu	1979-80 to 1990-91	22.94	23.52
	1990-91 to 1996-97	-20.58	-18.74
Uttar Pradesh	1979-80 to 1990-91	10.45	13.08
	1990-91 to 1996-97	5.02	14.68
West Bengal	1979-80 to 1990-91	6.38	12.72
	1990-91 to 1996-97	5.77	2.12

**(c-iv) Wholesale Trade Not Elsewhere Classified (code 63)**

In employment terms, this is an industry which has a strong urban presence in Maharashtra, Tamil Nadu and West Bengal and in rural areas, is heavily concentrated in West Bengal. In gross value added terms, Kerala, urban Maharashtra, urban Tamil Nadu and rural West Bengal are the dominant states. The growth rate performance of the groups may be assessed in this context.

During the 1980s, employment contracted only in Haryana and Orissa. In the 1990s, there were job losses in Delhi, Gujarat, Haryana, Maharashtra, Rajasthan and Tamil Nadu. Maharashtra faced cutbacks in both rural and urban areas; so did Tamil Nadu. West Bengal enjoyed substantial rural employment growth in both periods.

Although gross value added declined in four states in the 1980s, and in six in the 1990s, none of the leading states were affected adversely in the later period. Instead, they appear to have consolidated their positions. The states which faced negative GVA growth were the ones which had started out with relatively low shares in gross value added by this wholesale trade group.

These observations may be confirmed by reference to the growth rate figures presented in table 3.3.32.

**Table 3.3.32: Wholesale Trade Not Elsewhere Classified (code 63) in Fifteen Major States: Rural, Urban and All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97**

State	Period	Employment			Gross Value Added		
		Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	1979-80 to 1990-91	38.55	11.91	13.08	35.33	15.42	15.56
	1990-91 to 1996-97	3.59	6.30	5.99	24.33	12.79	13.04
Bihar	1979-80 to 1990-91	-1.64	12.65	7.67	-9.57	41.15	29.45
	1990-91 to 1996-97	10.79	3.41	5.02	41.62	-15.04	-11.34
Delhi	1979-80 to 1990-91	–	0.40	0.40	–	-1.46	-1.42
	1990-91 to 1996-97	-100.00	-6.69	-6.71	-100.00	1.37	1.30
Gujarat	1979-80 to 1990-91	-3.40	5.28	3.48	-3.89	0.45	0.21
	1990-91 to 1996-97	-7.82	-1.25	-1.99	3.60	2.00	2.07
Haryana	1979-80 to 1990-91	-35.58	7.20	-1.94	-21.35	10.10	5.23
	1990-91 to 1996-97	-100.00	-8.00	-8.09	-100.00	-4.11	-4.35
Karnataka	1979-80 to 1990-91	7.35	19.97	18.95	12.59	-15.43	-15.19
	1990-91 to 1996-97	0.81	1.21	1.19	-18.77	-0.09	-0.45
Kerala	1979-80 to 1990-91	5.33	5.89	5.55	16.79	5.75	10.08
	1990-91 to 1996-97	-6.75	13.84	4.38	2.45	27.09	17.33
Madhya Pradesh	1979-80 to 1990-91	-28.81	7.56	5.95	-41.41	37.00	35.66
	1990-91 to 1996-97	-100.00	0.30	0.27	169.54	-18.33	-18.04
Maharashtra	1979-80 to 1990-91	20.16	4.77	6.30	31.98	-3.24	-2.42
	1990-91 to 1996-97	-48.14	-1.99	-5.06	-14.24	12.28	10.94
Orissa	1979-80 to 1990-91	-10.50	29.01	-5.50	-10.35	62.19	5.84
	1990-91 to 1996-97	-9.80	19.43	8.82	-20.94	53.58	49.58
Punjab	1979-80 to 1990-91	16.11	15.23	15.26	14.77	5.46	5.50
	1990-91 to 1996-97	-9.19	5.71	5.41	-23.65	6.29	6.17

State	Period	Employment			Gross Value Added		
		Rural	Urban	Total	Rural	Urban	Total
Rajasthan	1979-80 to 1990-91	1.30	5.18	4.88	-14.72	20.68	18.73
	1990-91 to 1996-97	5.57	-0.87	-0.39	43.13	-14.86	-13.31
Tamil Nadu	1979-80 to 1990-91	0.01	2.98	2.83	4.25	-2.16	-2.05
	1990-91 to 1996-97	-4.34	-0.07	-0.23	-3.43	10.25	10.03
Uttar Pradesh	1979-80 to 1990-91	25.42	3.50	4.97	43.09	-9.55	-5.51
	1990-91 to 1996-97	-9.49	3.12	1.57	-30.89	29.62	20.50
West Bengal	1979-80 to 1990-91	16.58	2.90	7.54	21.09	5.29	7.16
	1990-91 to 1996-97	36.51	8.20	26.90	50.16	9.46	26.25

**(c-v) Employment and Gross Value Added Growth in Unorganised Retail Trade in Food and Food Articles, Beverages, Tobacco and Intoxicants (code 65)**

This branch of retail trade accounts for the majority of all rural trade workers in most states, and the bulk of gross value added by unorganised trade in every region. The performance of this unorganised trade group, therefore, dominates the performance of unorganised trade as a whole.

In this branch of trade about half of all states suffered negative employment growth in the nineties, following substantial employment gains in the eighties. The cutbacks in employment, however, are not generally reflected in negative gross value added growth. Only three states recorded a decline in gross value added: Bihar, Madhya Pradesh and Orissa.

The employment situation is distinctly less favourable in rural areas than in urban centres. Rural units faced employment reductions in only three states in the 1980s – Andhra Pradesh, Kerala and Punjab – while urban units expanded in all states. Subsequently, in the 1990s, rural units cutback employment in nine states out of fifteen, while in urban areas employment went up in all states except Delhi, Maharashtra, Orissa and Tamil Nadu.

The array of positive gross value added growth figures for the 1990s, suggests that the cutbacks in employment were a part of a larger restructuring process which tended to enhance labour productivity levels. All states enjoyed positive GVA growth in both rural and urban areas during the 1980s, and most states did so also during the 1990s. Moreover, most states enjoyed GVA growth rates which were higher than their employment growth rates during the 1990s. Finally, those states which did face reductions in gross value added generally recorded even larger cutbacks in employment. The exceptions to this rule are found in Bihar and Madhya Pradesh, in rural and urban areas respectively.

Thus although the 1990s was a relatively less bouyant period for retail trade generally, cutbacks in employment were by and large associated with improvements in GVA per worker.

These assertions may be verified by reference to table 3.3.33.

**Table 3.3.33: Retail Trade in Food and Food Articles, Beverages, Tobacco and Intoxicants (code 65) in Fifteen Major States: Rural, Urban and All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97**

State	Period	Employment			Gross Value Added		
		Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	1979-80 to 1990-91	-0.91	4.90	0.85	7.12	17.41	11.55
	1990-91 to 1996-97	-1.05	2.96	0.57	5.32	5.00	5.14
Bihar	1979-80 to 1990-91	8.27	1.31	6.97	21.75	4.44	17.24
	1990-91 to 1996-97	-8.66	0.85	-7.06	-12.03	11.58	-7.05
Delhi	1979-80 to 1990-91	5.68	-2.02	-1.80	17.24	4.84	5.21
	1990-91 to 1996-97	1.73	0.90	0.94	-9.55	6.49	5.90
Gujarat	1979-80 to 1990-91	2.81	1.69	2.33	4.77	-0.16	1.91
	1990-91 to 1996-97	-1.16	2.55	0.47	7.76	10.19	9.04
Haryana	1979-80 to 1990-91	13.73	4.82	11.39	17.83	3.89	11.96
	1990-91 to 1996-97	-11.87	7.63	-6.47	-5.74	12.80	0.91
Karnataka	1979-80 to 1990-91	5.88	3.87	5.05	16.08	14.19	14.99
	1990-91 to 1996-97	2.53	3.80	3.03	4.60	4.37	4.47
Kerala	1979-80 to 1990-91	-0.33	3.53	0.44	5.77	3.67	5.00
	1990-91 to 1996-97	-12.67	0.34	-8.55	-1.34	8.70	2.69
Madhya Pradesh	1979-80 to 1990-91	4.71	4.68	4.70	5.53	19.19	14.48
	1990-91 to 1996-97	4.20	3.00	3.73	12.94	-5.70	-0.24
Maharashtra	1979-80 to 1990-91	3.62	2.23	2.93	9.24	0.18	4.84
	1990-91 to 1996-97	-4.31	-1.10	-2.72	1.97	18.83	9.74
Orissa	1979-80 to 1990-91	6.72	3.71	6.15	15.31	14.12	14.89
	1990-91 to 1996-97	-10.30	-0.16	-8.18	-2.36	1.94	-0.78
Punjab	1979-80 to 1990-91	-1.02	11.76	2.40	6.15	15.84	9.56
	1990-91 to 1996-97	5.42	6.22	5.76	9.06	7.69	8.42
Rajasthan	1979-80 to 1990-91	4.17	0.57	2.74	25.49	12.59	16.66
	1990-91 to 1996-97	1.99	3.30	2.46	6.68	2.58	4.59
Tamil Nadu	1979-80 to 1990-91	3.03	4.14	3.57	7.28	10.07	8.94
	1990-91 to 1996-97	-7.26	-2.77	-4.84	-5.40	5.75	2.37
Uttar Pradesh	1979-80 to 1990-91	6.96	4.39	6.11	13.10	9.05	10.95
	1990-91 to 1996-97	-2.33	0.18	-1.55	9.76	8.46	9.15
West Bengal	1979-80 to 1990-91	4.92	0.69	3.55	9.65	3.57	7.02
	1990-91 to 1996-97	-4.79	5.92	-1.19	0.63	10.24	4.57

**(c-vi) Retail Trade in Textiles (code 66): The State Level Growth Record**

The record for retail trade in textiles is even better. Only Karnataka suffered losses in both the employment generation and GVA fronts during the 1980s. All of the five states where the workforce contracted during the 1990s recorded positive GVA growth during the same period. There were, however, two states in which employment rose while gross value added fell. They were Gujarat and Madhya Pradesh.

In rural areas, cutbacks in employment during the 1980s were rather common, affecting seven states. Gross value added by rural units, however, rose in all states except Kerala, Maharashtra and Tamil Nadu. Of these, Kerala and Tamil Nadu had recorded negative employment growth as well.

Urban areas performed better in most states during the 1980s, on both the employment and the income generation fronts, with only Gujarat and Karnataka recording negative employment growth and only Karnataka showing poor performance in terms of gross value added.

In the 1990s, rural employment growth improved in most states, but decelerated marginally in urban centres. Similarly, while the growth performance of gross value added was good in most states, there were setbacks in three states in urban areas, but in rural areas only in one state.

State level details may be seen in table 3.3.34 below.

**Table 3.3.34: Retail Trade in Textiles (code 66) in Fifteen Major States: Rural, Urban and All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97**

State	Period	Employment			Gross Value Added		
		Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	1979-80 to 1990-91	4.44	15.39	9.40	9.55	25.51	22.14
	1990-91 to 1996-97	-4.39	1.49	-0.64	20.41	3.87	6.30
Bihar	1979-80 to 1990-91	10.38	5.38	8.30	5.07	14.49	10.10
	1990-91 to 1996-97	-3.22	-4.07	-3.51	11.48	-5.33	2.22
Delhi	1979-80 to 1990-91	-5.88	2.49	2.30	5.18	7.36	7.32
	1990-91 to 1996-97	25.43	1.82	2.42	50.27	5.92	7.89
Gujarat	1979-80 to 1990-91	-2.76	-0.36	-0.72	4.59	9.15	8.50
	1990-91 to 1996-97	4.04	-0.67	0.03	3.37	-1.95	-1.28
Haryana	1979-80 to 1990-91	-3.79	11.74	6.77	20.50	-6.94	0.95
	1990-91 to 1996-97	8.57	2.32	3.43	-14.60	21.25	6.73
Karnataka	1979-80 to 1990-91	-1.61	-1.76	-1.73	25.50	-5.51	-2.92
	1990-91 to 1996-97	15.05	10.98	11.91	8.11	19.15	16.70
Kerala	1979-80 to 1990-91	-0.65	4.04	1.54	-1.36	12.75	6.14
	1990-91 to 1996-97	-3.73	5.95	2.07	5.54	3.40	4.02
Madhya Pradesh	1979-80 to 1990-91	2.46	7.73	6.12	1.31	34.17	25.08
	1990-91 to 1996-97	6.01	-1.32	0.75	16.46	-7.46	-4.93
Maharashtra	1979-80 to 1990-91	1.45	6.29	4.92	12.17	3.63	6.31
	1990-91 to 1996-97	-7.71	-2.79	-3.80	-2.08	19.30	12.81
Orissa	1979-80 to 1990-91	5.52	12.61	9.51	1.72	10.80	9.66
	1990-91 to 1996-97	-5.09	-3.43	-3.98	19.37	0.45	2.77
Punjab	1979-80 to 1990-91	0.92	13.68	11.39	5.96	9.90	9.10
	1990-91 to 1996-97	14.64	2.37	3.90	10.42	8.91	9.18
Rajasthan	1979-80 to 1990-91	3.14	2.32	2.60	5.49	20.08	15.16
	1990-91 to 1996-97	4.29	9.24	7.65	10.96	5.94	6.97
Tamil Nadu	1979-80 to 1990-91	-3.47	6.43	3.72	-8.63	9.34	6.30
	1990-91 to 1996-97	-8.26	-0.51	-1.61	21.23	8.97	9.93
Uttar Pradesh	1979-80 to 1990-91	1.05	6.08	3.91	9.65	2.92	6.26
	1990-91 to 1996-97	2.92	2.96	2.94	4.80	29.33	18.28
West Bengal	1979-80 to 1990-91	-0.72	0.86	0.29	4.04	4.63	4.46
	1990-91 to 1996-97	5.07	8.01	7.06	5.19	9.78	8.60

**(c-vii) The Growth Performance of Retail Trade in Fuels, Other Household Utilities and Durables at the Regional Level**

This relatively small group within retail trade did exceptionally well during the 1980s. Only three states experienced job losses – Bihar, Rajasthan and Uttar Pradesh – and all states recorded increases in gross value added. In the 1990s also, only four states saw workforce reductions and /or negative growth in gross value added. Most of the states which lost out in terms of gross value added were the relatively rich ones – Delhi, Haryana, Punjab and Rajasthan.

But these are overall figures for rural and urban areas combined.

In rural areas, in the 1980s, workforce growth was negative in seven states. In three states, GVA declined. Of these three, Madhya Pradesh and Punjab had also lost ground in employment terms. During the 1990s, employment growth rates recovered in rural Madhya Pradesh and Punjab, but in five other states the workforce contracted. In most of them, gross value added went down as well. The main sufferers were Delhi, Maharashtra, Orissa and Tamil Nadu.

In urban areas, employment was more buoyant, with only two states – Bihar and Rajasthan – losing ground during 1980s, and four states experiencing negative growth during the 1990s. In the most recent decade, urban gross value added increased in ten out of fifteen states. The five states which experienced a fall in gross value added by urban units belonging to this retail trade group were: Bihar, Delhi, Haryana, Punjab and Rajasthan.

Details can be seen in table 3.3.35.

**Table 3.3.35: Retail Trade in Fuels and Other Household Utilities and Durables (code 67) in Fifteen Major States: Rural, Urban and All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97**

State	Period	Employment			Gross Value Added		
		Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	1979-80 to 1990-91	9.09	8.58	8.72	-0.56	20.65	18.86
	1990-91 to 1996-97	-4.32	3.79	1.81	32.84	4.11	5.55
Bihar	1979-80 to 1990-91	-6.13	-4.38	-4.88	4.18	18.70	14.53
	1990-91 to 1996-97	12.49	-0.49	3.83	13.27	-3.60	0.12
Delhi	1979-80 to 1990-91	42.00	5.39	6.09	27.25	21.47	21.63
	1990-91 to 1996-97	-0.42	-9.27	-8.45	-12.28	-17.78	-17.55
Gujarat	1979-80 to 1990-91	3.09	2.52	2.60	-1.61	4.02	3.39
	1990-91 to 1996-97	0.18	1.29	1.14	15.17	16.32	16.23
Haryana	1979-80 to 1990-91	-8.34	7.95	5.41	5.19	27.13	22.89
	1990-91 to 1996-97	13.26	0.75	1.77	13.17	-4.24	-2.48
Karnataka	1979-80 to 1990-91	2.16	4.64	4.37	12.02	20.49	20.07
	1990-91 to 1996-97	20.68	2.46	5.11	32.94	12.19	13.26
Kerala	1979-80 to 1990-91	-2.39	3.60	0.92	6.49	6.53	6.52
	1990-91 to 1996-97	4.50	4.70	4.63	18.09	16.48	16.80
Madhya Pradesh	1979-80 to 1990-91	-3.43	4.90	2.32	-6.44	16.51	13.51
	1990-91 to 1996-97	16.11	1.38	5.57	28.80	2.26	3.97
Maharashtra	1979-80 to 1990-91	8.10	5.03	5.77	24.81	8.54	10.83
	1990-91 to 1996-97	-13.89	-2.52	-4.96	-4.15	9.79	7.01
Orissa	1979-80 to 1990-91	2.47	6.79	4.25	3.72	15.01	11.58

State	Period	Employment			Gross Value Added		
		Rural	Urban	Total	Rural	Urban	Total
Orissa	1990-91 to 1996-97	-15.44	-1.33	-7.30	-1.95	4.25	3.24
Punjab	1979-80 to 1990-91	-11.77	13.30	5.14	-9.27	32.83	28.43
	1990-91 to 1996-97	25.31	1.35	5.00	97.44	-18.43	-2.70
Rajasthan	1979-80 to 1990-91	-11.70	-5.78	-6.61	1.07	17.76	15.77
	1990-91 to 1996-97	24.86	8.36	10.68	23.21	-4.70	-1.95
Tamil Nadu	1979-80 to 1990-91	4.50	3.47	3.66	30.81	11.61	14.69
	1990-91 to 1996-97	-10.85	0.23	-1.41	-21.26	10.06	4.67
Uttar Pradesh	1979-80 to 1990-91	-10.12	3.10	-0.65	3.06	8.90	7.94
	1990-91 to 1996-97	10.33	1.46	3.01	13.97	13.32	13.40
West Bengal	1979-80 to 1990-91	3.63	0.34	1.49	13.08	11.72	11.97
	1990-91 to 1996-97	0.76	11.47	7.91	3.01	9.18	8.12

**(c-viii) Retail Trade Not Elsewhere Classified: Regional Growth Rates in Employment and Gross Value Added (code 68)**

This is the second largest branch of unorganised retail trade, and the only retail trade activity which, besides retail trade in food products etc (code 65), makes a major contribution to both employment and income generation in rural areas.

In rural areas, the workforce expanded in all states in the 1980s, and in eleven out of fifteen states in the 1990s. The four states where it contracted in the nineties were: Haryana, Kerala, Maharashtra and Orissa. In urban areas there were no job losses whatsoever. The urban employment record of this group is thus, outstanding.

Positive gross value added growth was recorded in all states during the 1980s and in eleven out of fifteen states in both rural and urban areas during the 1990s. The 1990s downturn in gross value added took place in rural Haryana, Kerala, Madhya Pradesh and Orissa. The urban losses occurred in Delhi, Gujarat, Madhya Pradesh and Orissa.

