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CHAPTER – IV

RESTAURANTS, HOTELS AND OTHER LODGING PLACES

Introduction

Unorganised restaurants and hotels constitute a small sub-sector within the broad National Accounts category, Trade, Hotels and Restaurants. Its contribution to the employment generated by the unorganised sectors covered in this report is exceedingly modest – about six per cent of the total in 1993-94. Its contribution to gross value added is a little larger – at seven per cent. However gross value added by unorganised restaurants and hotels has grown tremendously in recent times, in both absolute and relative terms.

In relative terms, the unorganised segment of the combined sector described as “trade, hotels and restaurants” in the National Accounts Statistics has grown faster than the organised segment, and within the unorganised segment, restaurants and hotels have grown much faster than trade. The economic buoyancy of unorganised restaurants and hotels comes out unmistakably not only from the statistics on gross value added by the industry, but also in the per enterprise and per worker productivity figures. In short this is one part of the unorganised segment, which can be described as an unambiguous success story. Unorganised segment units in this industry are here to stay.

This chapter, like the preceding ones on other sectors, is organised in three main parts.

The first part provides an overview of the performance of unorganised restaurants, hotels and other lodging places, with an emphasis on trends in employment and income generation. The contrasting records of the three enterprise types – the family operated own account enterprises, the non-directory establishments and the directory establishments – are brought out.

The second part goes into greater detail, distinguishing between restaurants, on the one hand, and hotels, dharamshalas and other lodging places, on the other. It is shown that the hotels and other lodging places business is the most dynamic of these two activity categories.

Part III focuses on the regional contrasts in employment generation and value added by unorganised restaurants and hotels. An attempt is made to account for the interstate disparities in enterprise and labour productivity.

The chapter ends with a note on gross value added by restaurants and hotels at the state level, which places this information in its more usual, larger, context – the gross state domestic product (GSDP) data published by the Central Statistical Organisation, (CSO).

Part I: The Main Magnitudes and Trends in them

This part presents an overview of the performance of the unorganised segment of hotels and restaurants. Its four subsections deal, respectively, with: (i) trends in enterprise and employment numbers and in gross value added by unorganised hotels and restaurants, (ii) structure and changes in it, (iii) enterprise and labour productivity, and (iv) growth rates and employment elasticities.

4.1.1 Trends in Enterprise and Employment Numbers and Gross Value Added by the Unorganised Segment of Hotels and Restaurants

Restaurants and hotels belonging to the unorganised segment provide employment to more than four million people, the majority of whom work in urban locations. About forty per cent of the workers engaged in these activities are employed in rural areas. Following a modest reduction in the number of own account enterprises and workers in both rural and urban areas during the early 1980s, employment then expanded continuously as the number of enterprises grew. For all enterprises types combined the initial downturn affected rural areas only. Parts A and B of table 4.1.1 give the details.

There were no setbacks to the growth of gross value added anywhere. Gross value added by the hotels and restaurants industry rose substantially from period to period, in all periods, all locations, and for all enterprise types. The contribution to national income of the unorganised segment of hotels and restaurants rose to Rs.605,764 lakhs in constant prices by 1993-94. Part C of table 4.1.1 provides further details.

Table 4.1.1: Enterprise and Employment Numbers in Unorganised Hotels and Restaurants and Gross Value Added by Enterprise Type and by Rural or Urban Location: All India: 1979-80, 1983-84, 1988-89 and 1993-94

Location and Year	A: Absolute number of Enterprises			
	OAE	NDE	DE	All Types
Rural				
1979-80	515,045	86,203	13,052	614,300
1983-84	433,828	94,529	15,368	543,725
1988-89	473,961	119,232	13,056	606,249
1993-94	649,702	112,916	14,299	776,917
Urban				
1979-80	259,047	111,665	51,000	421,712
1983-84	257,316	145,159	62,969	465,444
1988-89	336,016	202,134	71,334	609,484
1993-94	383,550	230,016	101,188	714,754
Total (R+U)				
1979-80	774,092	197,868	64,052	1,036,012
1983-84	691,144	239,688	78,337	1,009,169
1988-89	809,977	321,366	84,390	1,215,733
1993-94	1,033,252	342,932	115,487	1,491,671
Location and Year	B: Absolute number of Workers			
	OAE	NDE	DE	All Types
Rural				
1979-80	999,187	263,781	92,553	1,355,521
1983-84	841,174	295,414	119,604	1,256,192
1988-89	939,569	361,315	119,902	1,420,786
1993-94	1,207,528	337,131	113,316	1,657,975
Urban				
1979-80	499,961	371,844	512,983	1,384,788
1983-84	471,422	471,316	594,191	1,536,929
1988-89	659,594	772,145	719,985	2,151,724
1993-94	698,177	756,331	1,029,999	2,484,507
Total (R+U)				
1979-80	1,499,148	635,626	605,536	2,740,310
1983-84	1,312,596	766,730	713,795	2,793,121
1988-89	1,599,163	1,133,460	839,887	3,572,510
1993-94	1,905,705	1,093,462	1,143,315	4,142,482

Location and Year	C: GVA at Constant at 1993-94 prices, (Rs'000)			
	OAE	NDE	DE	All Types
Rural				
1979-80	601,064	338,758	134,067	1,073,889
1983-84	1,304,603	841,272	489,248	2,635,123
1988-89	3,479,572	2,419,475	1,167,974	7,067,020
1993-94	9,387,000	4,304,300	2,748,900	16,440,200
Urban				
1979-80	435,514	487,828	1,138,858	2,062,200
1983-84	999,043	1,408,135	2,667,128	5,074,305
1988-89	4,522,253	5,049,504	7,237,386	16,809,143
1993-94	7,150,600	11,510,500	25,475,100	44,136,200
Total (R+U)				
1979-80	1,036,578	826,586	1,272,925	3,136,089
1983-84	2,303,646	2,249,407	3,156,376	7,709,428
1988-89	8,001,825	7,468,979	8,405,360	23,876,164
1993-94	16,537,600	15,814,800	28,224,000	60,576,400

In absolute terms the changes in the number of enterprises and workers are given in table 4.1.3 below.

Table 4.1.2: Change in Absolute Numbers of Unorganised Restaurants and Hotels Enterprises and Workers by Enterprise Type and by Rural or Urban Location: All India: 1979-80 to 1983-84, 1983-84 to 1988-89, and 1988-89, and 1988-89 to 1993-94

Location and Period	A: Changes in the Number of Enterprises by Enterprise Type			
	OAE	NDE	DE	All Types
Rural				
1979-80 to 1983-84	-81,217	8,326	2,316	-70,575
1983-84 to 1988-89	40,133	24,703	-2,312	62,524
1988-89 to 1993-94	175,741	-6,316	1,243	170,668
Urban				
1979-80 to 1983-84	-1,731	33,494	11,969	43,732
1983-84 to 1988-89	78,700	56,975	8,365	144,040
1988-89 to 1993-94	47,534	27,882	29,854	105,270
Total (R+U)				
1979-80 to 1983-84	-82,948	41,820	14,285	-26,843
1983-84 to 1988-89	118,833	81,678	6,053	206,564
1988-89 to 1993-94	223,275	21,566	31,097	275,938
B: Changes in the Number of Workers by Enterprise Type				
Rural				
1979-80 to 1983-84	-158,013	31,633	27,051	-99,329
1983-84 to 1988-89	98,395	65,901	298	164,594
1988-89 to 1993-94	267,959	-24,184	-6,586	237,189
Urban				
1979-80 to 1983-84	-28,539	99,472	81,208	152,141
1983-84 to 1988-89	188,172	300,829	125,794	614,795
1988-89 to 1993-94	38,583	-15,814	310,014	332,783
Total (R+U)				
1979-80 to 1983-84	-186,552	131,104	108,259	52,811
1983-84 to 1988-89	286,567	366,730	126,092	779,389
1988-89 to 1993-94	306,542	-39,998	303,428	569,972

The absolute decline in the number of enterprises between 1979-80 and 1983-84 was heavily concentrated in rural areas, and confined to the very small own account enterprises. In subsequent years there were some additional adjustments among the larger enterprises, in rural areas only.

The employment adjustments were more far reaching. While job losses in the early period were concentrated in rural own account enterprises, there were significant cut backs in urban enterprises as well. During the 1990s, the non-directory establishments also reduced their workforces in both rural and urban areas. In rural areas even the rural directory establishments experienced some reductions in employment.

For rural and urban areas combined however, only the own account enterprises contracted in the 1979-80 to 1983-84 period and only the non-directory establishments did so during the early 1990s.

4.1.2 Structure and Changes in It

The structure of unorganised hotels and restaurants is defined here in three ways: first in terms of the employment size structure, secondly in terms of the rural-urban distribution of enterprises, employment and value added, and thirdly in terms of the composition of these three variables by enterprise type. The structure of this activity can also be described in terms of the share of each three-digit NIC category in the total for all unorganised restaurants and hotels. In this section, however, this fourth way of looking at structure is not considered. (This is done in Part II instead).

(i) The Size Structure of Unorganised Hotels and Restaurants by Enterprise Type

Own account enterprises typically employ less than two workers, non-directory establishments three or more and directory establishments close to ten. In rural areas the own account enterprises are about the same size as their urban counterparts, but non-directory and directory establishments generally employ more people in urban areas than they do in rural locations. Over time the number of workers per enterprise has been remarkably stable.