This branch of trade has thus a sterling record. The two-digit growth rates achieved in many states, even during the 1990s, can be seen in table 3.3.36.

**Table 3.3.36: Retail Trade Not Elsewhere Classified (code 68) in Fifteen Major States: Rural, Urban and All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97**

State	Period	Employment			Gross Value Added		
		Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	1979-80 to 1990-91	24.52	15.48	19.43	20.23	20.66	20.55
	1990-91 to 1996-97	3.31	4.56	3.89	9.04	3.13	4.78
Bihar	1979-80 to 1990-91	18.61	9.72	14.56	18.80	20.10	19.74
	1990-91 to 1996-97	8.40	6.54	7.78	22.11	2.81	9.98
Delhi	1979-80 to 1990-91	22.10	0.57	1.03	23.48	13.09	13.23
	1990-91 to 1996-97	19.21	11.52	12.03	13.12	-1.19	-0.73
Gujarat	1979-80 to 1990-91	10.58	2.82	4.50	7.51	15.80	14.64
	1990-91 to 1996-97	3.19	3.93	3.72	12.57	-2.92	-0.80
Haryana	1979-80 to 1990-91	23.82	10.80	15.58	27.03	20.06	22.50
	1990-91 to 1996-97	-12.61	1.75	-4.35	-8.91	8.74	3.09

State	Period	Employment			Gross Value Added		
		Rural	Urban	Total	Rural	Urban	Total
Karnataka	1979-80 to 1990-91	16.27	9.40	10.63	19.65	17.95	18.11
	1990-91 to 1996-97	12.73	5.09	7.18	19.76	12.85	13.66
Kerala	1979-80 to 1990-91	10.71	5.98	8.47	24.55	8.07	13.84
	1990-91 to 1996-97	-2.47	4.07	0.50	-7.43	0.08	-3.66
Madhya Pradesh	1979-80 to 1990-91	33.70	11.80	19.34	31.10	19.62	20.87
	1990-91 to 1996-97	2.43	4.57	3.32	-6.97	-8.13	-7.93
Maharashtra	1979-80 to 1990-91	16.82	7.06	9.46	21.00	4.87	7.61
	1990-91 to 1996-97	-10.99	3.66	-0.24	35.57	14.12	23.18
Orissa	1979-80 to 1990-91	19.31	13.96	17.68	9.66	19.23	14.50
	1990-91 to 1996-97	-9.15	1.79	-5.72	-9.25	-4.33	-5.99
Punjab	1979-80 to 1990-91	12.64	16.70	15.77	11.49	10.78	10.99
	1990-91 to 1996-97	16.70	5.96	8.55	19.48	21.19	20.69
Rajasthan	1979-80 to 1990-91	17.25	8.36	10.74	20.79	9.25	12.36
	1990-91 to 1996-97	12.98	9.31	10.73	13.13	19.39	17.12
Tamil Nadu	1979-80 to 1990-91	6.44	5.92	6.07	17.56	13.43	14.30
	1990-91 to 1996-97	7.13	7.51	7.40	3.59	12.66	10.78
Uttar Pradesh	1979-80 to 1990-91	17.31	13.06	14.61	28.62	22.26	23.93
	1990-91 to 1996-97	14.98	7.87	11.14	16.59	9.91	12.32
West Bengal	1979-80 to 1990-91	11.49	6.73	8.98	16.16	11.13	12.57
	1990-91 to 1996-97	2.26	3.54	2.86	14.25	3.88	8.09

### (c-ix) In Conclusion

To conclude: unorganised trade at the two-digit level presents a very mixed picture, when performance is judged by growth rates. By this criterion, unorganised trade performed better in the 1980s than in the 1990s. Although some states escaped major set backs, unorganised trade in most states during the 1990-91 to 1996-97 period went through something of a recession coming out at the end with higher GVA per worker, but quite commonly with fewer workers.

### (ii) Productivity and Productivity Growth in Unorganised Trade: The Regional Dimension

This subsection begins in part (a) with an account of productivity levels, and goes on to an analysis of inter state productivity disparities in unorganised trade. In part (b), the performance of the industry in each of fifteen states is assessed in terms of its productivity growth record. Finally, part (c) looks into the past performance and future prospects of the industry in terms of its likely capacity to generate additional employment and to improve levels of labour productivity.

#### (a) Productivity Levels and The Rise and Fall of Inter-state Productivity Inequalities

This part provides information and analysis on three subtopics. The first one is productivity levels. In the second, the focus is on inter-state productivity disparities and the evidence of a divergence-convergence sequence over time, with productivity estimates peaking in the mid or late eighties. The analysis is conducted for unorganised trade as a whole, for wholesale and retail trade separately, and at the two-digit level. Finally, the results of regression analysis are presented, with a view to identifying what factors may be contributing to the observed inter-state productivity differences.



**(a-i) Productivity Levels**

The interstate productivity contrasts in unorganised trade are gigantic. The typical enterprise in Delhi earned four times as much as the typical enterprise in Bihar, in 1996-97. The top achievers, in descending order, aside from Delhi, were Maharashtra, Kerala, Tamil Nadu and Punjab. The least productive units, (on the average), were located in Bihar, West Bengal and Uttar Pradesh, counting from least productive to somewhat better.

In certain states, per enterprise productivity rose continuously. These favoured few were Andhra Pradesh, Bihar, Madhya Pradesh, Orissa and Tamil Nadu. Several others improved productivity over the entire seventeen year period, but suffered a downward dip between 1985-86 and 1990-91. Despite such short run trend reversals, in all states in the typical unorganised trade enterprise earned more in 1996-97 than it did in 1979-80.

In most states urban enterprises typically earn at least twice as much as rural ones do. In Maharashtra, Punjab and West Bengal, however, the rural-urban gap is not quite so wide. By far the largest rural-urban gap was recorded by Orissa in both 1990-91 and 1996-97.

Labour productivity, (GVA per worker), was highest in Delhi and lowest in Bihar in 1996-97. The differences, between Delhi and the rest were substantial, but in two other states, labour productivity levels of close to Rs. 30,000 per year were achieved. Kerala and Maharashtra are the two fortunate states. Gross value added per worker below Rs. 15,000 per year was recorded in Bihar, Andhra Pradesh and West Bengal.

In all states the long-term labour productivity trend is upwards, but very few states enjoyed rising GVA per worker throughout all four periods. These exceptional few include: Andhra Pradesh, Bihar, Madhya Pradesh, Orissa and Tamil Nadu. A decline in labour productivity is in evidence between 1985-86 and 1990-91 in most states. Labour productivity trends for rural and urban units separately can be seen in table 3.3.37.

The table also shows that, in the case of labour productivity, the rural-urban contrasts are not generally quite as large as in the case of GVA per enterprise, presumably because labour is more mobile, at least within states. Nonetheless, there are quite a number of states where urban labour productivity is more than twice labour productivity in rural units. The states characterised by relatively large rural-urban labour productivity gaps are: Andhra Pradesh, Bihar, Karnataka, Madhya Pradesh, Tamil Nadu, and above all, Orissa. Those where urban labour productivity levels are less than twice labour productivity levels in rural areas include Delhi, Gujarat, Haryana, Kerala, Maharashtra, West Bengal, and Punjab, where the rural figure is very close indeed to the urban one.

**Table 3.3.37: The Performance of Unorganised Trade in Fifteen Major States, in Terms of Levels of Enterprise and Labour Productivity, Rural, Urban and All Locations: 1979-80, 1985-86, 1990-91 and 1996-97**

State	Year	GVA per Enterprise (Rs.)			GVA per Worker (Rs.)		
		Rural	Urban	All Locations	Rural	Urban	All Locations
Andhra Pradesh	1979-80	3984	15382	7407	2201	7532	3940
	1985-86	24355	15450	20254	13786	7547	10684
	1990-91	7672	44730	22374	4763	20116	12068
	1996-97	12784	36469	24061	7923	19255	13772

State	Year	GVA per Enterprise (Rs.)			GVA per Worker (Rs.)		
		Rural	Urban	All Locations	Rural	Urban	All Locations
Bihar	1979-80	5029	11575	6969	3744	6675	4776
	1985-86	6466	40397	13869	4902	22707	9770
	1990-91	13753	39963	18320	10846	24273	13733
	1996-97	14367	32257	19214	9452	20915	12591
Delhi	1979-80	14754	52888	52138	12694	22680	22581
	1985-86	24374	563105	469249	18460	200550	184115
	1990-91	34929	116042	111235	25903	50284	49418
	1996-97	35721	74907	71924	22652	39617	38526
Gujarat	1979-80	11729	53522	33816	6877	18557	14523
	1985-86	14901	99231	62432	8530	41335	29514
	1990-91	14673	63138	40583	8725	29336	20992
	1996-97	23315	47983	37680	15071	26100	21949
Haryana	1979-80	8796	26840	17018	5772	15055	10365
	1985-86	4654	42398	23482	3090	21827	13622
	1990-91	12789	28104	17599	9243	16475	11852
	1996-97	16301	31352	24645	12729	20102	17171
Karnataka	1979-80	3914	39779	22347	2533	19715	12498
	1985-86	9641	82366	42978	5698	41715	23596
	1990-91	10599	37481	23293	6862	19475	13510
	1996-97	12887	41341	26771	8720	22951	16367
Kerala	1979-80	9837	52113	19033	6740	25286	11968
	1985-86	15328	156962	50038	10682	81165	32134
	1990-91	20957	66753	33796	14562	33014	21089
	1996-97	27641	67370	45693	21014	37094	29615
Madhya Pradesh	1979-80	7852	22561	14647	4867	11878	8392
	1985-86	8656	31050	17100	5411	14649	9523
	1990-91	9925	40929	23508	5994	20624	13061
	1996-97	15056	50740	33134	10786	28924	21005
Maharashtra	1979-80	9749	38647	25784	5598	16112	12243
	1985-86	10511	88894	49516	6105	33054	22474
	1990-91	17700	58855	39005	11040	25890	20002
	1996-97	41006	66253	54680	24595	32843	29448
Orissa	1979-80	5196	12585	7002	3344	7869	4475
	1985-86	8739	20167	11407	6059	11947	7606
	1990-91	6773	36829	13218	4291	20275	8112
	1996-97	10002	74245	32039	7255	48453	22385
Punjab	1979-80	9934	35281	16669	6567	17769	10174
	1985-86	15590	250097	108759	9357	130734	61645
	1990-91	19659	61931	44804	14022	31252	25649
	1996-97	32184	44022	38887	23617	26106	25154
Rajasthan	1979-80	4872	18695	12203	3215	10009	7168
	1985-86	63621	37259	46460	42107	19855	26565
	1990-91	16992	48308	31167	11250	25644	18559

State	Year	GVA per Enterprise (Rs.)			GVA per Worker (Rs.)		
		Rural	Urban	All Locations	Rural	Urban	All Locations
	1996-97	19379	48497	33200	14240	28549	21824
Tamil Nadu	1979-80	6733	21428	14722	3909	9663	7392
	1985-86	10832	21524	17889	4481	9146	7531
	1990-91	13353	37696	27089	8166	17540	14071
	1996-97	13709	52908	39102	9005	26997	21655
Uttar Pradesh	1979-80	4495	25233	12572	3470	15039	8704
	1985-86	10170	26564	16511	7160	16390	11023
	1990-91	8529	26344	15422	6344	15527	10415
	1996-97	14282	32032	21666	10839	21182	15491
West Bengal	1979-80	7418	30515	17234	4890	14295	9684
	1985-86	8582	53868	24410	4895	25306	12954
	1990-91	12617	31960	18973	8635	17874	12096
	1996-97	16728	28990	21615	12154	17838	14649

### (a-ii) Inter-State Productivity Disparities

In the very long run it appears that inter-regional productivity inequalities have generally come down from the levels which prevailed at the start of the 1980s, except in the case of GVA per enterprise in rural areas, where disparities have clearly risen. However, in the intervening years between 1979-80 and 1996-97, interstate productivity disparities almost certainly increased for some time. The statistics presented in table 3.3.38 suggest that productivity inequalities reached peak levels in 1985-86, and then fell during the rest of the 1980s and on into the 1990s. Such a time profile, of several years of increasing divergence, followed later by a period of convergence is well recognised in the literature on the behaviour of regional disparities during the early, and subsequent, stages of economic development<sup>6</sup>. Although in the case of productivity disparities in unorganised trade, the very high coefficients of variation for 1985-86 need to be treated with considerable caution, because of ubiquitous problems with the underlying GVA data at the state level. The divergence-convergence sequence is unmistakable in rural areas, and for all locations combined, even if the figures for the 1985-86 reference year are ignored.

Table 3.3.38 gives the interstate coefficients of variation for enterprise and labour productivity for all four points in time, for rural and urban areas separately and combined.

**Table 3.3.38: Interstate Coefficients of Variation for Enterprise Productivity and Labour Productivity, Rural, Urban and All Locations: 1979-80, 1985-86, 1990-91 and 1996-97**

Year	Coefficients of Variation for					
	GVA per Enterprise (Rs.)			GVA per Worker (Rs.)		
	Rural	Urban	Total	Rural	Urban	Total
1979-80	41.75	47.29	63.05	50.86	38.77	47.23
1985-86	91.65	139.54	176.66	96.94	119.15	144.92
1990-91	47.59	45.67	74.76	53.22	36.57	56.84
1996-97	46.60	32.43	40.61	43.15	30.90	33.00

<sup>6</sup> See for example: Kuznets, S. (1966), *Modern Economic Growth: Rate, Structure and Spread*, and Williamson, J.B (1965) "Regional Inequalities and the Process of National Development: A Description of the Patterns," *Economic Development and Cultural Change* Vol.13, pp 3-45.

A similar exercise was done for wholesale and retail trade separately. The results are given in table 3.3.39, and the underlying state wise productivity levels in tables 3.3.40 and 3.3.41.

These tables reveal that interstate productivity disparities in wholesale and retail trade stand in clear contrast, and are apparently driven by different forces. Regional productivity disparities are large and persistent in wholesale trade, and modest or very low in the case of retail trade. Urban productivity disparities are extremely wide in wholesale trade, rural ones somewhat lower. On the other hand, in retail trade, interstate inequalities in labour productivity are unusually small in urban areas and modest in rural locations. The trends also differ.

In retail trade, rural GVA per enterprise differences have moved up somewhat, but urban disparities have clearly narrowed. Interstate labour productivity disparities, on the other hand, have come down in both rural and urban areas. The decline in urban areas is startling.

On the other hand, in wholesale trade, in the long run, and in recent times, urban interstate productivity disparities have increased. In rural areas, they have remained at about the same high levels in the case of GVA per enterprise, but have declined unambiguously in the case of GVA per worker.

Finally, it may be noticed that in trade, as in most other sectors, interstate contrasts in labour productivity tend to be lower than interstate contrasts in GVA per enterprise.

**Table 3.3.39: Interstate Coefficients of Variation for Enterprise Productivity and Labour Productivity by Branch of Trade, Rural, Urban and All Locations: 1979-80, 1990-91 and 1996-97**

Year	Coefficient of Variation for											
	GVA per Enterprises						GVA per Worker					
	Wholesale			Retail			Wholesale			Retail		
	Rural	Urban	All Locations	Rural	Urban	All Locations	Rural	Urban	All Locations	Rural	Urban	All Locations
1979-80	95.87	100.69	107.23	51.54	58.20	58.64	104.80	107.37	110.73	58.81	58.12	55.54
1990-91	89.44	64.38	76.74	52.13	56.12	76.82	61.53	27.85	25.45	54.93	41.54	61.21
1996-97	95.34	157.97	126.44	58.09	34.37	44.83	51.22	153.80	120.20	43.57	17.38	28.84

**Table 3.3.40: GVA per Enterprise by Wholesale and Retail Trade and Rural, Urban and All Locations: 1979-80, 1990-91 and 1996-97**

State	Year	Wholesale Trade			Retail Trade		
		Rural	Urban	All Locations	Rural	Urban	All Locations
Andhra Pradesh	79-80	12590	129873	75631	3836	9883	5614
	90-91	10893	155531	94901	7527	33549	17536
	96-97	21708	132493	98504	12560	30241	20810
Bihar	79-80	10292	100102	54363	4969	10533	6599
	90-91	72975	347069	137568	12251	28319	15024
	96-97	27369	79671	44104	13632	28809	17698
Delhi	79-80	na	249560	249560	14754	24293	24079
	90-91	161155	195810	195769	34480	92804	88453
	96-97	58504	349042	342808	35210	50370	49146
Gujarat	79-80	43802	291678	246756	11033	28322	19873
	90-91	58842	210186	169504	12318	41602	27420
	96-97	105158	146166	136070	19902	38524	30514

State	Year	Wholesale Trade			Retail Trade		
		Rural	Urban	All Locations	Rural	Urban	All Locations
Haryana	79-80	50556	62709	59656	8160	24766	15568
	90-91	23750	110622	94533	12732	23802	16102
	96-97	24292	58818	49739	16134	30023	23742
Karnataka	79-80	10282	517037	375490	3821	14465	9238
	90-91	8070	177615	91930	10753	27997	18871
	96-97	37694	112977	93181	12382	36879	24089
Kerala	79-80	95305	282555	167437	6845	33096	12357
	90-91	56737	279355	147948	18815	42648	25269
	96-97	72124	179056	145756	25044	48213	34992
Madhya Pradesh	79-80	8400	27792	24268	4918	8029	6587
	90-91	8333	62720	46906	7107	16763	11959
	96-97	5176	158931	118376	11465	23260	17775
Maharashtra	79-80	126781	1002805	813456	14160	47787	29419
	90-91	126068	631369	519374	23201	78167	46649
	96-97	212010	797616	664502	52388	71233	61694
Orissa	79-80	43364	45494	44037	4283	11472	6027
	90-91	19220	197319	120754	6664	29623	11454
	96-97	64151	2003542	1057716	9333	25652	14885
Punjab	79-80	27816	136481	132811	9917	27219	14255
	90-91	51488	213258	193896	18954	43265	32867
	96-97	57731	154144	148302	31985	32870	32466
Rajasthan	79-80	22208	154166	103145	4211	11328	7958
	90-91	52556	122290	105324	16059	40307	26586
	96-97	26963	227203	172078	19212	36536	27250
Tamil Nadu	79-80	8351	141546	102891	6681	13020	10073
	90-91	20452	141706	106336	12970	25877	20100
	96-97	37125	184932	161322	12977	40367	30343
Uttar Pradesh	79-80	39102	319587	183734	3438	9906	5925
	90-91	37411	167325	113740	7863	18318	11835
	96-97	30933	107998	66879	13495	27578	19317
West Bengal	79-80	15818	198074	135682	7158	16327	10941
	90-91	28021	139745	54070	10972	24996	15703
	96-97	18442	61373	26006	16078	25838	20513

**Table 3.3.41: GVA per Worker by Wholesale and Retail Trade and Rural , Urban and All Locations: 1979-80, 1990-91 and 1996-97**

State	Year	Wholesale			Retail		
		Rural	Urban	All Locations	Rural	Urban	All Locations
Andhra Pradesh	79-80	5377	24718	19357	2130	5234	3074
	90-91	8312	41417	34757	4634	16198	9762
	96-97	13698	42216	37007	7781	16677	12190
Bihar	79-80	7930	24626	20471	3698	6306	4585
	90-91	40876	96086	62086	9762	18006	11470
	96-97	6544	32594	12161	9955	19509	12658
Delhi	79-80	na	42546	42546	12694	13361	13352
	90-91	54826	60573	60568	25676	45385	44394
	96-97	49114	90360	90083	22208	29382	28843
Gujarat	79-80	11797	43717	40217	6609	11404	9529
	90-91	17794	58072	47945	7723	21308	15411
	96-97	31994	46225	42617	13498	22517	18962

State	Year	Wholesale			Retail		
		Rural	Urban	All Locations	Rural	Urban	All Locations
Haryana	79-80	11232	17278	15501	5534	14777	9951
	90-91	17002	40032	37658	9203	14413	10991
	96-97	18008	23805	22860	12612	19810	16854
Karnataka	79-80	4775	104856	90370	2504	7729	5429
	90-91	3793	51894	33210	7125	15345	11384
	96-97	18182	39520	35135	8448	21251	15107
Kerala	79-80	33170	61835	47478	4854	17852	8220
	90-91	23853	71601	49273	13606	23541	16857
	96-97	43013	84301	73437	19351	27341	23395
Madhya Pradesh	79-80	2044	6005	5353	2932	3711	3399
	90-91	21063	56138	51691	5769	16248	10571
	96-97	18354	103060	97851	10726	21236	16412
Maharashtra	79-80	66154	235075	216463	8794	26616	17364
	90-91	14409	51428	45183	10860	20322	16277
	96-97	21624	83744	69302	24778	25003	24906
Orissa	79-80	12108	12317	12175	2844	7505	3987
	90-91	13954	48974	41800	4217	17239	7118
	96-97	25885	618577	368799	6837	17224	10577
Punjab	79-80	17038	34898	34641	6556	14896	8957
	90-91	23588	67348	63598	13689	23545	19994
	96-97	25325	60170	58276	23594	20574	21828
Rajasthan	79-80	12693	38727	33079	2795	6462	4864
	90-91	19485	39302	34983	10856	22991	16635
	96-97	15360	70347	60940	14208	22889	18595
Tamil Nadu	79-80	6559	27530	25602	3846	6458	5340
	90-91	10590	42177	36131	8010	12805	10918
	96-97	18654	62787	57764	8607	21632	17489
Uttar Pradesh	79-80	21721	89941	67944	2685	6269	4246
	90-91	24548	55290	47261	5867	11270	8170
	96-97	17358	45673	32564	10415	18860	14156
West Bengal	79-80	8342	34519	30677	4755	8924	6675
	90-91	16495	40334	25620	7642	14868	10341
	96-97	11894	27832	15611	12270	16471	14367

At the two-digit level, the sample is too thin to permit any analysis of interstate productivity disparities for rural and urban areas separately, for many two-digit groups. Accordingly, the coefficients of variation are presented in table 3.3.42 below only for rural and urban areas combined.