Table 4.1.3: Number of Workers per Enterprise by Enterprise Type

Location and Year	Number of Workers per Enterprise by Enterprise Type			
	OAE	NDE	DE	All Types
Rural				
1979-80	1.94	3.06	7.09	2.21
1983-84	1.94	3.13	7.78	2.31
1988-89	1.98	3.03	9.18	2.34
1993-94	1.86	2.99	7.92	2.13
Urban				
1979-80	1.93	3.33	10.06	3.28
1983-84	1.83	3.25	9.44	3.30
1988-89	1.96	3.82	10.09	3.53
1993-94	1.82	3.29	10.18	3.48
Total (R+U)				
1979-80	1.94	3.21	9.45	2.65
1983-84	1.90	3.20	9.11	2.77
1988-89	1.97	3.53	9.95	2.94
1993-94	1.84	3.19	9.90	2.78

(ii) The Rural-Urban Distribution of Enterprises, Employment and Gross Value Added by Hotels and Restaurants

The majority of unorganised hotels and restaurants are located in rural areas, but urban areas account for about sixty percent of all employment in them, and more than seventy percent of gross value added by all enterprises belonging to the unorganised segment of hotels and restaurants.

Since the early 1980s, rural areas' share in enterprises has not changed much. However, the share of rural areas in employment has tended to decline and the contribution of rural areas to income generated by this segment has gone down sharply. The fact that in the income generation process, urban areas have dominated increasingly, has not, however, adversely affected either enterprise productivity or GVA per worker in rural areas. All that has happened is that the gap between rural and urban productivities has widened. These statements may be confirmed by reference to table 5.1.8 in subsection three of this Part, along with table 5.1.4 below.

Table 4.1.4: The Rural-Urban Distribution of Unorganised Hotels and Restaurants Activities, by Enterprise Type: All India: 1979-80, 1983-84, 1988-89 and 1993-94

Location and Year	Enterprises Share of Rural in Total				Employment Share of Rural in Total				GVA Constant 1993-94 prices Share of Rural in total			
	OAE	NDE	DE	All Types	OAE	NDE	DE	All Types	OAE	NDE	DE	All Types
1979-80	66.54	43.57	20.38	59.29	66.65	41.50	15.28	49.47	57.99	40.98	10.53	34.24
1983-84	62.77	39.44	19.62	53.88	64.08	38.53	16.76	44.97	56.63	37.40	15.50	34.18
1988-89	58.52	37.10	15.47	49.87	58.75	31.88	14.28	39.77	43.48	32.39	13.90	29.60
1993-94	62.88	32.93	12.38	52.08	63.36	30.83	9.91	40.02	56.76	27.22	9.74	27.14

(ii) The Shift from Family Operated Own Account Enterprises to Slightly Larger Unorganised Segment Units

This structural adjustment took place early on. The decline in the number of own account enterprises and workers revealed by the tables already presented is reflected in the figures for the share of own account enterprises and workers given in table 5.1.5. Their share has dropped by more than 10 percentage points overall, and by more than 15 points in urban areas. From 1983-84 onwards, however, there has been very little change. Own account enterprises remain the dominant enterprise type, even in urban areas, and they contribute the overwhelming majority of units in rural areas, at roughly 84 percent of all types.

In employment terms, however, the own account enterprises really matter mainly in rural areas. There these very small family operated units generate 73 percent of employment and 57 percent of gross value added. In urban areas it is the somewhat larger units that contribute the most – 72 percent of employment and 84 percent of gross value added. Table 5.1.5 gives the details.

Table 4.1.5: Share of Specified Enterprise Types in the Total Number of Restaurants and Hotels, Employment in them and Gross Value added by them, by Rural or Urban Location: All India: 1979-80, 1983-84, 1988-89 and 1993-94

Location and Year	Per cent of All Types Which are:								
	Enterprises			Employment			GVA		
	OAE	NDE	DE	OAE	NDE	DE	OAE	NDE	DE
Rural									
1979-80	83.84	14.03	2.12	73.71	19.46	6.83	55.97	31.54	12.48
1983-84	79.79	17.39	2.83	66.96	23.52	9.52	49.51	31.93	18.57
1988-89	78.18	19.67	2.15	66.13	25.43	8.44	49.24	34.24	16.53
1993-94	83.63	14.53	1.84	72.83	20.33	6.83	57.10	26.18	16.72
Urban									
1979-80	61.43	26.48	12.09	36.10	26.85	37.04	21.12	23.66	55.23
1983-84	55.28	31.19	13.53	30.67	30.67	38.66	19.69	27.75	52.56
1988-89	55.13	33.16	11.70	30.65	35.88	33.46	26.90	30.04	43.06
1993-94	53.66	32.18	14.16	28.10	30.44	41.46	16.20	26.08	57.72
Total (R+U)									
1979-80	74.72	19.10	6.18	54.71	23.20	22.10	33.05	26.36	40.59
1983-84	68.49	23.75	7.76	46.99	27.45	25.56	29.88	29.18	40.94
1988-89	66.62	26.43	6.94	44.76	31.73	23.51	33.51	31.28	35.20
1993-94	69.27	22.99	7.74	46.00	26.40	27.60	27.30	26.11	46.59

4.1.3 Enterprise and Labour Productivity: Levels and Trends

The average urban hotel or restaurant earns about three times as much as its rural counterpart. This does not apply to units belonging to the most numerous OAE type, however. Urban own account enterprises do not earn very much more than similar rural enterprises. The big rural-urban productivity gap arises because of the greater weight of the relatively large NDE and DE enterprises in the total for urban areas.

Despite their relatively low earnings, however, small rural enterprises in the hotels and restaurants business do far better than the much more numerous similar rural units engaged in some other lines of activity – manufacturing for example. It is conceivable that a rural family mainly dependent on a hotels or restaurants business could survive on the income generated by it. In the case of rural own account manufacturing units, however, one is forced to conclude that the families operating the own account units could survive only if one or more of their members had access to income from some other source.

In general per enterprise productivity in non-directory establishments (NDEs) is more than two and a half times what it is in own account enterprises (OAEs); and gross value added per directory establishment (DE) is five times what it is in NDEs. (See table 4.1.6).

The contrasts between rural and urban labour productivity are moderate for every enterprise type taken separately, in 1993-94 and in all previous years. The levels of labour productivity recorded in rural hotels and restaurants are nearly double what they are in rural unorganised manufacturing. Details are given below.

Table 4.1.6: Enterprise and Labour Productivity: Absolute Numbers in Constant 1993-94 Prices by Enterprise Type: Rural, Urban and Total: 1979-80, 1983-84, 1988-89 and 1993-94

Location And Year	GVA Per Enterprise (Rs.)				GVA Per Worker (Rs.)			
	OAE	NDE	DE	All Types	OAE	NDE	DE	All Types
Rural								
1979-80	1,167.01	3,929.77	10,271.75	1,748.15	601.55	1,284.24	1,448.54	792.23
1983-84	3,007.19	8,899.62	31,835.48	4,846.43	1,550.93	2,847.77	4,090.56	2,097.71
1988-89	7,341.47	20,292.16	89,458.76	11,656.96	3,703.37	6,696.30	9,741.07	4,974.02
1993-94	14,448.16	38,119.49	192,244.21	21,160.82	7,773.73	12,767.44	24,258.71	9,915.83
Urban								
1979-80	1,681.22	4,368.67	22,330.55	4,890.07	871.10	1,311.91	2,220.07	1,489.18
1983-84	3,882.55	9,700.64	42,356.20	10,902.07	2,119.21	2,987.67	4,488.67	3,301.59
1988-89	13,458.45	24,980.97	101,457.73	27,579.30	6,856.12	6,539.58	10,052.13	7,811.94
1993-94	18,643.20	50,042.17	251,760.09	61,750.20	10,241.82	15,218.87	24,733.13	17,764.57
Total (R+U)								
1979-80	1,339.09	4,177.46	19,873.31	3,027.08	691.44	1,300.43	2,102.15	1,144.43
1983-84	3,333.09	9,384.73	40,292.27	7,639.38	1,755.03	2,933.77	4,421.96	2,760.15
1988-89	9,879.08	23,241.35	99,601.37	19,639.32	5,003.76	6,589.54	10,007.73	6,683.30
1993-94	16,005.39	46,116.43	244,391.14	40,609.76	8,677.94	14,463.05	24,686.11	14,623.21

What is important about the productivity performance of unorganised hotels and restaurants, however, is not merely that it is so much better, in absolute terms, than that of unorganised enterprises in other sectors. The inherent economic strength of this sub-sector is underscored by the consistently high rates of productivity growth recorded by all enterprise types in all periods, in both rural and urban areas. The growth rates in labour productivity are as impressive as those for gross value added per enterprise. Thus this appears to be one sub-sector within the unorganised segment, which has a bright future. The predominantly two-digit productivity growth rate figures, in table 4.1.7, constitute the evidence for this optimistic assessment.

Table 4.1.7: Growth Rates: Enterprise and Labour Productivity in Unorganised Hotels and Restaurants, by Enterprise Type and Rural or Location: 1979-80 to 1983-84, 1983-84 to 1988-89 and 1988-89 to 1993-94

Location and Period	Growth Rates of GVA per Enterprise (in constant 1993-94 prices)				Growth Rates of GVA per Worker (in constant 1993-94 prices)			
	OAE	NDE	DE	All Types	OAE	NDE	DE	All Types
Rural								
79-80 83-84	26.70	22.67	32.68	29.04	26.72	22.03	29.63	27.56
83-84 88-89	19.54	17.92	22.95	19.19	19.01	18.65	18.95	18.85
88-89 93-94	14.50	13.44	16.53	12.67	15.99	13.78	20.02	14.80
Urban								
79-80 83-84	23.27	22.07	17.36	22.19	24.89	22.84	19.24	22.02
83-84 88-89	28.23	20.83	19.09	20.40	26.47	16.96	17.50	18.80
88-89 93-94	6.73	14.91	19.93	17.49	8.36	18.40	19.73	17.86
Total (R+U)								
79-80 83-84	25.61	22.43	19.33	26.04	26.22	22.56	20.43	24.62
83-84 88-89	24.27	19.89	19.84	20.79	23.31	17.57	17.75	19.35
88-89 93-94	10.13	14.69	19.66	15.64	11.64	17.03	19.79	16.95

4.1.4 Enterprise, Employment and GVA Growth Rates and Elasticities of Employment with respect to GVA

The direction and consequences of structural adjustment are brought out very clearly by the figures in table 4.1.8.

Between 1979-80 and 1983-84, a large number of own account enterprises either went out of business, or graduated up into the next higher size class – the non-directory establishment enterprise category. In rural areas, employment in OAEs contracted at an equivalent rate; in urban areas the job loss was more rapid than the exit of enterprises from the OAE category. The consequence, for the surviving OAE units was a very handsome positive growth rate in gross value added. The improvement in earnings took place across the board, in all enterprise types.

In subsequent years there were some additional downward adjustments in the number of rural NDEs and Des. In the case of employment, all the cutbacks came in the most recent period, 1988-89 to 1993-94. These changes were associated with substantial positive GVA growth rates, as shown in table 4.1.8 as well as handsome growth rates in GVA per worker, shown in table 4.1.7. However, it may be noticed that in the early 1990s, GVA growth rates tended to slow down in all except the rural own account enterprises and the urban directory establishments.

Table 4.1.8: Growth Rates: Unorganised Hotels and Restaurants: Enterprises, Employment and Value Added by Enterprise Type and by Rural or Urban Location: 1979-80 to 1983-84, 1983-84 to 1988-89 and 1988-89 to 1993-94

Location and Period	Enterprises				Employment				GVA			
	OAE	NDE	DE	All Types	OAE	NDE	DE	All Types	OAE	NDE	DE	All Types
Rural												
79-80 83-84	-4.20	2.33	4.17	-3.00	-4.21	2.87	6.62	-1.88	21.38	25.53	38.21	25.16
83-84 88-89	1.79	4.75	-3.21	2.20	2.24	4.11	0.05	2.49	21.68	23.53	19.01	21.81
88-89 93-94	6.51	-1.08	1.84	5.09	5.15	-1.38	-1.12	3.14	21.96	12.21	18.67	18.40
Urban												
79-80 83-84	-0.17	6.78	5.41	2.50	-1.46	6.11	3.74	2.64	23.07	30.35	23.71	25.25
83-84 88-89	5.48	6.85	2.53	5.54	6.95	10.38	3.92	6.96	35.26	29.10	22.10	27.07
88-89 93-94	2.68	2.62	7.24	3.24	1.14	-0.41	7.42	2.92	9.60	17.92	28.62	21.30
Total (R+U)												
79-80 83-84	-2.79	4.91	5.16	-0.65	-3.27	4.80	4.20	0.48	22.10	28.44	25.49	25.22
83-84 88-89	3.22	6.04	1.50	3.79	4.03	8.13	3.31	5.05	28.28	27.13	21.64	25.37
88-89 93-94	4.99	1.31	6.48	4.18	3.57	-0.72	6.36	3.00	15.63	16.19	27.41	20.47

The outcome in terms of employment elasticities is shown in table 4.1.9. These employment elasticities are exceedingly low by the usual standards. For every one per cent increase in gross value added there is only a 0.15 per cent increase in employment. Thus the high GVA growth rates are pushing up per worker productivity rather than leading to substantial increases in employment. The highest employment elasticities in rural areas are found in the own account enterprises, and in urban areas in the directory establishments. But even these elasticities are very modest.

Table 4.1.9: Employment Elasticities with respect to Gross Value Added by Unorganised Hotels and Restaurants by Enterprise Type: Rural and Urban Location: 1979-80 to 1983-84, 1983-84 to 1988-89 and 1988-89 to 1993-94

Location and Period	Elasticities of Employment wrt. GVA			
	OAE	NDE	DE	All Types
Rural				
79-80 83-84	-0.20	0.11	0.17	-0.07
83-84 88-89	0.10	0.17	0.00	0.11
88-89 93-94	0.23	-0.11	-0.06	0.17
Urban				
79-80 83-84	-0.06	0.20	0.16	0.10
83-84 88-89	0.20	0.36	0.18	0.26
88-89 93-94	0.12	-0.02	0.26	0.14
Total (R+U)				
79-80 83-84	-0.15	0.17	0.16	0.02
83-84 88-89	0.14	0.30	0.15	0.20
88-89 93-94	0.23	-0.04	0.23	0.15

Part II: The Performance of Unorganised Restaurants and Hotels at a Disaggregated Level

This part is arranged in two main sections. The first deals with absolute numbers of workers and enterprises, and the contribution to national income of unorganised restaurants, and of hotels and other lodging places respectively. The second part examines the performance of the two main segments of unorganised restaurants and hotels in terms of, (i) enterprise, employment and GVA growth rates, (ii) productivity levels and productivity growth, and (iii) changes in employment elasticities over time.

4.2.1 An Overview of Trends and Structural Change

Two features of the disaggregated data on restaurants and hotels dictated that the analysis of these sub-sectors had to be done at a more highly aggregated level than originally intended. Firstly, almost all enterprises in the combined group of unorganised restaurants and hotels are, in fact, restaurants. The residual categories, hotels and other lodging places together account for less than three percent of the enterprises in the entire unorganised segment of this sub-sector. The result is that for some breakdowns – by enterprise type, for example – very few or no cases at all, turned up in the sample in some regions. The second factor is that, in some survey years, the National Sample Survey Organisation generated data for hotels, (code 691), and other lodging places, (code 941), separately, while in others, hotels and other lodging places were grouped together. To complicate matters, in 1979-80 dharamsalas were treated as an independent sub group. Finally, for 1983-84 no breakdowns by enterprise type were given. For purposes of this part, therefore, it was decided to distinguish only between the two main sub categories of this sub-sector, namely, restaurants on the one hand, and everything else on the other. Breakdowns, such as those by enterprise type, are presented when the number of ‘empty’ cells does not exceed the number of cells for which figures are available.

In this section, estimates of the number of enterprises and workers, and gross value added constitute the core of subsection (i). In subsection (ii) the increasing scale of operations in the hotels and other lodging places segment is highlighted. The decline in the relative contribution of rural areas to employment and gross value added constitutes the main finding of subsection (iii). Subsection (iv) presents the evidence on changes in the absolute number of workers during three sub periods from 1979-80 to 1993-94.

(i) The Main Magnitudes and Some Trends in Structure by Enterprise Type

Table 4.2.1 provides an overview in terms of absolute number of enterprises and workers with a breakdown in terms of percentage shares of restaurants, and of hotels and other lodging places, respectively. Table 4.2.2 does the same thing for gross value added by each of these two sets of enterprises.

The most obvious implication of the figures in the first column of table 4.2.1 is that in rural areas, hotels and other lodging places hardly exist. Their numbers are significant only in urban areas, and in urban areas, the majority of them are relatively large enterprises, which employ at least one hired worker. Today there are very few urban hotels and lodging places operated entirely by family members. Although the numbers of urban own account enterprises in the hotels business was significant in the late 1970s, their relative importance has declined rapidly to only 7 percent of all enterprise types in urban locations.

Restaurants, on the other hand, are as numerous in rural areas as in urban centres. In rural areas the vast majority of them are run as own account enterprises; in urban areas, the slightly larger non-directory and directory establishments are almost, but not quite, as prevalent as the small family operated restaurant businesses.

Although the share of the small own account restaurant enterprises may have declined slightly in rural areas, the obvious shift in the relative importance of the family operated enterprise type has taken place in urban locations. The somewhat bigger restaurants, the NDEs and DEs, have increased their combined shares to something in the neighbourhood of 45 percent.

Hotels and other lodging places are generally relatively bigger enterprises, belonging to the non-directory or directory establishment categories even in rural areas. Over time in both rural and urban areas the relative importance of own account enterprises in this branch has collapsed. In employment terms, this collapse is even more striking than it is in terms of numbers of enterprises.

Thus in both rural and urban areas today, more than 90 percent of all hotel and other lodging places workers are engaged in the non-directory and directory establishments. However, the workforce in the restaurants segment is far larger, accounting for more than 90 percent of all workers in the combined set of unorganised enterprises engaged in the restaurants and hotels businesses. In all locations, rural plus urban, half of them are employed in own account enterprises, and in rural areas, nearly three quarters of them work in these small family operated businesses. For details on the workforce structure in unorganised restaurants and hotels, the right hand columns of table 4.2.1 may be consulted.