What these measures of interstate disparity show is that per enterprise regional productivity inequalities have risen over time in the single largest wholesale trade groups, code 60, wholesale trade in agricultural raw materials, food, etc., but fallen in the case of wholesale trade in machinery and equipment. In the other two wholesale trade groups, disparities declined in the 1980s, but then rose again in the 1990s. The trends for labour productivity are mixed, but the figures for three out of four wholesale trade groups indicate increasing interstate labour productivity disparities during the 1990s.

The picture for the retail trade groups is more straightforward. Retail trade in the two most important consumer good groups, code 65 and 66, covering food and beverages, and textiles respectively, experienced an unambiguous reduction in interstate productivity inequalities in both periods, and for both GVA per enterprise and GVA per worker. The other two retail trade groups, coded 67 and 68,

both saw reduced interstate disparities in the most recent period, following a decade of widening regional productivity differences during the 1980s. It can also be said that in all retail trade groups, urban areas in the 1990s witnessed reductions in interstate disparities with respect to both GVA per enterprise and GVA per worker. The trends in rural areas are mixed in both periods, as are those for urban areas in the 1980s.

**Table 3.3.42: Inter-State Coefficient of Variation for Particular Industries, Rural, Urban and All Locations: 1979-80,1990-91 and 1996-97**

NIC Code	GVA per Enterprise			GVA per Worker		
	1979-80	1990-91	1996-97	1979-80	1990-91	1996-97
60	63.43	79.47	157.69	61.20	55.29	149.10
61	61.76	53.37	108.55	46.25	49.05	60.95
62	223.43	196.58	98.79	84.93	203.42	94.95
63	235.20	64.63	160.53	299.10	55.38	149.34
65	45.90	37.64	32.82	42.74	40.41	33.88
66	50.15	47.70	32.63	53.72	35.26	22.11
67	58.44	83.92	36.60	48.08	76.98	34.06
68	48.48	79.91	38.97	44.80	67.69	45.48

The absolute figures on which these statistics are based are given, for reference, in table 3.3.43.

**Table 3.3.43: GVA per Enterprise and per Worker for Each State by 2-Digit code and Rural, Urban and All Locations, Rural, Urban and All Locations: 1979-80, 1990-91 and 1996-97**

NIC Category	State	Year	GVA per Enterprise			GVA per Worker		
			Rural	Urban	Total	Rural	Urban	Total
<b>Wholesale trade in agricultural raw materials, live animals, food, beverages, intoxicants and textiles (60)</b>								
Andhra Pradesh		1979-80	34284	111720	82244	7717	19309	15592
		1990-91	13681	148738	96157	9335	41325	34732
		1996-97	24920	120021	86053	15008	42078	35462
Bihar		1979-80	8044	99218	43867	6611	26483	19843
		1990-91	74009	237105	95005	41726	63511	46894
		1996-97	26980	125331	37822	6269	47871	9185
Delhi		1979-80	-	279563	279563	-	55315	55315
		1990-91	34553	504474	501903	17276	127104	126800
		1996-97	98824	88449	88517	32941	24239	24286
Gujarat		1979-80	33531	281348	243345	10109	40131	37761
		1990-91	62827	289359	212208	18091	75745	57324
		1996-97	110572	146223	132545	32627	44219	39704
Haryana		1979-80	99145	59653	64648	17597	16618	16799
		1990-91	22987	96309	77312	16496	39212	35451
		1996-97	24968	50138	41057	18548	19648	19395
Karnataka		1979-80	13587	126654	97376	4277	24793	21131
		1990-91	8276	186263	74539	3718	57932	28734
		1996-97	36506	103026	79724	18607	37768	32414
Kerala		1979-80	178203	411762	275216	43581	91096	64483
		1990-91	63258	347934	183960	19976	90378	53224
		1996-97	50006	182578	142734	26800	90670	72482
Madhya Pradesh		1979-80	31434	165653	127484	18709	38395	35757
		1990-91	40019	382055	274048	21209	99268	84865
		1996-97	13051	139635	97182	1409	50238	19617

NIC Category	State	Year	GVA per Enterprise			GVA per Worker			
			Rural	Urban	Total	Rural	Urban	Total	
	Maharashtra	1979-80	32350	200793	163902	7182	41371	34310	
		1990-91	35534	156145	116451	15460	42775	36329	
		1996-97	53476	400993	256904	179678	107406	111269	
	Orissa	1979-80	33959	66960	42539	10368	15044	11879	
		1990-91	15316	121328	75685	11530	30458	26646	
		1996-97	72066	2659860	1116854	27565	831985	391930	
	Punjab	1979-80	30612	15483	15737	12605	4100	4192	
		1990-91	53592	234383	201732	25256	74859	68413	
		1996-97	67876	118618	113568	27146	47830	45756	
	Rajasthan	1979-80	75942	167007	151587	19949	43115	39248	
		1990-91	56480	89378	79495	19676	33328	29029	
		1996-97	22895	178889	124063	13002	63775	50886	
	Tamil Nadu	1979-80	8254	109910	72202	6709	22091	20134	
		1990-91	19878	134913	87301	11807	40897	33190	
		1996-97	39477	198103	162100	19293	70808	61701	
	Uttar Pradesh	1979-80	38607	400655	179271	22499	110028	72756	
		1990-91	30242	132670	78808	20809	43343	35570	
		1996-97	30851	81494	46171	17332	35252	23789	
	West Bengal	1979-80	19651	238823	163019	8998	39589	34674	
		1990-91	33727	148389	51357	17951	42969	24215	
		1996-97	20867	61490	27705	10779	30321	14198	
	<b>Wholesale trade in wood, paper, skin, leather and fur, fuel, petroleum, chemicals, perfumery, ceramics, glass and ores and metals (61)</b>								
	Andhra Pradesh	1979-80	7004	144321	132126	1320	30692	27781	
		1990-91	7126	212570	94900	7106	52336	41089	
1996-97		12301	131826	108237	7478	41958	38026		
Bihar	1979-80	12115	131848	120083	9161	27306	26780		
	1990-91	40667	247634	232413	26945	71215	69741		
	1996-97	20225	61996	60131	10567	26556	25965		
Delhi	1979-80	-	312581	312581	-	54081	54081		
	1990-91	-	331763	331763	-	89003	89003		
	1996-97	54241	171376	152585	54241	54810	54778		
Gujarat	1979-80	208658	146148	148153	15855	23878	23345		
	1990-91	73631	177028	155346	19591	44648	39612		
	1996-97	82728	134870	133208	33384	46006	45664		
Haryana	1979-80	-	71669	71669	-	17185	17185		
	1990-91	10752	135020	134599	10752	41102	41071		
	1996-97	12869	77471	72584	9231	31077	30121		
Karnataka	1979-80	4131	91618	56551	3875	25212	21713		
	1990-91	-7401	173372	117786	-10062	43560	39494		
	1996-97	121086	153693	151796	16875	40433	37973		
Kerala	1979-80	152141	165325	161407	31506	35236	34105		
	1990-91	54903	211668	180528	21457	48544	45104		
	1996-97	122782	184423	174895	44839	59207	57218		
Madhya Pradesh	1979-80	159440	89896	90687	34166	20945	21108		
	1990-91	18174	370967	365261	11124	108488	107729		
	1996-97	5910	1064049	1003273	536	180128	161787		



NIC Category	State	Year	GVA per Enterprise			GVA per Worker			
			Rural	Urban	Total	Rural	Urban	Total	
	Maharashtra	1979-80	52001	132248	121684	12111	26484	24826	
		1990-91	91560	74047	74595	26380	17796	18021	
		1996-97	542709	353332	368537	4277727	60932	68971	
	Orissa	1979-80	62203	16475	25156	14626	7729	9926	
		1990-91	58691	458698	385077	21457	115780	103071	
		1996-97	22854	230647	212164	8585	76482	71094	
	Punjab	1979-80	27072	174789	160646	51295	41331	41461	
		1990-91	30657	342320	335148	7664	80561	78980	
		1996-97	-	122319	122319	-	51199	51199	
	Rajasthan	1979-80	-162	51820	6962	-159	15463	5192	
		1990-91	207987	132559	132907	76355	25767	25891	
		1996-97	38966	365512	340362	24451	83126	81404	
	Tamil Nadu	1979-80	-29	105367	97133	-25	25169	24575	
		1990-91	24929	344003	268153	6465	82800	65665	
		1996-97	33456	264645	259834	11248	68488	67567	
	Uttar Pradesh	1979-80	49556	116105	108993	11916	37535	33985	
		1990-91	84044	483607	471643	11743	133695	126676	
		1996-97	33341	86557	80204	20520	34057	32977	
	West Bengal	1979-80	22136	123232	112427	7599	22570	21671	
		1990-91	25278	149730	98764	15721	45926	38228	
		1996-97	22783	53129	43474	14308	22337	20426	
	<b>Wholesale trade in all types of machinery, equipment including transport equipment (62)</b>								
		Andhra Pradesh	1979-80	855	451951	31957	855	52585	20974
			1990-91	26702	152127	151696	8901	38404	38327
1996-97			-	290948	290948	-	56068	56068	
Bihar		1979-80	-	81848	81848	-	13373	13373	
		1990-91	-	4765541	4765541	-	1098243	1098243	
		1996-97	55728	122912	87669	18576	66499	35747	
Delhi		1979-80	-	2632592	2632592	-	29571	29571	
		1990-91	-	81300	81300	-	30718	30718	
		1996-97	-	981142	981142	-	266823	266823	
Gujarat		1979-80	-	475003	475003	-	79689	79689	
		1990-91	-	217608	217608	-	48608	48608	
		1996-97	24714	104588	99796	12357	39794	38523	
Haryana		1979-80	-	100749	100749	-	25473	25473	
		1990-91	-	785793	785793	-	192394	192394	
		1996-97	-	48523	48523	-	22484	22484	
Karnataka		1979-80	-	13504	13504	-	1964	1964	
		1990-91	-	189910	189910	-	49248	49248	
		1996-97	-	131470	131470	-	42375	42375	
Kerala		1979-80	-	12212	12212	-	2493	2493	
		1990-91	141731	1233511	1197832	34892	130307	128943	
		1996-97	51085	511584	334655	19730	143264	104785	

NIC Category	State	Year	GVA per Enterprise			GVA per Worker			
			Rural	Urban	Total	Rural	Urban	Total	
	Madhya Pradesh	1979-80	36797	224069	223349	12266	38847	38794	
		1990-91	-	683710	683710	-	199184	199184	
		1996-97	-	162610	162610	-	39420	38755	
	Maharashtra	1979-80	6461	177119	173530	6461	37299	37160	
		1990-91	111856	205709	205675	12428	52980	52946	
		1996-97	145560	630930	625445	-	107646	107930	
	Orissa	1979-80	-	-45974	-45974	-	-12092	-12092	
		1990-91	-	139677	139677	-	25021	25021	
		1996-97	-	21708	21708	-	14457	14457	
	Punjab	1979-80	-	118084	118084	-	21313	21313	
		1990-91	-	329629	329629	-	76566	76566	
		1996-97	14508	777105	758169	7254	247948	244100	
	Rajasthan	1979-80	-	205379	205379	-	35146	35146	
		1990-91	-	81916	81916	-	33783	33783	
		1996-97	-	589166	589166	-	145046	145046	
	Tamil Nadu	1979-80	-	190628	190628	-	38387	38387	
		1990-91	-	181864	181864	-	40425	40425	
		1996-97	-	138735	138735	-	46909	46909	
	Uttar Pradesh	1979-80	103957	82770	83516	45199	22931	23437	
		1990-91	6332	141553	138945	4129	30521	30350	
		1996-97	80805	145598	145505	20201	53837	53765	
	West Bengal	1979-80	-	123685	123685	-	17876	17876	
		1990-91	13785	198079	190696	8494	34095	33800	
		1996-97	93393	89067	89112	19719	27018	26907	
	<b>Wholesale trade not elsewhere classified (63)</b>								
		Andhra Pradesh	1979-80	8788	77705	75988	4394	19645	19451
			1990-91	5792	112661	86537	3393	27590	24706
1996-97			13404	151020	115108	11112	40567	37543	
Bihar		1979-80	22620	20833	21903	12908	8137	10549	
		1990-91	14831	335807	266776	5121	97248	80033	
		1996-97	39162	75157	61068	25256	27121	26627	
Delhi		1979-80	-	143906	143906	-	31982	31982	
		1990-91	1441557	81263	81609	120130	26050	26142	
		1996-97	-	197486	197486	-	44646	44646	
Gujarat		1979-80	53382	398601	275706	13443	71828	55279	
		1990-91	27020	123445	106843	12707	42858	38845	
		1996-97	74604	176391	165557	27157	52882	50583	
Haryana		1979-80	29058	62350	42700	7265	18205	11343	
		1990-91	130555	79962	80470	65277	24413	24665	
		1996-97	-	67858	67858	-	31966	31966	
Karnataka		1979-80	11268	6247650	3531594	21296	2219266	1940898	
		1990-91	95619	159019	155778	35972	47424	46955	
		1996-97	15153	112988	107199	8837	43619	42228	

NIC Category	State	Year	GVA per Enterprise			GVA per Worker			
			Rural	Urban	Total	Rural	Urban	Total	
	Kerala	1979-80	16292	189784	47576	10817	42803	23390	
		1990-91	49461	133073	69708	33686	42174	37142	
		1996-97	86464	166045	137793	62117	86304	79416	
	Madhya Pradesh	1979-80	77870	77588	77617	13905	22173	20899	
		1990-91	1824	1112953	1106216	1631	317314	316701	
		1996-97	-	288424	295193	-	83478	85437	
	Maharashtra	1979-80	5611	212109	189273	3543	55959	53370	
		1990-91	11365	79181	51346	9946	23345	20799	
		1996-97	42714	167878	159889	261474	56463	57228	
	Orissa	1979-80	98069	27462	96170	18336	9349	18202	
		1990-91	22101	426547	108732	18681	115930	63299	
		1996-97	11111	2278550	1502474	7928	594452	500698	
	Punjab	1979-80	26302	406943	389166	12250	108127	105520	
		1990-91	27258	106504	104094	10781	40777	39893	
		1996-97	3491	113359	110123	3491	42248	41815	
	Rajasthan	1979-80	99079	103019	102335	48287	24428	26639	
		1990-91	6019	353875	282002	7267	110768	104223	
		1996-97	96671	120115	116862	52568	41205	42254	
	Tamil Nadu	1979-80	11403	253027	203591	7325	39237	37371	
		1990-91	19936	60598	57909	11571	22357	21893	
		1996-97	16250	117592	110854	12302	42354	41369	
	Uttar Pradesh	1979-80	57007	385266	376595	16530	97550	95675	
		1990-91	130938	47913	63342	70505	22157	30081	
		1996-97	29990	205420	193684	12218	98012	91366	
	West Bengal	1979-80	4946	95013	45990	5004	21637	18112	
		1990-91	8145	99840	28304	7593	27849	17417	
		1996-97	15217	68514	19986	14107	30023	16846	
	<b>Retail trade in food and food articles, beverages, tobacco and intoxicants (65)</b>								
	Andhra Pradesh	1979-80	3319	4694	3665	1804	2638	2009	
		1990-91	7078	16900	10546	4252	9105	6088	
1996-97		10145	17162	13165	6380	10343	8127		
Bihar	1979-80	4101	10261	5469	2983	6735	3884		
	1990-91	13184	13268	13194	10845	9415	10656		
	1996-97	11574	25217	14596	8498	18163	10671		
Delhi	1979-80	11890	14268	14221	7416	8784	8758		
	1990-91	31607	25415	25687	23215	18491	18696		
	1996-97	16001	37885	36909	10816	26250	25545		
Gujarat	1979-80	9233	23573	15095	5588	12318	8581		
	1990-91	10877	17183	13377	6882	10058	8201		
	1996-97	17460	24407	20668	12074	16049	13959		
Haryana	1979-80	7670	18548	11559	5180	13222	7957		
	1990-91	11006	18047	12206	7651	11997	8420		
	1996-97	15008	22694	18215	11845	16277	13798		