Table 4.2.1: Enterprise and Employment Numbers in Unorganised Restaurants and Hotels and Structure by Broad Branches of Unorganised Restaurants and Hotels, and by Enterprise Type: All India: Rural, Urban and All Locations: 1979-80, 1983-84, 1988-89 and 1993-94

Broad Branch, Location and Year	Number of Enterprises (share in all branches in brackets)	Structure by Enterprise Type			Number of Workers (share in all branches in brackets)	Workforce Structure by Enterprise Type		
		OAE (%)	NDE (%)	DE (%)		OAE (%)	NDE (%)	DE (%)
Restaurants (code 960)								
Rural								
1979-80	612,177 (99.65)	83.97	13.95	2.08	1,342,499 (99.04)	73.90	19.47	6.63
1983-84	537,860 (98.92)	na	na	na	1,235,000 (98.32)	na	na	na
1988-89	602,600 (99.40)	78.48	19.40	2.12	1,411,884 (99.37)	66.49	25.16	8.34
1993-94	774,778 (99.73)	83.82	14.39	1.79	1,648,966 (99.46)	73.20	20.19	6.61
Urban								
1979-80	403,845 (95.76)	63.44	25.82	10.74	1,247,109 (90.06)	39.44	28.01	32.54
1983-84	440,079 (94.55)	na	na	na	1,386,215 (90.19)	na	na	na
1988-89	584,937 (95.97)	56.89	32.48	10.63	1,986,188 (92.31)	32.32	37.28	30.40
1993-94	682,196 (95.44)	55.87	32.00	12.13	2,144,097 (86.30)	32.34	33.39	34.27
All Locations								
1979-80	1,016,022 (98.07)	75.81	18.67	5.52	2,589,608 (94.50)	57.31	23.58	19.11
1983-84	977,939 (96.91)	na	na	na	2,621,285 (93.85)	na	na	na
1988-89	1,187,537 (97.68)	67.84	25.84	6.31	3,398,072 (95.12)	46.52	32.25	21.23
1993-94	1,456,984 (97.67)	70.74	22.63	6.63	3,793,063 (91.57)	50.10	27.65	22.25
Hotels (691) and Other Lodging Places (941)								
Rural								
1979-80	2,123 (0.35)	46.54	37.07	16.39	11,153 (0.82)	45.81	22.30	31.89
1983-84	5,865 (1.08)	na	na	na	21,122 (1.68)	na	na	na
1988-89	3,649 (0.60)	28.47	63.63	7.89	8,902 (0.63)	8.35	67.75	23.90
1993-94	2,129 (0.27)	12.35	67.45	20.20	9,001 (0.54)	5.81	46.91	47.28
Urban								
1979-80	17,867 (4.24)	15.94	41.33	42.73	135,930 (9.82)	4.37	16.83	78.80
1983-84	25,365 (5.45)	na	na	na	150,714 (9.81)	na	na	na
1988-89	24,547 (4.03)	13.28	49.41	37.31	165,536 (7.69)	10.66	19.15	70.18

Broad Branch, Location and Year	Number of Enterprises (share in all branches in brackets)	Structure by Enterprise Type			Number of Workers (share in all branches in brackets)	Workforce Structure by Enterprise Type		
		OAE (%)	NDE (%)	DE (%)		OAE (%)	NDE (%)	DE (%)
1993-94	32,558 (4.56)	7.29	36.00	57.71	340,410 (13.70)	1.40	11.87	86.73
All Locations								
1979-80	19,990 (1.93)	19.19	40.88	39.93	147,083 (5.37)	7.52	17.24	75.24
1983-84	31,230 (3.09)	na	na	na	171,836 (6.15)	na	na	na
1988-89	28,196 (2.32)	15.25	51.25	33.50	174,438 (4.88)	10.55	21.63	67.82
1993-94	34,687 (2.33)	7.60	37.93	54.47	349,411 (8.43)	1.51	12.78	85.71

Today most of the income generated by unorganised restaurant and hotels comes from the restaurant enterprises – about 80 percent of it. However this is a much lower figure than the one for the end of the 1970s. In less than 25 years the share of hotels in gross value added has risen from less than 3 percent to close to 20 percent. The most spectacular growth in GVA has taken place in urban hotels and other lodging places. In urban locations, the dominance of the larger sized hotels and other lodging places in terms of income earned is now virtually complete. The evidence is presented in table 4.2.2.

Table 4.2.2: Levels and Structure of Gross Value Added by Broad Branches of Unorganised Restaurants and Hotels by Enterprise Type: All India, Rural Urban and All Locations: 1979-80, 1983-84, 1988-89 and 1993-94

(Rs'000 in constant 1993-94 prices)

Broad Branch, Location and Year	Restaurants (Code 690)				Hotels (691) and Other Lodging Places (941)			
	Gross Value Added (share in all branches in brackets)	Structure by Enterprise Type			Gross Value Added (share in all branches in brackets)	Structure by Enterprise Type		
		OAE (%)	NDE (%)	DE (%)		OAE (%)	NDE (%)	DE (%)
Rural								
1979-80	1,062,913 (98.98)	56.40	31.73	11.88	12,561 (1.17)	25.45	12.19	62.36
1983-84	2,573,786 (97.67)	na	na	na	61,337 (2.33)	na	na	na
1988-89	7,005,635 (99.13)	49.63	33.86	16.50	61,385 (0.87)	3.98	76.89	19.38
1993-94	16,190,300 (98.48)	57.96	26.11	15.92	250,400 (1.52)	0.80	24.50	55.00
Urban								
1979-80	1,263,474 (61.27)	34.07	35.88	30.04	798,721 (38.73)	0.63	4.31	95.06
1983-84	4,279,031 (84.33)	na	na	na	795,274 (15.67)	na	na	na
1988-89	14,560,822 (86.62)	30.85	32.12	37.03	2,248,322 (13.38)	1.34	16.59	82.07
1993-94	33,104,900 (74.53)	22.30	32.02	45.68	11,313,800 (25.47)	0.46	8.03	91.51
All Locations								
1979-80	2,326,387 (74.18)	44.27	33.99	21.74	811,281 (25.87)	1.02	4.43	94.55
1983-84	6,852,817 (88.89)	na	na	na	856,611 (11.11)	na	na	na
1988-89	21,566,457 (90.33)	36.95	32.68	30.36	2,309,707 (9.67)	1.41	18.19	80.40
1993-94	49,295,200 (81.00)	34.01	30.08	35.91	11,564,200 (19.00)	0.47	8.51	91.01

(ii) Changes in the Scale of Operations

The employment figures in table 4.2.1 by enterprise type, reflect the substantial difference in the average number of workers engaged in own account enterprises on the one hand and the non-directory and directory establishments on the other. Restaurants, even the bigger ones, typically employ far fewer workers than unorganised segment hotels and lodging places, as table 4.2.3 shows. Because the shift over time has been in favour of larger establishments in urban areas, most notably in the hotels and other lodging places business, the average number of workers per enterprise in this segment has gone up rapidly, by more than 3 times in urban areas. In general the contrast between the size of own account enterprises and the size of the larger enterprise types has become more marked as time has passed, and the difference in the scale of operations of the typical hotels or other lodging places on the one hand, and the typical restaurants on the other, has become more pronounced.

Table 4.2.3: Number of Workers per Unorganised Restaurant and Hotel Enterprise, by Enterprise Type and Rural or Urban Location: All India, 1979-80, 1983-84, 1988-89 and 1993-94

Location and Year	Restaurants (Code 690)				Hotels (691) and Other Lodging Places (941)			
	OAE	NDE	DE	All Types	OAE	NDE	DE	All Types
Rural								
1979-80	1.93	3.06	7.01	2.19	5.17	3.16	10.22	5.25
1983-84	na	na	na	2.30	na	na	na	3.60
1988-89	1.99	3.04	9.22	2.34	0.72	2.60	7.39	2.44
1993-94	1.86	2.99	7.86	2.13	1.99	2.94	9.90	4.23
Urban								
1979-80	1.92	3.35	9.36	3.09	2.09	3.10	14.03	7.61
1983-84	na	na	na	3.15	na	na	na	5.94
1988-89	1.93	3.90	9.71	3.40	5.42	2.61	12.69	6.74
1993-94	1.82	3.28	8.88	3.14	2.01	3.45	15.99	10.46
All Locations								
1979-80	1.93	3.22	2.55	2.18	2.88	3.10	13.87	7.36
1983-84	na	na	na	2.68	na	na	na	5.50
1988-89	1.96	3.57	9.63	2.86	4.28	2.61	12.52	6.19
1993-94	1.84	3.18	8.74	2.60	2.01	3.39	15.85	10.07

This applies not only to scale, as measured in terms of size of employment, but also to scale as defined in terms of gross value added per enterprise, as can be seen in table 4.2.7 presented later.

(iii) The Increasing Urbanisation of Employment and Gross Value Added by Restaurants, Hotels and Other Lodging Places

The other trend worth noting is the increasing concentration in urban areas of enterprises, workers, and gross value added by both restaurants and hotels and other lodging places, each taken separately. Although it remains the case that the majority of unorganised restaurants are located in rural areas, this has long since ceased to be true of employment in them and gross value added by them. Hotels and other lodging places were always located mainly in urban areas, but rural areas used to account for a substantial proportion of employment – around one fifth of it. Now the share of rural areas in employment and value added by hotels and other lodging places has come down to negligible figures. The only enterprise type in which rural enterprises still dominate the workforce and GVA structures, is the smallest one, the family operated own account enterprises. Statistics are given in table 4.2.4

Table 4.2.4: Share of Rural Areas in all Enterprises, Employment and Value Added by Unorganised Restaurants and Hotels and Other Lodging Places, by Enterprise Type, All India: 1979-80, 1983-84, 1988-89 and 1993-94

Industry Group and Year	Rural Share in Enterprise by Enterprise Type				Rural Share in Workers by Enterprise Type				Rural Share in GVA by Enterprise Type			
	OAE	NDE	DE	All Types	OAE	NDE	DE	All Types	OAE	NDE	DE	All Types
Restaurants												
1979-80	66.74	45.03	22.63	60.25	66.85	42.80	17.98	51.84	58.20	42.65	24.96	45.69
1983-84	na	na	na	55.00	na	na	na	47.12	na	na	na	37.56
1988-89	58.70	38.09	17.04	50.74	59.39	32.42	16.32	41.55	43.63	33.66	17.65	32.48
1993-94	63.01	33.80	14.36	53.18	63.51	31.74	12.92	43.47	55.97	28.51	14.56	32.84
Hotels and Other Lodging Places												
1979-80	25.76	9.63	4.36	10.62	46.22	9.81	3.21	7.58	38.81	4.26	1.02	1.55
1983-84	na	na	na	18.78	na	na	na	12.29	na	na	na	7.19
1988-89	24.17	16.07	3.05	12.94	4.04	15.98	1.80	5.10	7.51	16.24	0.64	2.66
1993-94	9.98	10.91	2.28	6.14	9.89	9.46	1.42	2.58	4.55	7.76	1.63	2.17

(iv) Job Losses and Job Gains

The exact pattern of job losses and job gains cannot be determined because no data is available for 1983-84 at the enterprise type level. Table 4.2.5 below therefore, gives an incomplete picture. However, the main features of what has happened to employment over time is evident from the figures for all enterprise types combined.

Both restaurants and hotels and other lodging places recorded an expansion of job opportunities in all periods in rural and urban areas combined, and in urban areas taken separately. The job losses were confined to rural areas, between 1979-80 and 1983-84, in the case of restaurants, and between 1983-84 and 1988-89 in the case of hotels and other lodging places.

We do not know much about the enterprise structure of workforce changes. However it is clear that in the most recent period, (the only one for which changes in the number of workers can be computed), employment in family operated restaurants expanded the most, while in the hotels and other lodging places segment, the big increase in employment took place in the largest, directory establishment category. Among restaurant workers, job losses were concentrated in non-directory establishments. In the case of hotels and other lodging places, it was the workers in the small own account enterprises who lost out. Details are available in table 4.2.5.

Table 4.2.5: Employment gains and Employment Losses in Unorganised Restaurants, and Hotels and Other Lodging Places, by Enterprise Type, All India: Rural, Urban and All Locations 1979-80 to 1983-84, 1983-84 to 1988-89 and 1988-89 to 1993-94

Industry group, Location and Period	Change in the Absolute Number of Workers			
	OAE	NDE	DE	All Types
Restaurants				
Rural				
1979-80 to 1983-84	na	na	na	-107,429
1983-84 to 1988-89	na	na	na	176,814
1988-89 to 1993-94	268,177	-22,378	-8,717	237,082
Urban				
1979-80 to 1983-84	na	na	na	139,106
1983-84 to 1988-89	na	na	na	599,973
1988-89 to 1993-94	51,474	-24,527	130,962	157,909
All Locations				
1979-80 to 1983-84	na	na	na	31,677
1983-84 to 1988-89	na	na	na	776,787
1988-89 to 1993-94	319,651	-46,905	122,243	394,991
Hotels and Other Lodging Place				
Rural				
1979-80 to 1983-84	na	na	na	9,969
1983-84 to 1988-89	na	na	na	-12,220
1988-89 to 1993-94	-220	-1,809	2,128	99
Urban				
1979-80 to 1983-84	na	na	na	14,784
1983-84 to 1988-89	na	na	na	14,822
1988-89 to 1993-94	-12,889	8,713	179,050	174,874
All Locations				
1979-80 to 1983-84	na	na	na	24,753
1983-84 to 1988-89	na	na	na	2,602
1988-89 to 1993-94	-13,109	6,904	181,178	174,973

4.2.2 The Performance of Unorganised Restaurants and Hotels

(i) Growth Rates of Enterprises, Employment and Gross Value Added by Restaurants and Hotels

In recent years the contribution to employment and GVA growth of hotels and other lodging places has been impressive and that of restaurants less spectacular but more consistent. In hotels and restaurants the major restructuring of the workforce which took place did not result in a net decline in employment. The large negative rate of growth in own account enterprise employment was more than compensated for by the substantial growth of large enterprises, especially in urban areas. The character of the restructuring process comes out quite clearly. In hotels and other lodging places small enterprises in both rural and urban areas went out of business, while large enterprises expanded rapidly. The pay off came in the shape of high GVA growth rates in all periods.

Table 4.2.6: Growth Rates of Enterprises, Employment and Gross Value Added in Unorganised Restaurants, Hotels and Other Lodging Places, by Enterprise Type: All India, 1979-80 to 1983-84, 1983-84 to 1988-89 and 1988-89 to 1993-94

Industry Location and Period	Enterprise Growth Rates				Employment Growth Rates				GVA Growth Rates			
	OAE	NDE	DE	All Types	OAE	NDE	DE	All Types	OAE	NDE	DE	All Types
Restaurants (690)												
Rural												
1979-80 to 1983-84	na	na	na	-3.18	na	na	na	-2.06	na	na	na	24.74
1983-84 to 1989-90	na	na	na	2.30	na	na	na	2.71	na	na	na	22.17
1989-90 to 1993-94	6.55	-0.95	1.67	5.16	5.15	-1.29	-1.53	3.15	21.97	12.25	17.39	18.24
Urban												
1979-80 to 1983-84	na	na	na	2.17	na	na	na	2.68	na	na	na	35.66
1983-84 to 1989-90	na	na	na	5.86	na	na	na	7.46	na	na	na	27.75
1989-90 to 1993-94	2.75	2.81	5.88	3.12	1.55	-0.67	4.00	1.54	10.44	17.79	22.90	17.85
All Locations												
1979-80 to 1983-84	na	na	na	-0.95	na	na	na	0.30	na	na	na	31.01
1983-84 to 1989-90	na	na	na	3.96	na	na	na	5.33	na	na	na	25.77
1989-90 to 1993-94	5.05	1.45	5.21	4.17	3.75	-0.87	3.18	2.22	16.04	16.04	22.00	17.98
Hotels and Other Lodging Places (691 and 941)												
Rural												
1979-80 to 1983-84	na	na	na	28.92	na	na	na	17.31	na	na	na	48.65
1983-84 to 1989-90	na	na	na	-9.05	na	na	na	-15.87	na	na	na	0.02
1989-90 to 1993-94	-24.03	-9.16	8.35	-10.22	-6.78	-6.88	1487	0.22	0.46	10.11	70.51	32.47
Urban												
1979-80 to 1983-84	na	na	na	9.16	na	na	na	2.61	na	na	na	-0.11
1983-84 to 1989-90	na	na	na	-0.65	na	na	na	1.89	na	na	na	23.10
1989-90 to 1993-94	-6.15	-0.68	15.05	5.81	-23.05	4.98	20.51	15.51	11.72	19.48	41.19	38.15
All Locations												
1979-80 to 1983-84	na	na	na	11.80	na	na	na	3.97	na	na	na	1.37
1983-84 to 1989-90	na	na	na	-2.02	na	na	na	0.30	na	na	na	21.94
1989-90 to 1993-94	-9.32	-1.86	14.87	4.23	-22.07	3.42	20.41	14.91	11.02	18.57	41.47	38.01

(ii) Productivity Levels and Productivity Growth

It is clear that nobody could have survived on the strength of the returns to labour reported for restaurant workers in the late seventies and early 1980s. These people had to have had other sources of income to make ends meet. It is only during the 1990s that the labour productivity levels in urban restaurants have begun to approach a living wage. In rural areas in the own account restaurant enterprises this minimum standard is yet to be achieved.

Labour productivity levels in the unorganised hotels and other lodging places segment are on the average, at least twice what they are in the restaurant business. This is because of the much large scale of the typical hotel enterprise. As compared to the restaurants, hotel enterprises in 1993-94, earned on the average nearly ten times as much as restaurant units. In terms of workers per enterprise also, (as noted earlier) they typically operate on a much larger scale. As a result, the gap between workers' earnings in these two categories is not nearly as wide as the gap between per enterprise productivity in restaurants on the one hand, and hotels and other lodging places on the other.