NIC Category	State	Year	GVA per Enterprise			GVA per Worker		
			Rural	Urban	Total	Rural	Urban	Total
	Karnataka	1979-80	3767	7696	5412	2500	4753	3483
		1990-91	10120	22476	14520	6876	13471	9417
		1996-97	11537	21887	15568	7833	13955	10310
	Kerala	1979-80	5579	17902	7626	3948	12231	5365
		1990-91	10186	19067	12096	7585	12425	8739
		1996-97	20065	31050	24279	16756	20900	18562
	Madhya Pradesh	1979-80	6821	10988	8475	4172	6728	5186
		1990-91	7246	47606	22635	4545	28066	13860
		1996-97	13118	24860	17792	7672	15813	10750
	Maharashtra	1979-80	8581	14679	11381	5217	7315	6284
		1990-91	14349	11131	12999	9335	5856	7694
		1996-97	18383	32839	25016	14106	19314	16842
	Orissa	1979-80	2442	5023	3008	1636	3529	2036
		1990-91	6696	15257	8275	3833	10098	4858
		1996-97	8991	16572	11039	6652	11561	8036
	Punjab	1979-80	8698	16870	9937	5838	10526	6594
		1990-91	18924	26359	21855	12597	15609	13870
		1996-97	20804	24509	22341	15707	17064	16297
	Rajasthan	1979-80	1788	9087	4911	1193	5770	3207
		1990-91	13073	31857	19101	9257	19972	12986
		1996-97	16246	27422	20111	12399	19083	14852
	Tamil Nadu	1979-80	5634	8533	6966	3408	4813	4078
		1990-91	9037	16109	12498	5316	8857	7109
		1996-97	9333	26868	18984	6050	15296	11433
	Uttar Pradesh	1979-80	2836	7994	4512	2204	5386	3339
		1990-91	5438	13253	7560	4071	8706	5453
		1996-97	11383	20111	14196	8695	14588	10662
	West Bengal	1979-80	6861	12804	8950	4552	7815	5761
		1990-91	10840	15506	12118	7393	10649	8281
		1996-97	13976	19491	16247	10598	13812	11975
<b>Retail trade in textile (66)</b>								
	Andhra Pradesh	1979-80	3483	24031	8108	2540	10142	5080
		1990-91	7840	72299	39579	4294	25552	17060
		1996-97	28737	75441	55169	19231	29709	26451
	Bihar	1979-80	17077	18365	17606	12644	10540	11648
		1990-91	11232	51317	23127	7347	26246	13971
		1996-97	28151	39072	31692	18424	24083	20334
	Delhi	1979-80	11580	35358	34084	8391	15611	15371
		1990-91	43813	83326	82244	28478	26004	26037
		1996-97	92183	77496	79079	92183	33610	36525
	Gujarat	1979-80	16303	34942	29324	9703	9679	9683
		1990-91	36710	57690	54224	21621	26370	25738
		1996-97	34635	49008	46122	20726	24227	23626

NIC Category	State	Year	GVA per Enterprise			GVA per Worker		
			Rural	Urban	Total	Rural	Urban	Total
	Haryana	1979-80	7942	99950	49066	6211	60120	33833
		1990-91	122532	15226	33831	73940	8032	18245
		1996-97	19347	39589	34297	15534	24211	22368
	Karnataka	1979-80	2445	78910	52627	1327	21616	17374
		1990-91	33536	38997	37360	19299	14094	15197
		1996-97	17373	52961	39662	12874	22364	19956
	Kerala	1979-80	28271	26449	27569	15666	13232	14669
		1990-91	22927	137240	57091	14472	32032	23875
		1996-97	43897	65573	56886	26309	27337	27010
	Madhya Pradesh	1979-80	18175	9268	12802	10192	4416	6487
		1990-91	11122	105284	71650	8999	49396	39552
		1996-97	31499	59808	50412	16583	32516	27113
	Maharashtra	1979-80	21261	39531	32917	8541	13804	12066
		1990-91	45782	27004	32651	25787	10449	13947
		1996-97	45650	96004	80989	37908	39548	39263
	Orissa	1979-80	6571	42629	21628	5321	26544	15560
		1990-91	4275	47695	26699	3555	22218	15797
		1996-97	18274	47524	35786	15781	28694	24573
	Punjab	1979-80	21799	49290	38075	17877	22293	21077
		1990-91	41831	31969	33300	30563	15359	16774
		1996-97	39850	41712	41359	23954	22974	23146
	Rajasthan	1979-80	23875	12668	16408	12655	6597	8595
		1990-91	33366	78716	62894	16213	38360	30618
		1996-97	34823	57259	49737	24252	31442	29397
	Tamil Nadu	1979-80	16925	31990	25072	8680	11576	10491
		1990-91	6790	44369	33492	4745	15580	13739
		1996-97	40307	64718	60647	29046	28154	28250
	Uttar Pradesh	1979-80	8591	15405	11566	6795	9109	7973
		1990-91	23573	11636	16603	16683	6534	10200
		1996-97	23739	46959	37175	18775	28758	25159
West Bengal	1979-80	14947	28160	22373	8150	12033	10560	
	1990-91	19760	36251	29386	13643	18016	16532	
	1996-97	19795	34894	29734	13738	20024	18136	
<b>Retail trade in fuels and other household utilities and durables (67)</b>								
Andhra Pradesh	1979-80	5888	13469	11026	3574	6541	5724	
	1990-91	2219	49448	32638	1290	20856	15258	
	1996-97	15661	43658	36600	10895	21273	19291	
Bihar	1979-80	4807	4350	4534	3863	2253	2740	
	1990-91	11381	45241	31249	12164	24297	21126	
	1996-97	19678	32264	26562	12728	19767	16672	
Delhi	1979-80	14930	30322	29675	95235	13025	13267	
	1990-91	29665	181039	153765	28501	62129	59681	
	1996-97	35139	68279	65088	12493	32770	30220	

NIC Category	State	Year	GVA per Enterprise			GVA per Worker		
			Rural	Urban	Total	Rural	Urban	Total
	Gujarat	1979-80	16206	29859	26713	13100	12761	12808
		1990-91	11816	30583	27097	7844	14960	13936
		1996-97	27930	72012	64272	19411	36768	34420
	Haryana	1979-80	6411	6971	6761	6320	4377	4913
		1990-91	47041	44536	44689	28736	26441	26577
		1996-97	38094	29660	30812	28580	19008	20147
	Karnataka	1979-80	2486	6446	5818	1737	3283	3096
		1990-91	7567	28827	26477	4788	15475	14456
		1996-97	12537	50114	39513	8984	27909	23481
	Kerala	1979-80	4739	34512	15547	3613	16364	9710
		1990-91	13933	51667	33904	9417	22235	17600
		1996-97	31032	91104	64969	20848	44445	35982
	Madhya Pradesh	1979-80	5471	14453	9966	4183	7424	6123
		1990-91	6451	50727	41419	2952	23551	19171
		1996-97	15705	45845	36594	5792	24912	17362
	Maharashtra	1979-80	3777	21496	16134	2716	9818	8284
		1990-91	25887	31526	29826	13204	14085	13843
		1996-97	20729	65260	51195	26493	30504	29925
	Orissa	1979-80	6088	15084	9334	3082	7558	4707
		1990-91	4361	32928	14813	3519	17086	9935
		1996-97	10557	37257	27851	9209	24422	20008
	Punjab	1979-80	7936	24259	14729	4493	14607	8552
		1990-91	7651	152182	134673	6109	84042	77259
		1996-97	146709	34734	72725	117326	20482	47081
	Rajasthan	1979-80	6165	6954	6772	4751	3934	4082
		1990-91	24991	92925	82366	20990	45739	43330
		1996-97	24794	32029	30195	19251	19842	19716
	Tamil Nadu	1979-80	4541	13392	11706	2321	6144	5477
		1990-91	36708	34719	35320	27437	14124	16662
		1996-97	19520	57356	52350	12237	25941	24583
Uttar Pradesh	1979-80	2795	11905	7137	2274	6664	4775	
	1990-91	16109	22020	21068	10245	12170	11894	
	1996-97	16797	38936	33343	12653	24965	22214	
West Bengal	1979-80	5927	14656	11639	3433	7362	6128	
	1990-91	11739	47988	29887	8965	23993	18057	
	1996-97	13164	36144	28915	10350	20967	18281	
<b>Retail trade not elsewhere classified (68)</b>								
	Andhra Pradesh	1979-80	14883	28263	22974	8558	13169	11573
		1990-91	8807	45366	22320	5822	21331	12830
		1996-97	13902	35284	23588	8270	19502	13563
	Bihar	1979-80	4977	16699	9905	4686	9232	7198
		1990-91	6789	40094	17351	4769	24951	11709
		1996-97	13806	29892	18516	10343	19788	13357

NIC Category	State	Year	GVA per Enterprise			GVA per Worker		
			Rural	Urban	Total	Rural	Urban	Total
	Delhi	1979-80	26575	30445	30407	21332	17488	17515
		1990-91	43852	129835	124512	24122	63537	61352
		1996-97	26440	48505	46527	17158	28935	27957
	Gujarat	1979-80	28581	37329	35295	12738	10393	10766
		1990-91	15624	86635	60899	9352	38405	29798
		1996-97	25663	44857	38730	16457	24662	22310
	Haryana	1979-80	17275	14462	15172	7338	5979	6315
		1990-91	11829	24346	16751	9727	14457	11964
		1996-97	16898	35853	29509	12736	22274	19479
	Karnataka	1979-80	8641	15962	14864	5040	8365	7910
		1990-91	13091	37389	31508	6907	19133	16242
		1996-97	15200	56120	40660	10235	30411	23788
	Kerala	1979-80	10816	81624	34835	8287	28690	19062
		1990-91	44263	65182	51706	30282	35559	32441
		1996-97	29389	51813	39115	21560	27570	24647
	Madhya Pradesh	1979-80	18905	60754	52613	10019	27396	24434
		1990-91	14637	117022	53316	8070	57636	28126
		1996-97	17859	42241	33811	4316	24838	13295
	Maharashtra	1979-80	13767	40503	34715	7752	17105	15500
		1990-91	18601	30884	25611	11410	13618	12843
		1996-97	97706	48326	68422	175800	25452	50601
	Orissa	1979-80	21954	34394	25705	14883	18277	16088
		1990-91	7292	58725	16243	5884	30026	11909
		1996-97	8711	30495	17552	5844	20065	11682
	Punjab	1979-80	33562	36726	35753	19313	16983	17596
		1990-91	17385	18198	17943	17247	9577	11070
		1996-97	28739	38225	34948	20103	22929	22048
	Rajasthan	1979-80	16529	29896	26112	11097	12333	12092
		1990-91	25870	24480	25013	15389	13500	14191
		1996-97	22482	40343	32228	15519	23951	20432
Tamil Nadu	1979-80	10191	20657	17416	4660	8610	7463	
	1990-91	20254	37257	30861	13910	18296	16975	
	1996-97	16267	44813	35008	11177	24796	20758	
Uttar Pradesh	1979-80	5232	11134	8954	3961	6826	5904	
	1990-91	14399	26789	20940	10895	16149	13963	
	1996-97	15216	26878	20408	11923	18240	14961	
West Bengal	1979-80	6198	21003	13282	4663	10450	8025	
	1990-91	10092	29944	17868	7317	16297	11463	
	1996-97	19327	28089	22959	15046	16655	15822	

### (a-iii) The sources of Inter-State Disparities

What accounts for these interstate differences in enterprise and labour productivity? To find out, two sets of regressions were run. In the first, the effects of two possible explanatory variables were assessed: state population, and state per capita income. In the second set, the rural share in the total population of each state was added as a third possible factor. In principle, any or all of these may

affect regional productivity levels in the trade sector, via their impact on the demand for the commodities sold. Large populations and high per capita incomes tend to increase demand, while a high rural share in total population may depress demand.

In the case of interstate variations in GVA per enterprise the rural share in total population is the decisive factor. As expected, the beta coefficient appears with a negative sign, showing that a high rural share in total population does, indeed, tend to depress gross value added per enterprise. The explanatory power of the three independent variable analysis (as in the second regression set) is distinctly better than that of the first regression set. In either case, per capita incomes fail to account for any significant part of interstate variations in GVA per enterprise.

The statistics for both regression sets are presented in table 3.3.44.

**Table 3.3.44: Regression Results: Dependent Variable – Gross Value Added per Enterprise in Unorganised Trade in Each of Fifteen States: 1979-80, 1985-86, 1990-91 and 1996-97**

Independent Variables	Statistics	Year			
		1979-80	1985-86	1990-91	1996-97
<b>First Regression Set</b>	$\overline{R^2}$	<b>.408</b>	<b>.468</b>	<b>.471</b>	<b>.248</b>
1. Population	Beta coefficient	.659	.706	.670	.388
	t-Value	2.626	2.931	2.879	1.439
	Significance	**	**	**	–
2. SGDP per Capita	Beta coefficient	-.070	-.052	-.114	-.297
	t-Value	.277	.217	0.489	1.101
	Significance	–	–	–	–
<b>Second Regression Set</b>	$\overline{R^2}$	<b>.661</b>	<b>.838</b>	<b>.807</b>	<b>.512</b>
1. Population	Beta coefficient	-.192	-.147	-.171	-.308
	t-Value	.991	1.099	1.212	1.419
	Significance	–	–	–	–
2. SGDP per Capita	Beta coefficient	-.200	-.092	-.105	-.314
	t-Value	.602	.461	.484	.935
	Significance	–	–	–	–
3. Rural Area's Share in Total Population	Beta coefficient	-.935	-.941	-.926	-.863
	t-Value	3.158	5.322	4.679	2.740
	Significance	***	***	***	**

*Note:* 1. Stars, \*\*\*, \*\*, \* indicate levels of significance of at least 99 per cent, 97.5 per cent and 95 per cent respectively. A dot, •, identifies a significance level of more than 90 per cent but less than 95 per cent. A–, indicates not significant.

Interstate contrasts in labour productivity, however, can be accounted for, in part, by per capita incomes in the regions. Relatively high per capita incomes exert a significant favourable impact on labour productivity in unorganised trade, although the importance of the income factor declined sharply during the 1990s. The explanatory power of the variables included in the second regression set is much better. In this case, the depressing effect of relatively high rural shares in regional populations is again, decisive. In effect, the negative impact of this factor completely swamps any favourable effects relatively high per capita incomes may have had.



**Table 3.3.45: Regression Results: Dependent Variable – Gross Value Added per Worker in Unorganised Trade in Each of Fifteen States: 1979-80, 1985-86, 1990-91 and 1996-97**

Independent Variables	Statistics	Year			
		1979-80	1985-86	1990-91	1996-97
<b>First Regression Set</b>	<b>R<sup>2</sup></b>	<b>.396</b>	<b>.569</b>	<b>.464</b>	<b>.264</b>
1. Population	Beta coefficient	-.075	-.089	-.148	-.381
	t-Value	.294	.381	.633	1.430
	Significance	–	–	–	–
2. SGDP per Capita	Beta coefficient	.649	.699	.643	.318
	t-Value	2.561	2.983	2.744	1.192
	Significance	**	**	**	–
<b>Second Regression Set</b>	<b>R<sup>2</sup></b>	<b>.562</b>	<b>.795</b>	<b>.718</b>	<b>.430</b>
1. Population	Beta coefficient	-.179	-.176	-.199	-.390
	t-Value	.811	1.164	1.167	1.664
	Significance	–	–	–	–
2. SGDP per Capita	Beta coefficient	-.079	-.025	-.045	-.269
	t-Value	.210	.113	.170	.743
	Significance	–	–	–	–
3. Rural Area's Share in Total Population	Beta coefficient	-.793	-.853	-.821	-.723
	t-Value	2.356	4.295	3.432	2.121
	Significance	*	***	***	•

*Note:* 1. Stars, \*\*\*, \*\*, \* indicate levels of significance of at least 99 per cent, 97.5 per cent and 95 per cent respectively. A dot, •, identifies a significance level of more than 90 per cent but less than 95 per cent. A dash–, indicates not significant.

In short, inter regional contrasts in per enterprise productivity levels are mainly explained by the rural share in total state populations. A high rural share pushes average productivity down. If the impact of this factor is not taken into account, then sheer population size is what matters.

The situation with regard to inter state differences in labour productivity is somewhat different. The rural share in total population is, once again, the key factor, but if the degree of ruralisation is not considered, it is per capita incomes that matter. One feature these regression results have in common. In the case of both enterprise and labour productivity the explanatory power of the regressions as a whole goes down substantially in 1996-97.

The fact that productivity levels in wholesale trade and retail trade respond to rather different kinds of stimuli was confirmed by the regression statistics.

What was anticipated was that the major role played by the rural share in total population, in accounting for interstate productivity differences for unorganised trade as a whole, might be downgraded if regressions were run for wholesale and retail separately. The intuition behind this was as follows. Wholesale trade, where productivity levels are high compared to retail trade, is a predominantly urban phenomenon. Moreover, its levels of activity may depend largely on what is produced in the region rather than on what, or how much, is consumed. On the other hand, retail trade, which accounts for the majority of workers and enterprises, is not only more evenly distributed across rural and urban locations, its productivity levels are also more likely to be influenced by consumption levels, and hence by regional per capita incomes.

The regression results, presented in table 3.3.46, tend to confirm these speculative propositions.

In the case of wholesale trade, the explanatory power of the regression taken as a whole is poor. R<sup>2</sup> are all miserably low, although both population and SGDP per capita appear to have been factors

providing a partial explanation for the sizeable interstate differences in both enterprise and labour productivity in the earlier years. By 1996-97, none of the explanatory variables contributes anything to an understanding of the factors which lie behind the marked regional differences in enterprise and labour productivity. Tables 3.3.47 and 3.3.48 give the regression statistics for enterprise and labour productivity respectively.

In the case of retail trade, however, per capita incomes are the decisive factor which accounts in large part, for observed regional differences in both enterprise and labour productivity. In the two explanatory variable regressions, the results, for all years, for both enterprise and labour productivity are highly significant. The introduction of the third explanatory variable, in the second regression set, does not alter this conclusion in two out of the three reference years. But in 1990-91, the rural share in total population makes a huge difference to the results. The per capita income factor fades into insignificance. It is swamped by the adverse effects of a relatively high rural share in total population in some states. This suggests that there was some change in the configuration of forces acting to reduce interstate productivity disparities in retail trade between 1979-80 and 1990-91.

**Table 3.3.46: Regression Results: Dependent Variable – Gross Value Added per Enterprise in Unorganised Wholesale and Retail Trade in Each of Fifteen States: 1979-80, 1985-86, 1990-91 and 1996-97**

Independent Variables	Statistics	Wholesale Trade			Retail Trade		
		1979-80	1979-80	1990-91	1996-97	1990-91	1996-97
<b>First Regression Set</b>	$\bar{R}^2$	<b>.256</b>	<b>.243</b>	<b>-.123</b>	<b>.627</b>	<b>.626</b>	<b>.634</b>
1. Population	Beta coefficient t-Value Significance	.542 1.925 •	.433 1.555 –	-.219 .665 –	.194 .975 –	.064 .325 –	.248 1.320 –
2. SGDP per Capita	Beta coefficient t-Value Significance	.717 2.547 *	.707 2.540 *	-.066 .200 –	.921 4.622 ***	.857 4.378 ***	.927 4.931 ***
<b>Second Regression Set</b>	$\bar{R}^2$	<b>.222</b>	<b>.203</b>	<b>-.222</b>	<b>.611</b>	<b>.865</b>	<b>.606</b>
1. Population	Beta coefficient t-Value Significance	.583 1.984 •	.449 1.566 –	-.220 .640 –	.224 1.079 –	.015 .130 –	.247 1.265 –
2. SGDP per Capita	Beta coefficient t-Value Significance	1.002 1.994 •	.923 2.090 •	-.130 .244 –	1.129 3.177 **	.203 1.117 –	.839 2.784 **
3. Rural Area's Share in Total Population	Beta coefficient t-Value Significance	.310 .692 –	.257 .639 –	-.079 .158 –	.226 .714 –	-.782 4.728 ***	-.107 .379 –

*Note:* 1. Stars, \*\*\*, \*\*, \* indicate levels of significance of at least 99 per cent, 97.5 per cent and 95 per cent respectively. A dot, •, identifies a significance level of more than 90 per cent but less than 95 per cent. A dash–, indicates not significant.