Table 4.2.7: Levels of Enterprise and Labour Productivity in Unorganised Restaurants and Hotels and Other Lodging Places by Enterprise Type: All India: Rural, Urban and All Locations: 1979-80, 1983-84, 1988-89 and 1993-94

(Rs. In Constant 1993-94 prices)

Industry, Location and Year	GVA per Enterprise (Rs)				GVA per Worker (Rs)			
	OAE	NDE	DE	All Types	OAE	NDE	DE	All Types
Restaurants								
Rural								
1979-80	1,166	3,948	9,937	1,736	604	1,290	1,418	792
1983-84	na	Na	na	4,785	na	na	na	2,084
1988-89	7,352	20,293	90,545	11,626	3,704	6,678	9,816	4,962
1993-94	14,450	37,926	185,853	20,896	7,775	12,700	23,635	9,818
Urban								
1979-80	1,680	4,348	8,753	3,129	875	1,298	935	1,013
1983-84	na	Na	na	9,723	na	na	na	3,087
1988-89	13,500	24,612	86,725	24,893	6,998	6,316	8,930	7,331
1993-94	19,364	48,566	182,799	48,527	10,645	14,809	20,581	15,440
All Locations								
1979-80	1,337	4,168	9,021	2,290	694	1,295	1,022	898
1983-84	na	Na	na	7,007	na	na	na	2,614
1988-89	9,891	22,967	87,376	18,161	5,041	6,433	9,075	6,347
1993-94	16,268	44,969	183,238	33,834	8,822	14,139	20,975	12,996
Hotels and Other Lodging Places								
Rural								
1979-80	3,235	1,946	22,509	5,916	626	616	2,202	1,126
1983-84	na	Na	na	10,458	na	na	na	2,904
1988-89	2,351	20,328	41,315	16,822	3,288	7,826	5,592	6,896
1993-94	9,506	53,203	38,837	117,614	4,780	18,096	40,296	27,819
Urban								
1979-80	1,770	4,663	99,459	44,704	848	1,506	7,088	5,879
1983-84	na	Na	na	31,353	na	na	na	5,277
1988-89	9,234	30,756	201,483	91,593	1,705	11,767	15,882	13,582
1993-94	22,082	77,485	560,724	347,497	10,999	22,471	35,068	33,236
All Locations								
1979-80	2,147	4,401	96,104	40,584	745	1,418	6,931	5,516
1983-84	na	Na	na	27,429	na	na	na	4,985
1988-89	7,570	29,069	196,600	81,916	1,769	11,133	15,697	13,241
1993-94	20,827	74,835	567,039	333,387	10,384	22,057	35,143	33,096

For the own account enterprise workers, there is scarcely any labour productivity gap at all. Clearly the scale of operations matters a great deal. In restaurants, labour productivity levels in the large directory establishments range between two and three times labour productivity levels in the small family operated businesses. In hotels, the productivity disadvantages of small-scale rural operation are acute. In urban areas, at least the level of GVA per worker among own account enterprises comes close to providing a poverty line income to the families which run them.

Thus the very high rates of growth in labour productivity recorded in table 4.2.7 need to be assessed in the context of the very low productivity levels in the initial, and subsequent, base

years. The good news is that there has been a tremendous improvement. The more sobering fact is that, especially in unorganised restaurants, the pace of productivity growth will have to be sustained if the majority of restaurant workers are to achieve a respectable living standard within one generation. Unfortunately, in the case of restaurants, there is some indication in the figures of table 4.2.7, that the productivity growth rates have tended to slow down. In short the high productivity growth rates recorded by the unorganised restaurants and hotels industry promise much, but within this broad category, the unorganised restaurant segment continues to be one in which productivity levels remain unacceptably low.

Table 4.2.8: Growth Rates of GVA per Enterprise and per Worker in Unorganised Restaurants and Hotels and Other Lodging Places, by Enterprise Type and Rural or Urban Location. All India: 1979-80 to 1983-84, 1983-84 to 1988-89 and 1988-89 to 1993-94

Industry, Location and Period	Growth Rates: GVA per Enterprise (Rs.)				Growth Rates: GVA per Worker (Rs.)			
	OAE	NDE	DE	All Types	OAE	NDE	DE	All Types
Restaurants								
Rural								
1979-80 to 1983-84	na	na	na	28.85	na	na	na	27.37
1983-84 to 1988-89	na	na	na	19.43	na	na	na	18.95
1988-89 to 1993-94	14.47	13.32	15.47	12.44	15.99	13.72	19.21	14.62
Urban								
1979-80 to 1983-84	na	na	na	32.77	na	na	na	32.12
1983-84 to 1988-89	na	na	na	20.68	na	na	na	18.89
1988-89 to 1993-94	7.48	14.56	16.08	14.28	8.75	18.58	18.17	16.06
All Locations								
1979-80 to 1983-84	na	na	na	32.26	na	na	na	30.61
1983-84 to 1988-89	na	na	na	20.98	na	na	na	19.41
1988-89 to 1993-94	10.46	14.38	15.96	13.25	11.84	17.06	18.24	15.41
Hotels and Other Lodging Places								
Rural								
1979-80 to 1983-84	na	na	na	15.30	na	na	na	26.72
1983-84 to 1988-89	na	na	na	9.97	na	na	na	18.88
1988-89 to 1993-94	32.23	21.22	57.38	47.54	7.77	18.25	48.44	32.18
Urban								
1979-80 to 1983-84	na	na	na	-8.49	na	na	na	-2.65
1983-84 to 1988-89	na	na	na	23.91	na	na	na	20.81
1988-89 to 1993-94	19.05	20.30	22.72	30.50	45.18	13.81	17.17	19.60
All Locations								
1979-80 to 1983-84	na	na	na	-9.33	na	na	na	-2.50
1983-84 to 1988-89	na	na	na	24.46	na	na	na	21.58
1988-89 to 1993-94	22.43	20.82	23.16	32.41	42.47	14.65	17.49	20.11

(iii) Employment Elasticities with respect to Gross Value Added : Past Performance and Future Prospects

All rural employment elasticities are extremely low by the usual standards, reflecting the fact that little or no employment growth took place even during periods when GVA growth was substantial and positive. If the past is any guide to the future, employment growth prospects for rural unorganised restaurants and hotels are poor, even if the GVA growth rates continue to be perfectly respectable. What we should anticipate, instead of rapid employment growth, is rapid labour productivity growth, as in the past. Given the low levels of productivity in rural areas, this is not at all a bad thing.

In urban areas, the employment prognosis for hotels and other lodging places is good; that for restaurants probably poor. Continued rapid growth in GVA is likely to induce substantial employment expansion along with parallel improvements in labour productivity in the hotels segment. In the case of restaurants, the employment response to increases in GVA has always been modest – resulting in a 0.2 to 0.3 percent growth rate in employment for every 1 percent increase in GVA in the two earlier periods – but in the most recent period the employment elasticity for urban restaurants has shrunk to a mere 0.09. If this is the response in future periods, then employment growth in the restaurants segment is not going to come easily. Very high rates of GVA growth will be required to induce an appreciable employment response. However high rates of labour productivity growth should be anticipated.

Table 4.2.9: All India Employment Elasticities with respect to GVA by Restaurants and Hotels by Enterprise Type and by Rural or Urban Location: 1979-80 to 1983-84, 1983-84 to 1988-89 and 1988-89 to 1993-94

Industry, Location and Period	Employment Elasticities with respect to GVA for							
	Restaurants				Hotels and Other Lodging Places			
	OAE	NDE	DE	All Types	OAE	NDE	DE	All Types
Rural								
1979-80 to 1983-84	na	na	na	-0.08	na	na	na	0.36
1983-84 to 1988-89	na	na	na	0.12	na	na	na	-1007.17
1988-89 to 1993-94	0.23	-0.11	-0.09	0.17	-14.62	-0.68	0.21	0.01
Urban								
1979-80 to 1983-84	na	na	na	0.08	na	na	na	-24.20
1983-84 to 1988-89	na	na	na	0.27	na	na	na	0.08
1988-89 to 1993-94	0.15	-0.04	0.17	0.09	-1.97	0.26	0.50	0.41
All Locations								
1979-80 to 1983-84	na	na	na	0.01	na	na	na	2.90
1983-84 to 1988-89	na	na	na	0.21	na	na	na	0.01
1988-89 to 1993-94	0.23	-0.05	0.14	0.12	-2.00	0.18	0.49	0.39

- Notes:**
1. Employment elasticities are measured here as the rate of growth of employment / the rate of growth of GVA in constant 1993-94 prices
 2. Since there are no negative GVA growth rates, all negative employment elasticities are due to a negative growth of employment combined with a positive rate of growth of GVA
 3. The extraordinary high negative elasticity for rural hotels and other lodging places for the period 1983-84 to 1988-89 is due to rapid contraction in employment in that year and negligible growth in GVA. (Table 4.2.6 may be consulted for the corresponding growth rates).

Part III: The Region Level Evidence: Unorganised Restaurants, Hotels and Other Lodging Places in Fifteen Major States

This part covers several aspects of the evidence at the region level, for 15 major states.

Section 4.3.1 begins with the absolute numbers, for enterprises, employment and gross value added, and goes on to show that poor states, even those with comparatively large populations, are able to support surprisingly few enterprises in this industry. The restaurant and hotels business, it seems, thrives only in the relatively better off states.

The second section deals with structural issues. The first issue to be addressed is the rural-urban distribution of enterprises and workers in each state, and the share of GVA attributable to rural and urban areas in each region. Subsection (ii) brings out the large inter state contrasts in the enterprise structure of the industry.

The performance of unorganised restaurants and hotels in each state is then considered, first in terms of enterprise, employment and GVA growth rates, then in terms of the employment generation record. The bottom line is labour productivity however. The large contrasts between states, as of 1993-94, and the manner in which these contrasts have developed over time, are measured in terms of coefficients of variation, for each enterprise type and for rural and urban areas separately. Finally, productivity growth rates reveal the route each state has traveled to reach the productivity levels which obtain today.

The results of regressions, aimed at identifying the causes of inter state variations are reported in subsections (i) and (iii).

4.3.1 Enterprises, Employment and Gross Value Added: Absolute Numbers and Regional Shares

Table 4.3.1 gives the absolute number of enterprises in each state, overall, and for rural and urban areas separately, together with the percentage share of each state in the number of such enterprises in India as a whole. The figures in brackets in column one are the respective states' shares in all India population.

The disproportionality, (large or small), in states' shares in the total number of enterprises is as much a feature of this industry, as it is of others. Possible demand side explanations for their distribution were considered. It was anticipated that the regional distribution of enterprises in this industry might be explained by some combination of states' populations, and state per capita incomes – in effect a demand side explanation for the observed inter state contrasts in the absolute number of enterprises,

Table 4.3.1: Absolute Number of Enterprises in Unorganised Restaurants, Hotels and Other Lodging Places in each of Fifteen States and Share in the Total Number of Enterprises in India as a Whole: Rural, Urban and All Locations 1979-80, 1983-84, 1988-89 and 1993-94

State (Share in all-India Population)	Year	Number of Enterprises			Share in all-India Enterprises		
		Rural	Urban	All Locations	Rural	Urban	All Locations
Andhra Pradesh (7.43)	1979-80	84,065	42,974	127,039	13.98	11.59	13.07
	1983-84	43,250	28,023	71,273	7.95	6.02	7.06
	1988-89	82,803	45,639	128,442	13.66	7.49	10.56
	1993-94	83,935	49,936	133,871	10.80	6.99	8.97
Bihar (10.63)	1979-80	42,149	29,362	71,511	7.01	7.92	7.36
	1983-84	24,780	30,009	54,789	4.56	6.45	5.43
	1988-89	21,697	36,013	57,710	3.58	5.91	4.75
	1993-94	40,718	33,506	74,224	5.24	4.69	4.98
Delhi (1.31)	1979-80	2,418	14,767	17,185	0.40	3.98	1.77
	1983-84	na	na	na	na	na	na
	1988-89	na	15,353	15,353	na	2.52	1.26
	1993-94	na	na	na	na	na	na
Gujarat (4.92)	1979-80	12,084	17,584	29,668	2.01	4.74	3.05
	1983-84	10,341	19,980	30,321	1.90	4.29	3.00
	1988-89	16,795	25,258	42,053	2.77	4.14	3.46
	1993-94	14,052	46,725	60,777	1.81	6.54	4.07
Haryana (2.04)	1979-80	6,896	6,008	12,904	1.15	1.62	1.33
	1983-84	1,730	18,715	20,445	0.32	4.02	2.03
	1988-89	na	15,093	15,093	na	2.48	1.24
	1993-94	5,624	13,647	19,271	0.72	1.91	1.29
Karnataka (5.15)	1979-80	40,737	21,505	62,242	6.78	5.80	6.40
	1983-84	46,506	32,142	78,648	8.55	6.91	7.79
	1988-89	42,318	43,517	85,835	6.98	7.14	7.06
	1993-94	65,744	29,272	95,016	8.46	4.10	6.37
Kerala (3.14)	1979-80	109,360	11,503	120,863	18.19	3.10	12.43
	1983-84	109,677	17,166	126,843	20.17	3.69	12.57
	1988-89	86,075	16,781	102,856	14.20	2.75	8.46
	1993-94	140,573	13,383	153,956	18.09	1.87	10.32
Madhya Pradesh (7.89)	1979-80	15,754	18,460	34,214	2.62	4.98	3.52
	1983-84	26,510	27,296	53,806	4.88	5.86	5.33
	1988-89	22,054	31,097	53,151	3.64	5.10	4.37
	1993-94	24,614	33,103	57,717	3.17	4.63	3.87
Maharashtra (9.41)	1979-80	28,694	35,563	64,257	4.77	9.59	6.61
	1983-84	43,493	47,396	90,889	8.00	10.18	9.01
	1988-89	48,892	58,597	107,489	8.06	9.61	8.84
	1993-94	34,351	91,585	125,936	4.42	12.81	8.44
Orissa (3.59)	1979-80	33,012	10,275	43,287	5.49	2.77	4.45
	1983-84	31,945	27,798	59,743	5.88	5.97	5.92
	1988-89	30,858	17,947	48,805	5.09	2.94	4.01
	1993-94	44,219	19,421	63,640	5.69	2.72	4.27
Punjab (2.37)	1979-80	1,155	4,191	5,346	0.19	1.13	0.55
	1983-84	2,770	14,401	17,171	0.51	3.09	1.70
	1988-89	na	30,736	30,736	na	5.04	2.53
	1993-94	na	na	na	na	na	na
Rajasthan (5.46)	1979-80	17,055	15,103	32,158	2.84	4.07	3.31
	1983-84	10,373	22,861	33,234	1.91	4.91	3.29
	1988-89	19,761	28,207	47,968	3.26	4.63	3.95
	1993-94	21,357	37,670	59,027	2.75	5.27	3.96
Tamil Nadu (6.10)	1979-80	83,679	44,393	128,072	13.92	11.98	13.18
	1983-84	80,013	46,133	126,146	14.72	9.91	12.50
	1988-89	87,471	9,875	147,346	14.43	9.82	12.12
	1993-94	101,127	77,700	178,827	13.02	10.87	11.99

State (Share in all-India Population)	Year	Number of Enterprises			Share in all-India Enterprises		
		Rural	Urban	All Locations	Rural	Urban	All Locations
Uttar Pradesh (16.93)	1979-80	36,160	50,518	86,678	6.01	13.63	8.92
	1983-84	24,023	58,538	82,561	4.42	12.58	8.18
	1988-89	36,456	85,042	121,498	6.01	13.95	9.99
	1993-94	66,509	71,748	138,257	8.56	10.04	9.27
West Bengal (7.84)	1979-80	56,446	36,990	93,436	9.39	9.98	9.61
	1983-84	41,149	41,936	83,085	7.57	9.01	8.23
	1988-89	64,563	64,837	129,400	10.65	10.64	10.64
	1993-94	94,340	87,074	181,414	12.14	12.18	12.16

These potential explanations do not work. Population does have a positive impact as anticipated, which in some years produces t-values which come close to significant levels, (at the 88 per cent level of significance or slightly above).

The beta coefficient for gross state domestic product per capita has in all cases a negative sign, which was not anticipated, but again, t-values fail to reach acceptable levels by a modest margin. The introduction of a third explanatory variable, the share of rural population in each states' total population, did not improve the results, although the signs of the coefficients were all negative, as expected. Evidently other state-specific factors are at work, possibly something as difficult to capture as regional preferences and practices with regard to taking meals prepared outside the home.

When it comes to the interstate distribution of workers, the disproportionalities are equally conspicuous. Andhra Pradesh has twice the number of workers as Bihar has, although its population is less than 70 per cent of Bihar's population. Maharashtra accounts for almost 20 per cent of all urban employment in unorganised restaurants and hotels in India, suggesting that the 'urban effect' on total employment in the industry could be substantial. These figures, presented in table 4.3.2 are suggestive of the same set of causative factors as were tested by the regressions run in the hope of finding explanations for the inter state distribution of enterprises. No significant result emerged from the regressions however, except for the year 1993-94, where the population factor provided a very partial explanation at the 92 per cent level of significance.

A similar regression exercise was carried out to test the explanatory power of the same set of independent variable in relation to gross value added by the industry in each state. The results for the population factor were significant at the 95 per cent level only in 1993-94, and nothing else mattered.

Tables 4.3.2 and 4.3.3 give the underlying absolute numbers and states' shares in all India totals for employment and gross value added respectively.

It is concluded, therefore, that demand factors, apart from sheer population size, contribute next to nothing to an understanding of the inter state distribution of enterprises, workers, or gross value added in the restaurants and hotels industry. As will be shown later, where population and per capita incomes provide solid explanations, is in accounting for inter state differences in productivity levels – both per enterprise productivity and productivity per worker. (See section 4.3.4(iii)).