**Table 3.3.47: Regression Results: Dependent Variable – Gross Value Added per Worker in Unorganised Wholesale and Retail Trade in Each of Fifteen States: 1979-80, 1985-86, 1990-91 and 1996-97**

Independent Variables	Statistics	Wholesale Trade			Retail Trade		
		1979-80	1979-80	1990-91	1996-97	1990-91	1996-97
<b>First Regression Set</b>	$\bar{R}^2$	<b>.231</b>	<b>-.004</b>	<b>.112</b>	<b>.574</b>	<b>.561</b>	<b>.601</b>
1. Population	Beta coefficient	.626	.143	-.510	.193	-.083	.003
	t-Value	2.189	.477	1.621	.908	.392	.014
	Significance	*	–	–	–	–	–
2. SGDP per Capita	Beta coefficient	.637	.433	-.474	.892	.741	.813
	t-Value	2.228	1.349	1.621	4.187	3.492	4.144
	Significance	*	–	–	***	***	***
<b>Second Regression Set</b>	$\bar{R}^2$	<b>.230</b>	<b>-.093</b>	<b>.050</b>	<b>.578</b>	<b>.823</b>	<b>.607</b>
1. Population	Beta coefficient	.684	.148	-.515	.239	-.134	-.004
	t-Value	2.342	.439	1.700	1.105	.991	.020
	Significance	*	–	–	–	–	–
2. SGDP per Capita	Beta coefficient	1.044	.488	-.638	1.212	.053	.564
	t-Value	2.089	.944	1.363	3.273	.254	1.872
	Significance	•	–	–	***	–	•
3. Rural Area's Share in Total Population	Beta coefficient	.443	.066	-.201	.348	-.822	-.305
	t-Value	.992	.141	.459	1.055	4.339	1.084
	Significance	–	–	–	–	***	–

*Note:* 1. Stars, \*\*\*, \*\*, \* indicate levels of significance of at least 99 per cent, 97.5 per cent and 95 per cent respectively. A dot, •, identifies a significance level of more than 90 per cent but less than 95 per cent. A dash –, indicates not significant.

What sort of changes could have brought this about?

One possible explanation is that during the economically buoyant 1980s decade, there was relatively slow productivity growth in retail trade in states characterised by a high rural share in total population such as Bihar, Kerala, Madhya Pradesh, Orissa and Uttar Pradesh. If this was followed in the 1990s by more rapid productivity growth in these states as compared to some of the more highly urbanised states, such as Delhi, Gujarat, Maharashtra and Tamil Nadu,, then a reasonable interpretation could be placed on the statistics for retail trade in the bottom lines of table 3.3.47 and 3.3.48.

The plausibility of these potential explanations can be checked by reference to the regional productivity growth rates, discussed in the next subsection.

## **(b) Productivity Growth at the Region Level**

### **(b-i) Productivity Growth in Unorganised Trade as a Whole**

Unorganised retail trade as a whole, taking wholesale and retail trade together, has had a chequered productivity growth history. A handful of states have enjoyed positive GVA per enterprise growth during all three periods. They are: Andhra Pradesh, Bihar, Madhya Pradesh, Orissa and Tamil Nadu. All of these except Bihar also enjoyed positive labour productivity growth throughout. On the other hand, three relatively rich states – Delhi, Gujarat and Punjab – enjoyed positive productivity growth during the early 1980s, but this was then followed by two consecutive periods of negative productivity growth. The largest group, however, consists of the seven states, which suffered negative growth between 1985-86 and 1990-91, but recorded positive growth both before that, in the early 1980s, and afterwards, in the 1990-91 to 1996-97 period. But despite the very varied experience of different states, there are some distinctive and possibly important patterns.

To begin with, in all states, without exception, productivity rose between 1979-80 and 1985-86. Secondly, all of India's high-income states recorded negative productivity growth between 1985-86 and 1990-91. These included: Delhi, Haryana, Gujarat, Maharashtra and Punjab – the top five in terms of per capita gross state domestic product. Finally, all the six low-income states had positive growth in the years from 1990-91 to 1996-97, and all of them except Bihar recorded increases in labour productivity as well as in per enterprise productivity. (The six relatively low-income states are: Bihar, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh and West Bengal). Of these, four states belong to the set where the share of rural population in total population is highest – Bihar, Madhya Pradesh, Orissa and Uttar Pradesh. The only other highly ruralised state is Kerala.

Thus there has been a pattern to productivity growth in unorganised trade. High-income states tended to lose ground during the second half of the 1980s, while low income, highly ruralised states, tended to do well during the 1990s.

**Table 3.3.48: The Performance of Unorganised Trade in Fifteen Major States in Terms of Growth in Enterprise and Labour Productivity, Rural, Urban and All Locations: 1979-80 to 1985-86, 1985-86 to 1990-91 and 1990-91 to 1996-97**

State	Period	GVA per Enterprise			GVA per Worker		
		Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	1979-80 to 1985-86	35.22	0.07	18.25	35.77	0.03	18.09
	1985-86 to 1990-91	-20.63	23.69	2.01	-19.15	21.66	2.47
	1990-91 to 1996-97	8.17	-3.09	1.12	8.15	-0.67	2.05
Bihar	1979-80 to 1985-86	4.28	23.16	12.16	4.59	22.63	12.67
	1985-86 to 1990-91	16.29	-0.22	5.72	17.21	1.34	7.05
	1990-91 to 1996-97	0.67	-3.24	0.74	-2.09	-2.26	-1.33
Delhi	1979-80 to 1985-86	8.73	48.32	44.23	6.44	43.80	41.87
	1985-86 to 1990-91	7.46	-27.09	-25.02	7.01	-24.17	-23.13
	1990-91 to 1996-97	0.35	-6.51	-6.49	-2.04	-3.60	-3.76
Gujarat	1979-80 to 1985-86	4.07	10.84	10.76	3.65	14.28	12.55
	1985-86 to 1990-91	-0.31	-8.65	-8.25	0.45	-6.63	-6.59
	1990-91 to 1996-97	7.38	-4.13	-1.14	8.77	-1.78	0.69
Haryana	1979-80 to 1985-86	-10.07	7.92	5.51	-9.89	6.39	4.66
	1985-86 to 1990-91	22.40	-7.89	-5.61	24.50	-5.47	-2.75
	1990-91 to 1996-97	3.80	1.70	5.32	5.05	3.11	5.87
Karnataka	1979-80 to 1985-86	16.21	12.90	11.52	14.47	13.31	11.17
	1985-86 to 1990-91	1.91	-14.57	-11.53	3.79	-14.13	-10.55
	1990-91 to 1996-97	3.05	1.52	2.16	3.76	2.56	2.99
Kerala	1979-80 to 1985-86	7.67	20.17	17.48	7.98	21.45	17.89
	1985-86 to 1990-91	6.46	-15.72	-7.55	6.39	-16.47	-8.08
	1990-91 to 1996-97	4.35	0.14	4.75	5.80	1.81	5.36
Madhya Pradesh	1979-80 to 1985-86	1.64	5.47	2.61	1.78	3.56	2.13
	1985-86 to 1990-91	2.77	5.68	6.57	2.07	7.08	6.52
	1990-91 to 1996-97	6.62	3.36	5.42	9.46	5.34	7.58
Maharashtra	1979-80 to 1985-86	1.26	14.89	11.49	1.45	12.72	10.65
	1985-86 to 1990-91	10.98	-7.92	-4.66	12.58	-4.77	-2.30
	1990-91 to 1996-97	13.80	1.84	5.33	13.11	3.73	6.13

State	Period	GVA per Enterprise			GVA per Worker		
		Rural	Urban	Total	Rural	Urban	Total
Orissa	1979-80 to 1985-86	9.05	8.18	8.47	10.41	7.21	9.24
	1985-86 to 1990-91	-4.97	12.80	2.99	-6.67	11.16	1.30
	1990-91 to 1996-97	6.18	11.39	14.59	8.41	14.34	16.90
Punjab	1979-80 to 1985-86	7.80	38.60	36.70	6.08	39.46	35.02
	1985-86 to 1990-91	4.75	-24.36	-16.25	8.43	-24.89	-16.09
	1990-91 to 1996-97	7.88	-5.12	-2.16	8.35	-2.73	-0.30
Rajasthan	1979-80 to 1985-86	53.46	12.18	24.96	53.53	12.09	24.40
	1985-86 to 1990-91	-23.21	5.33	-7.67	-23.20	5.25	-6.92
	1990-91 to 1996-97	2.04	0.06	0.98	3.69	1.66	2.52
Tamil Nadu	1979-80 to 1985-86	8.25	0.08	3.30	2.30	-0.91	0.31
	1985-86 to 1990-91	4.27	11.86	8.65	12.75	13.91	13.32
	1990-91 to 1996-97	0.41	5.35	5.81	1.52	6.86	6.86
Uttar Pradesh	1979-80 to 1985-86	14.58	0.86	4.65	12.83	1.44	4.02
	1985-86 to 1990-91	-3.46	-0.17	-1.36	-2.39	-1.08	-1.13
	1990-91 to 1996-97	8.25	3.05	5.37	8.59	4.89	6.30
West Bengal	1979-80 to 1985-86	2.46	9.93	5.97	0.02	9.99	4.97
	1985-86 to 1990-91	8.01	-9.91	-4.92	12.02	-6.72	-1.36
	1990-91 to 1996-97	4.43	-1.49	2.03	5.40	-0.03	2.99

### (b-ii) Productivity Growth: Wholesale and Retail Trade Compared

Retail trade units have outperformed units engaged in wholesale trade almost everywhere, if productivity growth is the criterion. Negative productivity growth in retail trade is confined to the urban areas of eight major states. No state recorded negative productivity growth in retail trade enterprises located in rural areas. Enterprises in seven states recorded positive GVA per enterprise growth in retail trade in both rural and urban areas during both the 1980s and the 1990s. These favoured few are: Bihar, Karnataka, Kerala, Madhya Pradesh, Tamil Nadu, Uttar Pradesh and West Bengal.

On the other hand Tamil Nadu is the only state where unorganised wholesale trade enjoyed positive growth in GVA per enterprise in both rural and urban locations during both decades. Most states which suffered declining productivity in rural areas also faced falling per enterprise productivity in urban areas as well.

Further details can be seen in table 3.3.49.

**Table 3.3.49: Growth of GVA per Enterprise by Wholesale and Retail Trade and Rural, Urban and All Locations: 1979-80, 1990-91 and 1996-97**

State	Year	Wholesale			Retail		
		Rural	Urban	All Locations	Rural	Urban	All Locations
Andhra Pradesh	1979-90	-1.31	1.65	2.08	6.32	11.75	10.91
	1990-96	6.47	-1.45	0.34	4.76	-0.94	1.57
Bihar	1979-90	19.49	11.97	8.81	8.55	9.41	7.77
	1990-96	-8.53	-12.52	-9.82	0.98	0.16	1.50
Delhi	1979-90	—	-2.18	-2.18	8.02	12.96	12.56
	1990-96	-8.80	5.40	5.22	0.19	-5.40	-5.20

State	Year	Wholesale			Retail		
		Rural	Urban	All Locations	Rural	Urban	All Locations
Gujarat	1979-90	2.72	-2.93	-3.36	1.01	3.56	2.97
	1990-96	5.42	-3.25	-1.98	4.46	-0.70	0.98
Haryana	1979-90	-6.64	5.30	4.27	4.13	-0.36	0.31
	1990-96	0.21	-5.58	-5.67	2.18	2.13	3.59
Karnataka	1979-90	-2.18	-9.26	-12.01	9.86	6.19	6.71
	1990-96	15.04	-4.03	0.12	1.29	2.54	2.24
Kerala	1979-90	-4.61	-0.10	-1.12	9.63	2.33	6.72
	1990-96	2.21	-3.96	-0.14	2.63	1.12	3.00
Madhya Pradesh	1979-90	-0.07	7.68	6.17	3.40	6.92	5.57
	1990-96	-4.24	8.82	8.78	4.44	3.02	3.67
Maharashtra	1979-90	-0.05	-4.12	-4.00	4.59	4.58	4.28
	1990-96	4.84	2.15	2.27	7.69	-0.84	2.57
Orissa	1979-90	-7.13	14.27	9.60	4.10	9.01	6.01
	1990-96	11.58	23.46	21.81	3.11	-1.30	2.41
Punjab	1979-90	5.76	4.14	3.50	6.07	4.30	7.89
	1990-96	1.05	-2.91	-2.41	4.87	-2.47	-0.11
Rajasthan	1979-90	8.15	-2.08	0.19	12.94	12.23	11.59
	1990-96	-5.89	5.79	4.56	1.64	-0.89	0.22
Tamil Nadu	1979-90	8.48	0.01	0.30	6.22	6.44	6.48
	1990-96	5.57	2.45	3.86	0.00	4.13	3.81
Uttar Pradesh	1979-90	-0.40	-5.71	-4.27	7.81	5.75	6.49
	1990-96	-1.71	-3.90	-4.71	5.03	3.79	4.55
West Bengal	1979-90	5.34	-3.12	-8.02	3.96	3.95	3.34
	1990-96	-3.73	-7.21	-6.44	3.54	0.30	2.46

Negative labour productivity growth is a relatively rare phenomenon, compared to declining GVA per enterprise. Although most states experienced falling labour productivity levels in wholesale trade at some time or another, three escaped altogether. In Andhra Pradesh, Orissa and Tamil Nadu, wholesale trade labour productivity increased in all locations in both decades. Furthermore, in most states which suffered reductions in labour productivity at all, these set backs were confined to the 1990s.

In Delhi, GVA per retail trade worker fell in both rural and urban areas during the 1990s. In addition, in five states – Haryana, Maharashtra, Orissa, Punjab and Rajasthan – urban retail trade workers generated less GVA per worker in either the 1980s or 1990s, but not in both decades.

Thus in retail trade, labour productivity improvements were general in rural areas, and negative growth rates were unusual in any decade even in urban areas.

**Table 3.3.50: Growth of GVA per Worker by Wholesale and Retail Trade and Rural, Urban and All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97**

State	Year	Wholesale			Retail		
		Rural	Urban	All Locations	Rural	Urban	All Locations
Andhra Pradesh	1979-90	4.04	4.80	5.47	7.32	10.82	11.08
	1990-96	7.99	0.29	0.97	8.30	0.45	3.48
Bihar	1979-90	16.08	13.18	10.61	9.23	10.01	8.69
	1990-96	-24.56	-15.32	-22.18	0.30	1.24	1.53
Delhi	1979-90	–	3.26	3.26	6.61	11.76	11.54
	1990-96	-1.68	6.35	6.30	-2.21	-6.47	-6.42
Gujarat	1979-90	3.81	2.61	1.61	1.43	5.85	4.47
	1990-96	9.45	-3.45	-1.80	8.97	0.85	3.24
Haryana	1979-90	3.84	7.94	8.40	4.73	-0.23	0.91
	1990-96	0.89	-7.69	-7.39	4.97	5.02	6.80
Karnataka	1979-90	-2.07	-6.19	-8.70	9.97	6.43	6.96
	1990-96	27.27	-4.10	0.87	2.66	5.14	4.45
Kerala	1979-90	-2.95	1.34	0.34	9.82	2.55	6.75
	1990-96	9.50	2.54	6.33	5.57	2.33	5.17
Madhya Pradesh	1979-90	23.62	22.53	22.89	6.35	14.37	10.87
	1990-96	-2.10	9.80	10.32	10.01	4.21	7.00
Maharashtra	1979-90	-12.94	-12.90	-13.27	1.94	-2.42	-0.59
	1990-96	6.44	7.79	6.80	13.53	3.24	6.76
Orissa	1979-90	1.30	13.37	11.87	3.65	7.85	5.41
	1990-96	9.97	47.72	39.79	7.72	-0.01	6.28
Punjab	1979-90	3.00	6.16	5.68	6.92	4.25	7.57
	1990-96	1.10	-1.72	-1.34	8.74	-2.05	1.36
Rajasthan	1979-90	3.97	0.13	0.51	13.13	12.23	11.83
	1990-96	-3.59	9.37	8.91	4.23	-0.07	1.73
Tamil Nadu	1979-90	4.45	3.95	3.18	6.90	6.42	6.72
	1990-96	9.10	6.31	7.49	1.11	8.40	7.52
Uttar Pradesh	1979-90	1.12	-4.33	-3.25	7.36	5.48	6.13
	1990-96	-5.19	-2.90	-5.57	9.23	8.24	8.82
West Bengal	1979-90	6.39	1.43	-1.62	4.41	4.75	4.06
	1990-96	-4.91	-5.55	-7.34	7.56	1.59	5.19

However, these are averages, across eight different two-digit wholesale and retail trade groups. Individual two-digit categories performed very differently in different states.

Code 60, for example, wholesale trade units in agricultural raw materials, live animals, food, beverages and textiles, did badly almost everywhere. Two consecutive periods of positive productivity growth were recorded in only two out of fifteen states – Orissa and Tamil Nadu. The labour productivity growth record is also depressing. Only five states improved labour productivity throughout both the eighties and nineties. They are: Andhra Pradesh, Karnataka, Maharashtra, Orissa and Tamil Nadu.

Productivity growth performance in wholesale trade in wood, leather, fuel, petroleum, chemicals and so on (code 61) is equally poor. In three states, enterprise productivity improved – Karnataka, Madhya Pradesh and Rajasthan; in five GVA per worker rose – Gujarat, Kerala, Madhya Pradesh, Rajasthan and Tamil Nadu.

Wholesale trade in all types of machinery and equipment (code 62) did a shade better. Four states turned in respectable performances with respect to GVA per enterprise, and six enjoyed positive labour productivity growth throughout. Per enterprise productivity increased in Andhra Pradesh, Maharashtra, Punjab and Uttar Pradesh. Labour productivity growth was positive throughout in Andhra Pradesh, Delhi, Maharashtra, Punjab, Tamil Nadu and Uttar Pradesh.

In the miscellaneous wholesale trade category (code 63), productivity growth performance is as bad, if not worse, than in the other two-digit wholesale trade groups. Only three states enjoyed continuous positive growth in GVA per enterprise, and only four enjoyed positive labour productivity growth.

In short, in most states the performance of wholesale trade is miserable. But there are some states where labour productivity growth was positive throughout in two or three two-digit categories. In Andhra Pradesh and Tamil Nadu, workers in three out of four wholesale trade groups enjoyed productivity gains. Both Maharashtra and Orissa record continuous labour productivity improvements in two out of four wholesale trade groups. Finally, all states, except Bihar and West Bengal could boast of at least one two-digit wholesale trade category, where labour productivity improved. In short, a poor performance in most states, but an encouraging one in a few.

Retail trade presents an altogether more cheerful picture. Sustained positive enterprise and labour productivity growth characterises thirteen out of fifteen states with respect to the single most important retail trade group. Only Gujarat and Madhya Pradesh have recorded negative growth in any period in retail trade in food, beverages, tobacco and intoxicants (code 65).

Retail trade enterprises in textiles suffered a period of negative GVA growth in most states. Andhra Pradesh, Bihar, Orissa, Tamil Nadu, Uttar Pradesh and West Bengal were the more fortunate exceptions. However, labour productivity growth was positive in the vast majority of states – nine out of fifteen.

Retail trade in fuels, household utilities and durables suffered productivity setbacks in seven out of fifteen states. In all of them the negative growth figures appear in the 1990-91 to 1996-97 period. But in the majority of states productivity levels improved in both periods.

The only retail trade group in which the majority of states enterprises put up a poor show, was the large miscellaneous group, retail trade not elsewhere classified. Only five states recorded consistently positive enterprise productivity growth rates. Eight states however recorded positive labour productivity growth throughout. Most of the rest recorded negative labour productivity growth in only one period, 1990-91 to 1996-97.



**Table 3.3.51: Growth Rate of GVA per Enterprise and Worker for Each State by Two-Digit Code, All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97**

NIC Category	State	Period	GVA per Enterprise	GVA per Worker
<b>Wholesale trade in agricultural raw materials, live animals, food, beverages, intoxicants and textiles (60)</b>				
	Andhra Pradesh	1979-80 to 1990-91	1.43	7.55
		1990-90 to 1996-97	-1.69	0.32
	Bihar	1979-80 to 1990-91	7.28	8.13
		1990-90 to 1996-97	-13.21	-22.18
	Delhi	1979-80 to 1990-91	5.46	7.83
		1990-90 to 1996-97	-23.43	-22.45
	Gujarat	1979-80 to 1990-91	-1.24	3.87
		1990-90 to 1996-97	-6.98	-5.49
	Haryana	1979-80 to 1990-91	1.64	7.03
		1990-90 to 1996-97	-9.28	-8.86
	Karnataka	1979-80 to 1990-91	-2.40	2.83
		1990-90 to 1996-97	1.04	1.87
	Kerala	1979-80 to 1990-91	-3.60	-1.73
		1990-90 to 1996-97	-3.83	4.87
	Madhya Pradesh	1979-80 to 1990-91	7.21	8.17
		1990-90 to 1996-97	-14.74	-20.18
	Maharashtra	1979-80 to 1990-91	-3.06	0.52
		1990-90 to 1996-97	12.94	18.79
	Orissa	1979-80 to 1990-91	5.38	7.62
		1990-90 to 1996-97	51.30	51.23
	Punjab	1979-80 to 1990-91	26.10	28.90
		1990-90 to 1996-97	-8.46	-6.00
	Rajasthan	1979-80 to 1990-91	-5.70	-2.70
		1990-90 to 1996-97	7.09	9.02
	Tamil Nadu	1979-80 to 1990-91	1.74	4.65
		1990-90 to 1996-97	9.99	10.01
	Uttar Pradesh	1979-80 to 1990-91	-7.20	-6.30
		1990-90 to 1996-97	-7.90	-6.00
	West Bengal	1979-80 to 1990-91	-9.97	-3.21
		1990-90 to 1996-97	-9.06	-7.88
<b>Wholesale trade in wood, paper, skin, leather and fur, fuel, petroleum, chemicals, perfumery, ceramics, glass and ores and metals (61)</b>				
	Andhra Pradesh	1979-80 to 1990-91	-2.96	3.62
		1990-90 to 1996-97	2.04	-1.18
	Bihar	1979-80 to 1990-91	6.19	9.09
		1990-90 to 1996-97	-18.78	-14.10
	Delhi	1979-80 to 1990-91	0.54	4.63
		1990-90 to 1996-97	-11.26	-7.20
	Gujarat	1979-80 to 1990-91	0.43	4.92
		1990-90 to 1996-97	-2.34	2.21
	Haryana	1979-80 to 1990-91	5.90	8.24
		1990-90 to 1996-97	-9.06	-4.66
	Karnataka	1979-80 to 1990-91	6.90	5.59
		1990-90 to 1996-97	3.98	-0.60
	Kerala	1979-80 to 1990-91	1.02	2.57
		1990-90 to 1996-97	-0.49	3.73
	Madhya Pradesh	1979-80 to 1990-91	13.50	15.97
		1990-90 to 1996-97	16.82	6.46

NIC Category	State	Period	GVA per Enterprise	GVA per Worker
	Maharashtra	1979-80 to 1990-91	-4.35	-2.87
		1990-90 to 1996-97	27.86	22.94
	Orissa	1979-80 to 1990-91	28.15	23.71
		1990-90 to 1996-97	-8.76	-5.55
	Punjab	1979-80 to 1990-91	6.91	6.03
		1990-90 to 1996-97	-14.36	-6.45
	Rajasthan	1979-80 to 1990-91	30.75	15.73
		1990-90 to 1996-97	15.57	19.27
	Tamil Nadu	1979-80 to 1990-91	9.67	9.35
		1990-90 to 1996-97	-0.48	0.44
	Uttar Pradesh	1979-80 to 1990-91	14.25	12.71
		1990-90 to 1996-97	-23.86	-18.70
	West Bengal	1979-80 to 1990-91	-1.17	5.30
		1990-90 to 1996-97	-11.86	-9.19
<b>Wholesale trade in all types of machinery, equipment including transport equipment (62)</b>				
	Andhra Pradesh	1979-80 to 1990-91	15.21	5.63
		1990-90 to 1996-97	10.54	6.03
	Bihar	1979-80 to 1990-91	44.70	49.29
		1990-90 to 1996-97	-45.92	-40.96
	Delhi	1979-80 to 1990-91	-27.10	0.35
		1990-90 to 1996-97	46.69	39.46
	Gujarat	1979-80 to 1990-91	-6.85	-4.39
		1990-90 to 1996-97	-11.30	-3.51
	Haryana	1979-80 to 1990-91	20.53	20.18
		1990-90 to 1996-97	-34.85	-28.13
	Karnataka	1979-80 to 1990-91	27.17	34.03
		1990-90 to 1996-97	-5.50	-2.29
	Kerala	1979-80 to 1990-91	51.72	43.15
		1990-90 to 1996-97	-17.81	-3.14
	Madhya Pradesh	1979-80 to 1990-91	10.71	16.04
		1990-90 to 1996-97	-19.82	-22.26
	Maharashtra	1979-80 to 1990-91	1.56	3.27
		1990-90 to 1996-97	18.66	11.58
	Orissa	1979-80 to 1990-91	-210.63	-206.83
		1990-90 to 1996-97	-24.90	-8.09
Punjab	1979-80 to 1990-91	9.78	12.33	
	1990-90 to 1996-97	13.67	19.53	
Rajasthan	1979-80 to 1990-91	-8.02	-0.36	
	1990-90 to 1996-97	35.46	25.13	
Tamil Nadu	1979-80 to 1990-91	-0.43	0.47	
	1990-90 to 1996-97	-4.08	2.32	
Uttar Pradesh	1979-80 to 1990-91	4.74	2.38	
	1990-90 to 1996-97	0.71	9.20	
West Bengal	1979-80 to 1990-91	4.01	5.96	
	1990-90 to 1996-97	-11.05	-3.45	
<b>Wholesale trade not elsewhere classified (63)</b>				
	Andhra Pradesh	1979-80 to 1990-91	1.19	2.20
		1990-90 to 1996-97	4.49	6.65
	Bihar	1979-80 to 1990-91	25.51	20.23
		1990-90 to 1996-97	-20.29	-15.58

NIC Category	State	Period	GVA per Enterprise	GVA per Worker
	Delhi	1979-80 to 1990-91	-5.03	-1.82
		1990-90 to 1996-97	14.56	8.58
	Gujarat	1979-80 to 1990-91	-8.26	-3.16
		1990-90 to 1996-97	6.97	4.15
	Haryana	1979-80 to 1990-91	5.93	7.32
		1990-90 to 1996-97	-2.59	4.07
	Karnataka	1979-80 to 1990-91	-24.70	-28.70
		1990-90 to 1996-97	-5.59	-1.62
	Kerala	1979-80 to 1990-91	3.53	4.29
		1990-90 to 1996-97	11.05	12.40
	Madhya Pradesh	1979-80 to 1990-91	27.32	28.03
		1990-90 to 1996-97	-18.39	-18.26
	Maharashtra	1979-80 to 1990-91	-11.18	-8.21
		1990-90 to 1996-97	19.10	16.85
Orissa	1979-80 to 1990-91	1.12	12.00	
	1990-90 to 1996-97	49.78	37.46	
Punjab	1979-80 to 1990-91	-11.30	-8.46	
	1990-90 to 1996-97	0.87	0.73	
Rajasthan	1979-80 to 1990-91	9.65	13.20	
	1990-90 to 1996-97	-12.67	-12.97	
Tamil Nadu	1979-80 to 1990-91	-10.80	-4.74	
	1990-90 to 1996-97	10.51	10.29	
Uttar Pradesh	1979-80 to 1990-91	-14.96	-9.98	
	1990-90 to 1996-97	18.76	18.64	
West Bengal	1979-80 to 1990-91	-4.32	-0.36	
	1990-90 to 1996-97	-5.21	-0.51	
<b>Retail trade in food and food articles, beverages, tobacco and intoxicants (65)</b>				
	Andhra Pradesh	1979-80 to 1990-91	10.09	10.61
		1990-90 to 1996-97	3.47	4.54
	Bihar	1979-80 to 1990-91	8.33	9.61
		1990-90 to 1996-97	1.57	0.02
	Delhi	1979-80 to 1990-91	5.52	7.14
		1990-90 to 1996-97	5.74	4.92
	Gujarat	1979-80 to 1990-91	-1.09	-0.41
		1990-90 to 1996-97	6.92	8.53
	Haryana	1979-80 to 1990-91	0.50	0.52
		1990-90 to 1996-97	6.35	7.90
	Karnataka	1979-80 to 1990-91	9.39	9.46
		1990-90 to 1996-97	1.08	1.40
	Kerala	1979-80 to 1990-91	4.28	4.54
		1990-90 to 1996-97	11.31	12.29
Madhya Pradesh	1979-80 to 1990-91	9.34	9.35	
	1990-90 to 1996-97	-3.64	-3.83	
Maharashtra	1979-80 to 1990-91	1.22	1.86	
	1990-90 to 1996-97	10.60	12.81	
Orissa	1979-80 to 1990-91	9.64	8.23	
	1990-90 to 1996-97	4.53	8.05	
Punjab	1979-80 to 1990-91	7.43	6.99	
	1990-90 to 1996-97	0.34	2.51	
Rajasthan	1979-80 to 1990-91	13.14	13.56	
	1990-90 to 1996-97	0.80	2.09	

NIC Category	State	Period	GVA per Enterprise	GVA per Worker
	Tamil Nadu	1979-80 to 1990-91	5.46	5.18
		1990-90 to 1996-97	6.64	7.58
	Uttar Pradesh	1979-80 to 1990-91	4.80	4.56
		1990-90 to 1996-97	10.18	10.87
	West Bengal	1979-80 to 1990-91	2.79	3.35
		1990-90 to 1996-97	4.61	5.84
<b>Retail trade in textile (66)</b>				
	Andhra Pradesh	1979-80 to 1990-91	15.50	11.64
		1990-90 to 1996-97	5.24	6.98
	Bihar	1979-80 to 1990-91	2.51	1.67
		1990-90 to 1996-97	4.97	5.94
	Delhi	1979-80 to 1990-91	8.34	4.91
		1990-90 to 1996-97	-0.60	5.35
	Gujarat	1979-80 to 1990-91	5.75	9.29
		1990-90 to 1996-97	-2.46	-1.31
	Haryana	1979-80 to 1990-91	-3.32	-5.46
		1990-90 to 1996-97	0.21	3.18
	Karnataka	1979-80 to 1990-91	-3.07	-1.21
		1990-90 to 1996-97	0.92	4.28
	Kerala	1979-80 to 1990-91	6.84	4.53
		1990-90 to 1996-97	-0.06	1.92
	Madhya Pradesh	1979-80 to 1990-91	16.95	17.86
		1990-90 to 1996-97	-5.27	-5.64
	Maharashtra	1979-80 to 1990-91	-0.07	1.33
		1990-90 to 1996-97	15.00	17.26
	Orissa	1979-80 to 1990-91	1.93	0.14
		1990-90 to 1996-97	4.61	7.03
Punjab	1979-80 to 1990-91	-1.21	-2.05	
	1990-90 to 1996-97	3.39	5.08	
Rajasthan	1979-80 to 1990-91	12.99	12.24	
	1990-90 to 1996-97	-3.55	-0.62	
Tamil Nadu	1979-80 to 1990-91	2.67	2.48	
	1990-90 to 1996-97	9.56	11.73	
Uttar Pradesh	1979-80 to 1990-91	3.34	2.26	
	1990-90 to 1996-97	13.20	14.90	
West Bengal	1979-80 to 1990-91	2.51	4.16	
	1990-90 to 1996-97	0.18	1.43	
<b>Retail trade in fuels and other household utilities and durables (67)</b>				
	Andhra Pradesh	1979-80 to 1990-91	10.37	9.32
		1990-90 to 1996-97	1.78	3.67
	Bihar	1979-80 to 1990-91	19.18	20.40
		1990-90 to 1996-97	-2.47	-3.58
	Delhi	1979-80 to 1990-91	16.13	14.65
		1990-90 to 1996-97	-12.39	-9.94
	Gujarat	1979-80 to 1990-91	0.13	0.77
		1990-90 to 1996-97	14.21	14.92
	Haryana	1979-80 to 1990-91	18.73	16.59
		1990-90 to 1996-97	-5.56	-4.17
	Karnataka	1979-80 to 1990-91	14.77	15.04
		1990-90 to 1996-97	6.35	7.75

NIC Category	State	Period	GVA per Enterprise	GVA per Worker
	Kerala	1979-80 to 1990-91	7.35	5.56
		1990-90 to 1996-97	10.52	11.63
	Madhya Pradesh	1979-80 to 1990-91	13.83	10.93
		1990-90 to 1996-97	-1.89	-1.51
	Maharashtra	1979-80 to 1990-91	5.75	4.78
		1990-90 to 1996-97	8.67	12.59
	Orissa	1979-80 to 1990-91	4.29	7.03
		1990-90 to 1996-97	10.20	11.37
	Punjab	1979-80 to 1990-91	22.29	22.15
		1990-90 to 1996-97	-9.04	-7.34
	Rajasthan	1979-80 to 1990-91	25.50	23.96
		1990-90 to 1996-97	-14.31	-11.41
	Tamil Nadu	1979-80 to 1990-91	10.56	10.64
		1990-90 to 1996-97	6.24	6.17
	Uttar Pradesh	1979-80 to 1990-91	10.34	8.65
		1990-90 to 1996-97	7.32	10.09
	West Bengal	1979-80 to 1990-91	8.95	10.32
		1990-90 to 1996-97	-0.51	0.19
<b>Retail trade not elsewhere classified (68)</b>				
	Andhra Pradesh	1979-80 to 1990-91	-0.26	0.94
		1990-90 to 1996-97	0.85	0.86
	Bihar	1979-80 to 1990-91	5.23	4.52
		1990-90 to 1996-97	1.01	2.05
	Delhi	1979-80 to 1990-91	13.67	12.07
		1990-90 to 1996-97	-14.05	-11.39
	Gujarat	1979-80 to 1990-91	5.08	9.70
		1990-90 to 1996-97	-6.73	-4.35
	Haryana	1979-80 to 1990-91	0.90	5.98
		1990-90 to 1996-97	9.10	7.79
	Karnataka	1979-80 to 1990-91	7.07	6.76
		1990-90 to 1996-97	4.00	6.05
	Kerala	1979-80 to 1990-91	3.66	4.95
		1990-90 to 1996-97	-4.20	-4.14
	Madhya Pradesh	1979-80 to 1990-91	0.12	1.29
		1990-90 to 1996-97	-6.77	-10.89
	Maharashtra	1979-80 to 1990-91	-2.73	-1.69
		1990-90 to 1996-97	16.32	23.48
	Orissa	1979-80 to 1990-91	-4.09	-2.70
		1990-90 to 1996-97	1.20	-0.29
Punjab	1979-80 to 1990-91	-6.08	-4.13	
	1990-90 to 1996-97	10.80	11.18	
Rajasthan	1979-80 to 1990-91	-0.39	1.47	
	1990-90 to 1996-97	3.98	5.77	
Tamil Nadu	1979-80 to 1990-91	5.34	7.76	
	1990-90 to 1996-97	1.96	3.14	
Uttar Pradesh	1979-80 to 1990-91	8.03	8.14	
	1990-90 to 1996-97	-0.39	1.07	
West Bengal	1979-80 to 1990-91	2.73	3.29	
	1990-90 to 1996-97	3.93	5.08	

**(c) Employment Generation: Past Performance and Future Prospects**

There is a disembodied quality about growth rates – positive or negative. This subsection seeks first to bring into focus the ground realities, in terms of the number of workers who lost jobs and the number who gained, in each state. This is done in terms of an initial overview for the entire unorganised trade segment, and then for its two main branches, wholesale and retail trade. This is followed up by a detailed, two-digit level accounting of the location of job losses and job gains within each state. Finally, for those who would like to predict what the future may hold, employment elasticities are presented, and interpreted in the light of their implications for labour productivity.

**(c-i) Employment Generation in Unorganised Trade: Past Performance – Gains and Losses in Absolute Terms**

When rural and urban areas are considered together, it is found that five states recorded employment gains in all three periods. Two of them – Karnataka and Uttar Pradesh – never experienced any contraction of employment, even in rural areas. The other three – Andhra Pradesh, Gujarat and Madhya Pradesh – all faced job losses in rural areas in the 1990s, which were more than compensated for by additional employment in urban areas.

The other ten states presented a mixed picture. In most of them the rally big job losses took place in the 1990s, in rural areas. A reduction of the urban workforce ever took place only in Delhi, Maharashtra, Orissa, (where it was overshadowed by a much bigger reduction in rural locations), and West Bengal, where the urban job losses were substantial in the late 1980s, but where the decline in rural employment was even larger. The detailed state wise figures are given in table 3.3.52.

**Table 3.3.52: Changes in the Absolute Number of Persons Employed (+ or -) in Unorganised Trade in fifteen States, Rural, Urban and All Locations: 1979-80 to 1985-86, 1985-86 to 1990-91 and 1990-91 to 1995-96**

State	Period	Changes in the Number of Persons Employed					
		Rural		Urban		All Locations	
		Jobs Gained	Jobs Lost (-)	Jobs Gained	Jobs Lost (-)	Jobs Gained	Jobs Lost (-)
Andhra Pradesh	79-80 to 85-86	46,999		359,021		406,020	
	85-86 to 90-91	187,104		115,601		302,705	
	90-91 to 96-97		1,370	134,188		132,818	
Bihar	79-80 to 85-86	400,482		56,332		456,814	
	85-86 to 90-91	509,563		40,797		550,360	
	90-91 to 96-97		222,416	68,079			154,337
Delhi	79-80 to 85-86	24,712			30,473		5,761
	85-86 to 90-91		15,305	59,579		44,274	
	90-91 to 96-97	12,012		16,891		28,903	

State	Period	Changes in the Number of Persons Employed					
		Rural		Urban		All Locations	
		Jobs Gained	Jobs Lost (-)	Jobs Gained	Jobs Lost (-)	Jobs Gained	Jobs Lost (-)
Gujarat	79-80 to 85-86	33,183		28,206		61,389	
	85-86 to 90-91	101,258		61,087		162,344	
	90-91 to 96-97		10,884	54,664		43,781	
Haryana	79-80 to 85-86	23,610		54,536		78,146	
	85-86 to 90-91	215,425		47,367		262,792	
	90-91 to 96-97		169,122	46,669			122,453
Karnataka	79-80 to 85-86	143,823		46,811		190,634	
	85-86 to 90-91	97,643		157,885		255,528	
	90-91 to 96-97	126,987		170,078		297,065	
Kerala	79-80 to 85-86	45,529		35,845		81,374	
	85-86 to 90-91	20,374		55,080		75,454	
	90-91 to 96-97		187,606	37,465			150,141
Madhya Pradesh	79-80 to 85-86	149,476		64,025		213,501	
	85-86 to 90-91	168,362		212,556		380,918	
	90-91 to 96-97		89,781	92,577		2,797	
Maharashtra	79-80 to 85-86	244,645		301,608		546,253	
	85-86 to 90-91	88,055		116,413		204,468	
	90-91 to 96-97	16,173			49,511		33,337
Orissa	79-80 to 85-86	122,415		50,542		172,957	
	85-86 to 90-91	236,134		56,439		292,573	
	90-91 to 96-97		322,738		12,629		335,368
Punjab	79-80 to 85-86	185,642		183,962		369,604	
	85-86 to 90-91		188,201	57,497			130,704
	90-91 to 96-97	103,647		97,626		201,273	
Rajasthan	79-80 to 85-86		58,465	12,404			46,061
	85-86 to 90-91	166,814		41,699		208,513	
	90-91 to 96-97	89,859		127,211		217,069	
Tamil Nadu	79-80 to 85-86	84,281		295,840		380,121	
	85-86 to 90-91	104,020		89,373		193,393	
	90-91 to 96-97		137,637	54,871			82,766
Uttar Pradesh	79-80 to 85-86	680,762		407,301		1,088,063	
	85-86 to 90-91	90,952		184,422		275,374	
	90-91 to 96-97	311,975		287,508		599,483	
West Bengal	79-80 to 85-86	927,173		383,128		1,310,301	
	85-86 to 90-91		340,197		284,037		624,234
	90-91 to 96-97	140,121		322,558		462,680	

Most states, (nine out of fifteen of them) suffered job losses in wholesale trade during the 1990s. The only state where employment contracted also in the preceding decade was Madhya Pradesh. On the other hand many new jobs were created in this branch of trade during the most recent decade in Bihar, Uttar Pradesh and above all, West Bengal. In all these three cases most of the additional employment was generated in rural areas. Table 3.3.53 gives further details.

**Table 2.3.53: Changes in the Absolute Number of Persons Employed (+ or -) in Unorganised Trade in Fifteen States by broad Category (wholesale Industries), Rural, Urban and All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97**

State	Period	Wholesale					
		Rural		Urban		All Locations	
		Jobs Gained	Jobs Lost (-)	Jobs Gained	Jobs Lost (-)	Jobs Gained	Jobs Lost (-)
Andhra Pradesh	79-80 to 90-91	16,255		83,004		99,260	
	90-91 to 96-97		9,313		26,640		35,953
Bihar	79-80 to 90-91	45,021		12,906		57,926	
	90-91 to 96-97	133,206		18,705		151,912	
Delhi	79-80 to 90-91	97		6,159		6,255	
	90-91 to 96-97	308			45,523		45,214
Gujarat	79-80 to 90-91	25,574		8,472		34,046	
	90-91 to 96-97		6,574		20,601		27,173
Haryana	79-80 to 90-91		1,970	5,578		3,607	
	90-91 to 96-97	1,588		2,316		3,905	
Karnataka	79-80 to 90-91	31,544		21,009		52,552	
	90-91 to 96-97		21,076	5,944			15,132
Kerala	79-80 to 90-91	15,639		21,155		36,794	
	90-91 to 96-97		22,879	1,135			21,743
Madhya Pradesh	79-80 to 90-91		19,610		83,851		103,461
	90-91 to 96-97		4,653	927			3,726
Maharashtra	79-80 to 90-91	36,783		171,301		208,085	
	90-91 to 96-97	6,387			43,896		37,509
Orissa	79-80 to 90-91		10,705	11,925		1,220	
	90-91 to 96-97	2,316			9,364		7,048
Punjab	79-80 to 90-91	4,950		43,555		48,505	
	90-91 to 96-97		1,800	3,079		1,279	
Rajasthan	79-80 to 90-91	5,463		19,474		24,939	
	90-91 to 96-97		2,299	4,231		1,929	
Tamil Nadu	79-80 to 90-91	25,639		57,954		83,594	
	90-91 to 96-97		17,322		11,822		29,145
Uttar Pradesh	79-80 to 90-91	7,535		44,620		52,155	
	90-91 to 96-97	74,027		19,825		93,852	
West Bengal	79-80 to 90-91	108,612			44,275	64,336	
	90-91 to 96-97	272,359		41,733		314,095	

In retail trade, employment expanded in all but three states in urban areas, and in most states overall. Additional employment of about one million workers or more was recorded in Bihar, Maharashtra and Uttar Pradesh during the 1980s. Employment gains during the 1990s were more modest, but still they amounted to more than one lakh new jobs in most states, aside from the five where retail trade employment contracted between 1990-91 and 1996-97. The losers were Bihar, Haryana, Kerala, Orissa and Tamil Nadu, and in all these cases the job losses were concentrated in rural areas. On the employment front, the relatively better record of urban areas as compared to rural areas can be seen at a glance, in table 3.3.54.



**Table 2.3.54: Changes in the Absolute Number of Persons Employed (+ or -) in Unorganised Trade in Fifteen States by broad Category (Retail Industries), Rural, Urban and All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97**

State	Period	Retail					
		Rural		Urban		All Locations	
		Jobs Gained	Jobs Lost (-)	Jobs Gained	Jobs Lost (-)	Jobs Gained	Jobs Lost (-)
Andhra Pradesh	79-80 to 90-91	217,847		391,617		609,464	
	90-91 to 96-97	7,941		160,828		168,770	
Bihar	79-80 to 90-91	865,025		84,223		949,249	
	90-91 to 96-97		355,624	49,374			306,248
Delhi	79-80 to 90-91	9,310		22,946		32,258	
	90-91 to 96-97	11,704		62,415		74,117	
Gujarat	79-80 to 90-91	108,867		80,821		189,688	
	90-91 to 96-97		4,310	75,262		70,954	
Haryana	79-80 to 90-91	241,305		96,326		337,631	
	90-91 to 96-97		170,711	44,353			126,358
Karnataka	79-80 to 90-91	213,160		183,687		396,850	
	90-91 to 96-97	148,062		164,135		312,196	
Kerala	79-80 to 90-91	50,264		69,769		120,033	
	90-91 to 96-97		164,727	36,330			128,397
Madhya Pradesh	79-80 to 90-91	152,236			146,578	5,658	
	90-91 to 96-97		85,127	91,650		6,521	
Maharashtra	79-80 to 90-91	481,132		753,731		1,234,862	
	90-91 to 96-97	9,786			5,616	4,172	
Orissa	79-80 to 90-91	369,253		95,056		464,310	
	90-91 to 96-97		325,055		3,265		328,320
Punjab	79-80 to 90-91		7,509	197,903		190,394	
	90-91 to 96-97	105,448		94,547		199,994	
Rajasthan	79-80 to 90-91	102,884		34,629		137,512	
	90-91 to 96-97	92,160		122,979		215,139	
Tamil Nadu	79-80 to 90-91	162,664		327,256		489,919	
	90-91 to 96-97		120,315	66,694			53,622
Uttar Pradesh	79-80 to 90-91	764,179		547,104		1,311,280	
	90-91 to 96-97	237,949		267,681		505,632	
West Bengal	79-80 to 90-91	478,360		143,367		621,728	
	90-91 to 96-97		132,238	280,823		148,584	

In Andhra Pradesh the largest number of fresh jobs was created in the miscellaneous category, retail trade not elsewhere classified. In recent years comparatively modest job losses occurred in wholesale trade in agricultural raw materials, food products (code 60), wholesale trade in wood, paper, skin, leather and fur, fuel, petroleum, chemicals, perfumery, ceramics, glass and ores and metals (code 61) and retail trade in textiles (code 66).

The activities accounting for the largest number of new jobs in Bihar were wholesale trade in agricultural raw materials, etc (code 60) and, once again, the miscellaneous retail trade groups, (coded 68). Substantial job losses were recorded in retail trade in food etc (code 65), which may well have over expanded in the 1979-80 to 1990-91 period.

In Delhi, most trade groups cut back employment, especially during the nineties. Employment gains were modest by comparison, except in the miscellaneous retail trade category (code 68), where more than ninety thousand new jobs were created during the 1990s.

In Gujarat, most of the new jobs were created in retail trade in food, etc. (code 65), and once again in the miscellaneous retail trade category (code 68). Job losses were relatively minor, and confined to three of the four wholesale trade groups during the 1990s.

Haryana produces an array of positive figures for three out of the four wholesale trade categories. However in recent years, retail trade employment contracted in each of the two largest retail trade activities, code 65 and code 68, retail trade in food articles, etc., and the miscellaneous retail trade category respectively.

In Karnataka, precisely the opposite happened in retail trade. Large numbers of new jobs were created in these two major retail trade groups. Recent job losses were relatively few, occurring in two wholesale trade groups.

In Kerala, retail trade job losses were substantial, but confined to the key group, retail trade in food, beverages, tobacco and intoxicants. These job losses, in effect, wiped out all the gains made in the preceding ten years in the retail trade branch. During the 1990s also, there were relatively small job losses in three of the four wholesale trade groups.

In Madhya Pradesh, both wholesale and retail trade seem to have been in grave difficulty during the 1980s, with employment declining in seven out of eight trade categories. A partial recovery appears to have taken place during the 1990s, but job losses continued in wholesale trade in agricultural raw materials etc., retail trade in textiles, and retail trade not elsewhere specified, which seems to have over expanded in rural areas during the 1980s. At the same time, positive employment gains took place recently in wholesale trade in wood, etc. (code 61), retail trade in fuels etc code 67, and the most important retail trade group, (code 65). Unfortunately, these employment gains do not look very impressive beside the losses recorded earlier. But there has, clearly, been a partial recovery. It is concentrated in urban areas.

Maharashtra follows a quite different pattern. There are employment gains across the board in the 1980s, followed by job losses in the 1990s in all but two trade groups – (code 62), wholesale trade in machinery, and, more importantly, (code 68), retail trade not elsewhere classified. The job losses, which are all in the 1990s are generally concentrated in urban areas. The even larger increases in employment which took place in the 1980s, are similarly mainly urban located.

In Orissa, in contrast to Maharashtra, the really large gains and the really big losses are concentrated in rural areas. Both the major gains and the losses are in retail trade, with the expansion of employment mostly taking place during the 1980s, and the contraction occurring in the nineties.

Punjab has had the best record of employment generation of all states in India. There was a small reduction of employment in wholesale trade in agricultural raw materials etc., (code 60) in 1990-91 to 1996-97, but in all other trade categories, employment expansion was continuous throughout both decades.

Rajasthan also did not do too badly in recent years. There was a cluster of minor cutbacks in wholesale trade employment during the 1990s, but in retail trade employment expansion was the rule,

in all periods except for the contraction during the 1980s of retail trade in fuels, household utilities and durables. In all the major retail trade groups, employment expanded.

Tamil Nadu brings us back to the more common sequence of widespread and substantial increases in employment in all branches of trade during the 1980s, followed by the contraction of the workforce in all but one trade activity during the 1990s. The exceptional category, where employment expanded during the nineties is the miscellaneous retail trade group, (code 68).

Uttar Pradesh, like West Bengal suffered no cutbacks whatsoever in wholesale trade employment at any time. The only trade groups to experience workforce reduction at all were in retail trade – retail trade in food articles, beverages etc., in the 1990s, where the cutbacks were substantial and retail trade in fuels, household utilities and durables during the 1980s.

West Bengal is the other member of the trio of most fortunate states. Employment expanded continuously not only in all wholesale trade groups, it also increased generally in retail trade, with one significant exception, the food and beverages trade group, where employment declined in the 1990s.

There is thus no ‘typical’ state pattern, of employment gains and losses. Instead there are three major states characterised by widespread and persistent expansion of employment opportunities in unorganised trade: Punjab, Uttar Pradesh, and West Bengal. The remaining states suffered to various degrees from employment cutbacks, largely concentrated in the 1990s. In this regard, Madhya Pradesh is an exception. There the employment losses took place mostly in the 1980s. Further details are available in table 3.3.55.

**Table 3.3.55: Changes in the Absolute Number of Persons Employed (+ or -) in Unorganised Trade in Fifteen States by Two-Digit Industrial Category, All Locations: 1979-80 to 1990-91 and 1990-91 to 1996-97**

State	NIC Code	Period	Changes in the Number Employed	
			Jobs Gained	Jobs Lost (-)
Andhra Pradesh	60	1979-80 to 1990-91	67,081	
	60	1990-91 to 1996-97		30,370
	61	1979-80 to 1990-91	22,146	
	61	1990-91 to 1996-97		13,548
	62	1979-80 to 1990-91		2,546
	62	1990-91 to 1996-97	164	
	63	1979-80 to 1990-91	12,579	
	63	1990-91 to 1996-97	7,803	
	65	1979-80 to 1990-91	70,288	
	65	1990-91 to 1996-97	29,649	
	66	1979-80 to 1990-91	76,416	
	66	1990-91 to 1996-97		4,945
	67	1979-80 to 1990-91	62,850	
	67	1990-91 to 1996-97	12,952	
	68	1979-80 to 1990-91	399,911	
	68	1990-91 to 1996-97	131,114	
Bihar	60	1979-80 to 1990-91	50,823	
	60	1990-91 to 1996-97	128,933	
	61	1979-80 to 1990-91	4,630	
	61	1990-91 to 1996-97	20,806	
	62	1979-80 to 1990-91		618
	62	1990-91 to 1996-97	90	

State	NIC Code	Period	Changes in the Number Employed	
			Jobs Gained	Jobs Lost (-)
Bihar	63	1979-80 to 1990-91	3,092	
	63	1990-91 to 1996-97	2,082	
	65	1979-80 to 1990-91	668,583	
	65	1990-91 to 1996-97		484,122
	66	1979-80 to 1990-91	87,896	
	66	1990-91 to 1996-97		31,240
	67	1979-80 to 1990-91		44,828
	67	1990-91 to 1996-97	16,947	
	68	1979-80 to 1990-91	237,597	
	68	1990-91 to 1996-97	192,167	
Delhi	60	1979-80 to 1990-91		9,803
	60	1990-91 to 1996-97		3,900
	61	1979-80 to 1990-91	6,000	
	61	1990-91 to 1996-97		16,391
	62	1979-80 to 1990-91	8,482	
	62	1990-91 to 1996-97		11,737
	63	1979-80 to 1990-91	1,576	
	63	1990-91 to 1996-97		13,187
	65	1979-80 to 1990-91		14,380
	65	1990-91 to 1996-97	4,070	
	66	1979-80 to 1990-91	8,231	
	66	1990-91 to 1996-97	6,243	
	67	1979-80 to 1990-91	29,518	
	67	1990-91 to 1996-97		26,968
	68	1979-80 to 1990-91	8,888	
68	1990-91 to 1996-97	90,773		
Gujarat	60	1979-80 to 1990-91	2,572	
	60	1990-91 to 1996-97		16,407
	61	1979-80 to 1990-91	19,513	
	61	1990-91 to 1996-97		11,081
	62	1979-80 to 1990-91	3,060	
	62	1990-91 to 1996-97	3,797	
	63	1979-80 to 1990-91	8,901	
	63	1990-91 to 1996-97		3,483
	65	1979-80 to 1990-91	104,641	
	65	1990-91 to 1996-97	14,467	
	66	1979-80 to 1990-91		6,173
	66	1990-91 to 1996-97	159	
	67	1979-80 to 1990-91	18,705	
	67	1990-91 to 1996-97	5,787	
	68	1979-80 to 1990-91	72,513	
68	1990-91 to 1996-97	50,541		
Haryana	60	1979-80 to 1990-91	2,293	
	60	1990-91 to 1996-97	3,475	
	61	1979-80 to 1990-91	2,001	
	61	1990-91 to 1996-97	1,377	
	62	1979-80 to 1990-91	1	
	62	1990-91 to 1996-97	260	
	63	1979-80 to 1990-91		688
	63	1990-91 to 1996-97		1,207
	65	1979-80 to 1990-91	200,597	
	65	1990-91 to 1996-97		101,858
66	1979-80 to 1990-91	15,442		

State	NIC Code	Period	Changes in the Number Employed	
			Jobs Gained	Jobs Lost (-)
Haryana	66	1990-91 to 1996-97	7,373	
	67	1979-80 to 1990-91	10,982	
	67	1990-91 to 1996-97	3,016	
	68	1979-80 to 1990-91	110,610	
	68	1990-91 to 1996-97		34,889
Karnataka	60	1979-80 to 1990-91	38,271	
	60	1990-91 to 1996-97		13,817
	61	1979-80 to 1990-91	5,638	
	61	1990-91 to 1996-97	1,068	
	62	1979-80 to 1990-91		1,246
	62	1990-91 to 1996-97		3,313
	63	1979-80 to 1990-91	9,889	
	63	1990-91 to 1996-97	930	
	65	1979-80 to 1990-91	264,035	
	65	1990-91 to 1996-97	135,107	
	66	1979-80 to 1990-91		10,026
	66	1990-91 to 1996-97	51,032	
	67	1979-80 to 1990-91	28,339	
	67	1990-91 to 1996-97	28,878	
68	1979-80 to 1990-91	114,501		
68	1990-91 to 1996-97	97,180		
Kerala	60	1979-80 to 1990-91	25,763	
	60	1990-91 to 1996-97		22,963
	61	1979-80 to 1990-91	1,676	
	61	1990-91 to 1996-97		4,341
	62	1979-80 to 1990-91	1,132	
	62	1990-91 to 1996-97		343
	63	1979-80 to 1990-91	8,224	
	63	1990-91 to 1996-97	5,904	
	65	1979-80 to 1990-91	16,194	
	65	1990-91 to 1996-97		149,781
	66	1979-80 to 1990-91	4,481	
	66	1990-91 to 1996-97	4,122	
	67	1979-80 to 1990-91	3,339	
	67	1990-91 to 1996-97	11,952	
68	1979-80 to 1990-91	96,019		
68	1990-91 to 1996-97	5,310		
Madhya Pradesh	60	1979-80 to 1990-91		72,206
	60	1990-91 to 1996-97		17,521
	61	1979-80 to 1990-91		7,961
	61	1990-91 to 1996-97	10,420	
	62	1979-80 to 1990-91		1,768
	62	1990-91 to 1996-97	3,123	
	63	1979-80 to 1990-91		21,527
	63	1990-91 to 1996-97	253	
	65	1979-80 to 1990-91		105,664
	65	1990-91 to 1996-97	72,511	
	66	1979-80 to 1990-91		8,824
	66	1990-91 to 1996-97		4,652
	67	1979-80 to 1990-91		31,876
	67	1990-91 to 1996-97	10,497	
68	1979-80 to 1990-91	152,021		
68	1990-91 to 1996-97		71,834	

State	NIC Code	Period	Changes in the Number Employed	
			Jobs Gained	Jobs Lost (-)
Maharashtra	60	1979-80 to 1990-91	100,335	
	60	1990-91 to 1996-97		12,236
	61	1979-80 to 1990-91	47,579	
	61	1990-91 to 1996-97		13,819
	62	1979-80 to 1990-91	9,157	
	62	1990-91 to 1996-97	2,199	
	63	1979-80 to 1990-91	51,014	
	63	1990-91 to 1996-97		13,652
	65	1979-80 to 1990-91	600,547	
	65	1990-91 to 1996-97		70,704
	66	1979-80 to 1990-91	117,724	
	66	1990-91 to 1996-97		27,287
	67	1979-80 to 1990-91	147,625	
	67	1990-91 to 1996-97		35,341
	68	1979-80 to 1990-91	368,966	
	68	1990-91 to 1996-97	137,504	
Orissa	60	1979-80 to 1990-91		213
	60	1990-91 to 1996-97		5,279
	61	1979-80 to 1990-91	2,229	
	61	1990-91 to 1996-97		2,105
	62	1979-80 to 1990-91	660	
	62	1990-91 to 1996-97		900
	63	1979-80 to 1990-91		1,456
	63	1990-91 to 1996-97	1,236	
	65	1979-80 to 1990-91	279,210	
	65	1990-91 to 1996-97		246,773
	66	1979-80 to 1990-91	26,842	
	66	1990-91 to 1996-97		9,856
	67	1979-80 to 1990-91	16,683	
	67	1990-91 to 1996-97		17,668
	68	1979-80 to 1990-91	141,575	
	68	1990-91 to 1996-97		54,022
Punjab	60	1979-80 to 1990-91	28,817	
	60	1990-91 to 1996-97		4,703
	61	1979-80 to 1990-91	6,570	
	61	1990-91 to 1996-97	512	
	62	1979-80 to 1990-91	2,999	
	62	1990-91 to 1996-97	244	
	63	1979-80 to 1990-91	10,119	
	63	1990-91 to 1996-97	5,226	
	65	1979-80 to 1990-91	45,873	
	65	1990-91 to 1996-97	87,873	
	66	1979-80 to 1990-91	31,938	
	66	1990-91 to 1996-97	12,979	
	67	1979-80 to 1990-91	17,973	
	67	1990-91 to 1996-97	15,836	
	68	1979-80 to 1990-91	94,612	
	68	1990-91 to 1996-97	83,306	

State	NIC Code	Period	Changes in the Number Employed	
			Jobs Gained	Jobs Lost (-)
Rajasthan	60	1979-80 to 1990-91	15,815	
	60	1990-91 to 1996-97		2,285
	61	1979-80 to 1990-91	7,214	
	61	1990-91 to 1996-97	4,818	
	62	1979-80 to 1990-91		148
	62	1990-91 to 1996-97		474
	63	1979-80 to 1990-91	2,058	
	63	1990-91 to 1996-97		127
	65	1979-80 to 1990-91	76,392	
	65	1990-91 to 1996-97	50,778	
	66	1979-80 to 1990-91	11,650	
	66	1990-91 to 1996-97	29,119	
	67	1979-80 to 1990-91		29,779
	67	1990-91 to 1996-97	24,807	
68	1979-80 to 1990-91	79,249		
68	1990-91 to 1996-97	110,435		
Tamil Nadu	60	1979-80 to 1990-91	39,624	
	60	1990-91 to 1996-97		6,482
	61	1979-80 to 1990-91	20,582	
	61	1990-91 to 1996-97		9,769
	62	1979-80 to 1990-91	14,298	
	62	1990-91 to 1996-97		12,377
	63	1979-80 to 1990-91	9,091	
	63	1990-91 to 1996-97		516
	65	1979-80 to 1990-91	257,436	
	65	1990-91 to 1996-97		221,603
	66	1979-80 to 1990-91	30,512	
	66	1990-91 to 1996-97		9,223
	67	1979-80 to 1990-91	48,243	
	67	1990-91 to 1996-97		13,014
68	1979-80 to 1990-91	153,729		
68	1990-91 to 1996-97	190,218		
Uttar Pradesh	60	1979-80 to 1990-91	32,010	
	60	1990-91 to 1996-97	68,079	
	61	1979-80 to 1990-91	7,932	
	61	1990-91 to 1996-97	21,398	
	62	1979-80 to 1990-91	4,018	
	62	1990-91 to 1996-97	2,266	
	63	1979-80 to 1990-91	8,196	
	63	1990-91 to 1996-97	2,109	
	65	1979-80 to 1990-91	797,526	
	65	1990-91 to 1996-97		160,360
	66	1979-80 to 1990-91	64,676	
	66	1990-91 to 1996-97	39,013	
	67	1979-80 to 1990-91		13,807
	67	1990-91 to 1996-97	39,233	
68	1979-80 to 1990-91	462,886		
68	1990-91 to 1996-97	587,745		
West Bengal	60	1979-80 to 1990-91	33,601	
	60	1990-91 to 1996-97	186,006	
	61	1979-80 to 1990-91	11,741	
	61	1990-91 to 1996-97	9,759	
	62	1979-80 to 1990-91	1,618	

State	NIC Code	Period	Changes in the Number Employed	
			Jobs Gained	Jobs Lost (-)
West Bengal	62	1990-91 to 1996-97	1,443	71,361
	63	1979-80 to 1990-91	17,376	
	63	1990-91 to 1996-97	116,887	
	65	1979-80 to 1990-91	302,384	
	65	1990-91 to 1996-97		
	66	1979-80 to 1990-91	3,126	
	66	1990-91 to 1996-97	56,320	
	67	1979-80 to 1990-91	15,206	
	67	1990-91 to 1996-97	64,667	
	68	1979-80 to 1990-91	301,012	
	68	1990-91 to 1996-97	98,958	

### (c-ii) Employment Elasticities and the Outlook for Labour Productivity

The employment elasticities of table 3.3.56 have been arranged into four sets, or scenarios, each carrying different employment and productivity implications for the future, (assuming that future trends will be much like those of the recent past).

The key features of the four scenarios may be described as follows:

The first scenario, is, on the face of it, the most straightforward one. It is the case where positive GVA growth and positive employment growth combine to produce a positive employment elasticity estimate. In these circumstances, as long as the positive elasticity figure is less than 1.00, what is implied is the 'ideal' combination of positive employment growth at rising labour productivity levels. However, if the elasticity figure is greater than one, what is implied is a combination of positive employment growth with declining labour productivity.

Situations which may give rise to such behaviour are well documented<sup>7</sup>. In drought prone regions, for example, in years when the rains fail, rural people flood into construction activities, some of them organised as drought relief projects, and short term employment elasticities greater than one are one result. Similarly, in states where agriculture ceased to employ additional workers, as happened in Punjab, Haryana, and West Bengal during the early 1990s, people quite commonly move into construction and services in such large numbers, that labour productivity gets pushed down in both sectors.

Something of that kind seems to have happened here in a few states.

During the 1980s, in almost all states, unorganised wholesale trade enjoyed both positive GVA growth and positive employment growth. Most of them also enjoyed improvements in labour productivity, but three states did not: Maharashtra, Uttar Pradesh and West Bengal. In addition, Kerala comes perilously close to experiencing more employment, but at stagnant productivity levels. During the same period, retail trade did fare better. In all states, both GVA and employment rose. Maharashtra is the only one where employment increased faster than gross value added, resulting in a small fall in labour productivity. Haryana, it may be noted, is the only state where additional employment was generated, but productivity gains were negligible.

<sup>7</sup> See for example, Bhalla, S. (1999) "Liberalisation, Rural Labour Markets and the Mobilisation of Farm Workers: The Haryana Story in an All-India Context", in (eds) T.J. Byres, Kapadia, K, and Jens Lerche, *Rural Labour Relations in India*, Frank Cass, London.



During the 1990s, in wholesale trade, cases of positive employment and positive GVA growth were few and far between, and in two of them, Uttar Pradesh and West Bengal, elasticities much greater than one were recorded, which mean that labour productivity must have crashed. All other states had big problems – either negative employment growth or negative productivity growth, or both.

During the 1990s, retail trade was in a far more comfortable position than wholesale trade. In nine out of fifteen states, the retail trade workforce enjoyed that best of all possible worlds – positive employment growth combined with labour productivity gains. There were two states, however, where employment elasticities were extremely low. In Madhya Pradesh and Maharashtra, almost no employment growth took place; almost all the increases in gross value added went to push up the labour productivity of the existing workforce. In addition, the elasticity in Punjab is on the high side, leaving only a small amount of room for labour productivity increases.

The second scenario – positive GVA growth, combined with negative employment growth, has strong favourable implications for labour productivity. In the 1980s, there was only one such case, wholesale trade in Madhya Pradesh, but in the 1990s, there were several states where either wholesale trade or retail trade or both, experienced cutbacks in employment during a period of positive gross value added growth. In several states, the employment reductions were substantial. In two states, Kerala and Tamil Nadu, this form of structural adjustment took place in both wholesale and retail trade.

Declining gross value added, combined with cutbacks in employment, (which produces positive employment elasticities), is not always simply a case of people exiting the industry because the industry is in recession. If, when GVA goes down by one percent employment goes down too, but by less than one percent, then labour productivity will fall. But that is not what generally happened in the nineties. In most states, including Andhra Pradesh, Delhi and Karnataka in wholesale trade, and Bihar and Orissa in retail trade, employment declined much faster than gross value added did. In these cases also, labour productivity rose.

The fourth category characterised by negative GVA growth, and positive employment growth, (a combination which produces negative employment elasticities) is one in which labour productivity can fall precipitously. People in Bihar, Haryana and Punjab moved into wholesale trade and people in Delhi into retail trade, despite falling gross value added, presumably because they found they had nowhere better to go. Note the cases of Punjab and Haryana, where farm mechanisation has virtually closed out the option of work in cultivation, or as agricultural labour. The bright side, in these two states, is that initial productivity levels in trade were at least higher than in most other states.

If the experience of the 1990s is taken as a guide to likely future developments, then wholesale trade in particular is likely to be in for more uncomfortable adjustments. In some states, where usual principal status employment in agriculture is stagnant or contracting, unorganised trade may continue to act as one of the new residual sectors<sup>8</sup>, to which workers who have been unable to find a niche in a more productive activity, gravitate. In most of the others, employment in wholesale trade is likely to contract, and if it does so sufficiently rapidly, the labour productivity of the surviving workforce will increase, even in states where gross value added declines. Retail trade is likely to do comparatively well, with modest increases in employment in most states where GVA is rising. In the rest, the retail trade workforce is likely to contract with sufficient rapidity to generate productivity improvements, even where gross value added is suffering from the effects of recession.

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<sup>8</sup> For a relatively early study identifying ‘new residual sectors’, see Bhalla, Sheila (1994) “Poverty, Workforce Development and Rural Labour Markets”, *Indian Journal of Labour Economic*”, Vol. 37, No. 4, Oct-Dec.

The outlook is thus, for wholesale trade, more by way of sometimes painful adjustments, and very little by way of constructive employment growth. The outlook for retail trade is characterised by the prospect of widespread labour productivity improvements, commonly achieved side by side with expanding employment, but sometimes at the cost of substantial reductions in employment.

**Table 3.3.56: Employment Elasticities with respect to Gross Value Added in Fifteen Major States, Unorganised Wholesale and Retail Trade, 1979-80 to 1991-91 and 1991-91 to 1996-97**

State	Wholesale		Retail	
	1979-80 to 1990-91	1990-91 to 1996-97	1979-80 to 1990-91	1990-91 to 1996-97
<b>I: Positive GVA growth and positive employment growth</b>				
Andhra Pradesh	0.64		0.30	0.32
Bihar	0.49		0.43	
Delhi	0.15		0.10	
Gujarat	0.58		0.35	0.28
Haryana	0.22		0.92	
Karnataka			0.42	0.50
Kerala	0.94		0.24	
Madhya Pradesh			0.00	0.01
Maharashtra	4.18		1.06	0.01
Orissa	0.04		0.57	
Punjab	0.71		0.42	0.81
Rajasthan	0.91	0.05	0.20	0.76
Tamil Nadu	0.63		0.37	
Uttar Pradesh	7.28	4.53	0.50	0.23
West Bengal	2.00	2.27	0.51	0.20
<b>II: Positive GVA growth and negative employment growth</b>				
Andhra Pradesh				
Bihar				
Delhi				
Gujarat				
Haryana				-2.37
Karnataka				
Kerala		-2.94		-3.55
Madhya Pradesh	-0.62	-0.09		
Maharashtra		-0.65		
Orissa		-0.16		
Punjab				
Rajasthan				
Tamil Nadu		-0.58		-0.09
Uttar Pradesh				
West Bengal				

State	Wholesale		Retail	
	1979-80 to 1990-91	1990-91 to 1996-97	1979-80 to 1990-91	1990-91 to 1996-97
<b>III: Negative GVA growth and negative employment growth (positive employment elasticity)</b>				
Andhra Pradesh		1.29		
Bihar				2.10
Delhi		3.34		
Gujarat		0.63		
Haryana				
Karnataka		1.50		
Kerala				
Madhya Pradesh				
Maharashtra				
Orissa				4.75
Punjab				
Rajasthan				
Tamil Nadu				
Uttar Pradesh				
West Bengal				
<b>IV: Negative GVA growth and positive employment growth (negative employment elasticity)</b>				
Andhra Pradesh				
Bihar		-1.98		
Delhi				-1.61
Gujarat				
Haryana		-0.82		
Karnataka				
Kerala				
Madhya Pradesh				
Maharashtra				
Orissa				
Punjab		-0.32		
Rajasthan				
Tamil Nadu				
Uttar Pradesh				
West Bengal				

**Appendix Table 3.1: Absolute Number of Unorganised Trade Enterprises by Two-Digit Category: Rural, Urban and All Locations for 1979-80, 1985-86, 1990-91 and 1996-97**

Year	NIC Code	Rural	Urban	All Locations
1979-80	60	57,682	109,550	167,232
1979-80	61	7,532	32,210	39,742
1979-80	62	3,625	4,992	8,617
1979-80	63	13,061	35,879	48,940
1979-80	65	2,837,415	1,512,043	4,349,458
1979-80	66	201,958	239,830	441,788
1979-80	67	221,920	424,321	646,241
1979-80	68	260,222	464,922	725,144
1985-86	60	195,703	158,474	354,177
1985-86	61	14,104	67,183	81,287
1985-86	62	1,063	23,679	24,742
1985-86	63	41,776	88,517	130,293
1985-86	65	4,164,870	1,859,785	6,024,655
1985-86	66	329,067	367,237	696,304
1985-86	67	415,393	547,368	962,761
1985-86	68	389,818	586,957	976,775
1990-91	60	198,777	180,888	379,665
1990-91	61	21,740	71,558	93,299
1990-91	62	58	24,682	24,740
1990-91	63	39,113	78,055	117,168
1990-91	65	4,828,048	2,017,365	6,845,413
1990-91	66	270,866	393,398	664,263
1990-91	67	201,823	487,220	689,043
1990-91	68	1,323,282	1,167,638	2,490,920
1996-97	60	326,417	203,313	529,729
1996-97	61	16,826	90,947	107,774
1996-97	62	1,333	21,431	22,764
1996-97	63	127,046	92,322	219,368
1996-97	65	4,024,855	2,458,109	6,482,963
1996-97	66	302,524	517,588	820,112
1996-97	67	255,162	629,608	884,771
1996-97	68	1,889,599	1,923,359	3,812,958

**Appendix Table 3.2: Absolute Number of Workers in Unorganised Trade by Two-Digit Category: Rural, Urban and All Locations for 1979-80, 1985-86, 1990-91 and 1996-97**

Year	NIC Code	Rural	Urban	All Locations
1979-80	60	142,854	545,583	688,436
1979-80	61	19,317	144,417	163,734
1979-80	62	3,672	41,651	45,323
1979-80	63	25,854	158,825	184,679
1979-80	65	4,265,044	2,595,165	6,860,209
1979-80	66	317,576	571,533	889,108
1979-80	67	307,811	882,546	1,190,357
1979-80	68	385,273	1,034,324	1,419,597
1985-86	60	392,864	612,436	1,005,300
1985-86	61	34,675	281,366	316,041
1985-86	62	2,518	99,979	102,497
1985-86	63	66,289	330,872	397,161
1985-86	65	6,630,727	3,079,536	9,710,263
1985-86	66	470,205	909,148	1,379,353
1985-86	67	576,119	1,054,141	1,630,260
1985-86	68	600,769	1,362,657	1,963,425
1990-91	60	389,058	624,460	1,013,518
1990-91	61	40,422	278,283	318,705
1990-91	62	115	90,041	90,156
1990-91	63	51,328	239,148	290,476
1990-91	65	6,934,699	3,325,395	10,260,094
1990-91	66	421,947	886,622	1,308,569
1990-91	67	299,110	1,018,551	1,317,660
1990-91	68	1,926,599	2,252,337	4,178,935
1996-97	60	764,893	548,288	1,313,182
1996-97	61	32,841	287,671	320,512
1996-97	62	2,950	76,460	79,409
1996-97	63	144,066	258,972	403,039
1996-97	65	5,592,457	3,734,576	9,327,033
1996-97	66	428,772	1,010,985	1,439,757
1996-97	67	360,510	1,148,701	1,509,211
1996-97	68	2,645,924	3,261,706	5,907,630

**Appendix Table 3.3: Gross Value Added by Unorganised Trade Two-Digit Category: Rural, Urban and All Locations for 1979-80, 1985-86, 1990-91 and 1996-97**

(in Rs. Lakhs at constant 1993-94 prices)

Year	NIC Code	Rural	Urban	All Locations
1979-80	60	21,764	233,253	255,017
1979-80	61	5,150	42,990	48,140
1979-80	62	58	13,868	13,927
1979-80	63	2,931	100,089	103,020
1979-80	65	150,822	174,205	325,027
1979-80	66	25,047	70,958	96,005
1979-80	67	10,724	67,138	77,862
1979-80	68	26,950	126,203	153,153
1985-86	60	48,706	232,717	281,423
1985-86	61	7,663	162,438	170,102
1985-86	62	132	120,886	121,019
1985-86	63	6,476	179,460	185,936
1985-86	65	551,616	815,637	1,367,253
1985-86	66	65,499	155,126	220,625
1985-86	67	29,544	236,438	265,982
1985-86	68	70,876	728,257	799,133
1990-91	60	74,912	338,030	374,695
1990-91	61	5,277	151,332	150,606
1990-91	62	14	60,592	56,483
1990-91	63	9,458	89,102	95,147
1990-91	65	479,709	390,742	870,451
1990-91	66	54,756	190,747	223,032
1990-91	67	31,845	206,705	238,345
1990-91	68	185,078	521,300	659,218
1996-97	60	101,975	342,998	444,973
1996-97	61	8,398	161,818	170,215
1996-97	62	1,458	82,400	83,858
1996-97	63	24,342	149,665	174,007
1996-97	65	550,450	589,221	1,139,670
1996-97	66	86,743	286,669	373,413
1996-97	67	63,247	301,912	365,158
1996-97	68	422,848	760,528	1,183,376