Table 4.3.2: Absolute Number of Workers in Unorganised Restaurants, Hotels and Other Lodging Places in each of Fifteen States, and Share in the Total Number of Such Workers in India as a Whole: Rural, Urban and All Locations 1979-80, 1983-84, 1988-89 and 1993-94

State (Share in all-India Population)	Year	Number of Workers			Share in all-India Workers		
		Rural	Urban	All Locations	Rural	Urban	All Locations
Andhra Pradesh (7.43)	1979-80	192,480	107,936	300,415	15.24	12.38	14.07
	1983-84	118,813	108,049	226,862	9.46	7.03	8.12
	1988-89	235,324	194,048	429,372	16.56	9.02	12.02
	1993-94	211,050	196,186	407,236	12.73	7.90	9.83
Bihar (10.63)	1979-80	96,843	65,326	162,169	7.67	7.49	7.60
	1983-84	58,664	89,895	148,559	4.67	5.85	5.32
	1988-89	58,155	94,375	152,530	4.09	4.39	4.27
	1993-94	101,608	96,419	198,027	6.13	3.88	4.78
Delhi (1.31)	1979-80	4,992	35,643	40,635	0.40	4.09	1.90
	1983-84	na	na	na	na	na	na
	1988-89	na	56,722	56,722	na	2.64	1.59
	1993-94	na	na	na	na	na	na
Gujarat (4.92)	1979-80	24,774	46,475	71,249	1.96	5.33	3.34
	1983-84	24,206	65,292	89,498	1.93	4.25	3.20
	1988-89	27,945	103,632	131,577	1.97	4.82	3.68
	1993-94	28,301	151,331	179,632	1.71	6.09	4.34
Haryana (2.04)	1979-80	10,758	11,765	22,523	0.85	1.35	1.06
	1983-84	3,572	42,985	46,557	0.28	2.80	1.67
	1988-89	na	31,416	31,416	na	1.46	0.88
	1993-94	11,241	32,575	43,816	0.68	1.31	1.06
Karnataka (5.15)	1979-80	83,600	54,497	138,098	6.62	6.25	6.47
	1983-84	102,511	142,769	245,280	8.16	9.29	8.78
	1988-89	96,099	171,254	267,353	6.76	7.96	7.48
	1993-94	133,582	105,241	238,823	8.06	4.24	5.77
Kerala (3.14)	1979-80	222,139	27,745	249,884	17.59	3.18	11.71
	1983-84	267,035	76,244	343,279	21.26	4.96	12.29
	1988-89	198,878	53,267	252,145	14.00	2.48	7.06
	1993-94	314,590	49,153	363,743	18.97	1.98	8.78
Madhya Pradesh (7.89)	1979-80	26,803	44,403	71,207	2.12	5.09	3.34
	1983-84	54,269	80,954	135,223	4.32	5.27	4.84
	1988-89	60,182	98,229	158,411	4.24	4.57	4.43
	1993-94	49,622	92,762	142,384	2.99	3.73	3.44
Maharashtra (9.41)	1979-80	61,084	96,048	157,133	4.84	11.02	7.36
	1983-84	104,443	244,850	349,293	8.31	15.93	12.51
	1988-89	128,525	318,961	447,486	9.05	14.82	12.53
	1993-94	83,490	488,802	572,292	5.04	19.67	13.82
Orissa (3.59)	1979-80	77,724	23,948	101,672	6.15	2.75	4.76
	1983-84	67,668	76,766	144,434	5.39	4.99	5.17
	1988-89	73,784	136,384	210,168	5.19	6.34	5.88
	1993-94	85,008	49,430	134,438	5.13	1.99	3.25
Punjab (2.37)	1979-80	2,199	8,889	11,087	0.17	1.02	0.52
	1983-84	4,710	31,907	36,617	0.37	2.08	1.31
	1988-89	na	5,255	85,255	na	3.96	2.39
	1993-94	na	na	na	na	na	na
Rajasthan (5.46)	1979-80	31,935	28,825	60,760	2.53	3.31	2.85
	1983-84	16,177	48,284	64,461	1.29	3.14	2.31
	1988-89	26,666	68,017	94,683	1.88	3.16	2.65
	1993-94	34,035	88,681	122,716	2.05	3.57	2.96

State (Share in all-India Population)	Year	Number of Workers			Share in all-India Workers		
		Rural	Urban	All Locations	Rural	Urban	All Locations
Tamil Nadu (6.10)	1979-80	194,460	112,129	306,589	15.40	12.86	14.36
	1983-84	204,347	169,379	373,726	16.27	11.02	13.38
	1988-89	201,202	227,820	429,022	14.16	10.59	12.01
	1993-94	213,032	315,750	528,782	12.85	12.71	12.76
Uttar Pradesh (16.93)	1979-80	64,175	100,144	164,319	5.08	11.49	7.70
	1983-84	40,722	133,647	174,369	3.24	8.70	6.24
	1988-89	65,878	212,306	278,184	4.64	9.87	7.79
	1993-94	126,873	192,993	319,866	7.65	7.77	7.72
West Bengal (7.84)	1979-80	109,619	79,930	189,550	8.68	9.17	8.88
	1983-84	92,979	129,167	222,146	7.40	8.40	7.95
	1988-89	137,657	175,568	313,225	9.69	8.16	8.77
	1993-94	180,499	252,527	433,026	10.89	10.16	10.45

Table 4.3.3: Value of Gross Value Added by Unorganised Restaurants, Hotels and Other Lodging Places in each of Fifteen States, and Share in Total Gross Value Added by the Industry in India as a Whole: Rural, Urban and All Locations: 1979-80, 1983-84, 1988-89 and 1993-94

(Rs. 000 in Constant 1993-94 prices)

State (Share in all-India Population)	Year	Gross Value Added			Share in all-India GVA		
		Rural	Urban	All Locations	Rural	Urban	All Locations
Andhra Pradesh (7.43)	1979-80	134,253	90,048	224,301	14.28	9.75	12.04
	1983-84	185,482	280,008	465,489	7.04	5.52	6.04
	1988-89	644,936	1,216,198	1,861,134	9.13	7.24	7.79
	1993-94	1,514,400	2,742,900	4,257,300	9.21	6.21	7.03
Bihar (10.63)	1979-80	63,952	50,130	114,082	6.80	5.43	6.12
	1983-84	108,860	189,422	298,282	4.13	3.73	3.87
	1988-89	253,680	421,872	675,552	3.59	2.51	2.83
	1993-94	791,000	1,331,200	2,122,200	4.81	3.02	3.50
Delhi (1.31)	1979-80	2,509	75,156	77,665	0.27	8.14	4.17
	1983-84	na	na	na	na	na	na
	1988-89	na	638,212	638,212	na	3.80	2.67
	1993-94	na	na	na	na	na	na
Gujarat (4.92)	1979-80	19,857	55,823	75,680	2.11	6.05	4.06
	1983-84	76,652	235,325	311,977	2.91	4.64	4.05
	1988-89	242,954	714,929	957,883	3.44	4.25	4.01
	1993-94	400,800	2,380,600	2,781,400	2.44	5.39	4.59
Haryana (2.04)	1979-80	10,618	16,028	26,646	1.13	1.74	1.43
	1983-84	3,074	147,497	150,570	0.12	2.91	1.95
	1988-89	na	221,198	221,198	na	1.32	0.93
	1993-94	172,100	442,900	615,000	1.05	1.00	1.02
Karnataka (5.15)	1979-80	38,674	46,247	84,921	4.12	5.01	4.56
	1983-84	128,917	552,223	681,140	4.89	10.88	8.84
	1988-89	389,135	840,828	1,229,962	5.51	5.00	5.15
	1993-94	902,800	1,458,500	2,361,300	5.49	3.30	3.90
Kerala (3.14)	1979-80	199,731	34,503	234,233	21.25	3.74	12.57
	1983-84	680,877	422,403	1,103,280	25.84	8.32	14.31
	1988-89	1,677,951	596,024	2,273,975	23.74	3.55	9.52
	1993-94	4,201,700	1,293,900	5,495,600	25.56	2.93	9.07
Madhya Pradesh (7.89)	1979-80	22,219	47,231	69,450	2.36	5.12	3.73
	1983-84	136,236	214,150	350,386	5.17	4.22	4.54
	1988-89	273,491	626,578	900,069	3.87	3.73	3.77
	1993-94	467,200	1,462,900	1,930,100	2.84	3.31	3.19

State (Share in all-India Population)	Year	Gross Value Added			Share in all-India GVA		
		Rural	Urban	All Locations	Rural	Urban	All Locations
Maharashtra (9.41)	1979-80	49,688	108,117	157,804	5.29	11.71	8.47
	1983-84	276,300	925,537	1,201,836	10.49	18.24	15.59
	1988-89	599,572	3,326,114	3,925,686	8.48	19.79	16.44
	1993-94	997,400	10,067,100	11,064,500	6.07	22.81	18.27
Orissa (3.59)	1979-80	36,300	19,035	55,335	3.86	2.06	2.97
	1983-84	96,284	190,122	286,406	3.65	3.75	3.72
	1988-89	245,126	355,037	600,164	3.47	2.11	2.51
	1993-94	549,400	569,500	1,118,900	3.34	1.29	1.85
Punjab (2.37)	1979-80	2,407	16,499	18,906	0.26	1.79	1.01
	1983-84	11,308	95,435	106,743	0.43	1.88	1.38
	1988-89	na	646,847	646,847	na	3.85	2.71
	1993-94	na	na	na	na	na	na
Rajasthan (5.46)	1979-80	41,684	34,693	76,377	4.44	3.76	4.10
	1983-84	35,707	132,086	167,793	1.36	2.60	2.18
	1988-89	144,398	379,035	523,433	2.04	2.25	2.19
	1993-94	433,000	1,453,100	1,886,100	2.63	3.29	3.11
Tamil Nadu (6.10)	1979-80	122,732	92,461	215,193	13.06	10.01	11.55
	1983-84	415,365	443,375	858,740	15.76	8.74	11.14
	1988-89	985,663	1,614,579	2,600,242	13.95	9.61	10.89
	1993-94	1,608,200	6,336,000	7,944,200	9.78	14.36	13.11
Uttar Pradesh (16.93)	1979-80	52,603	108,274	160,877	5.60	11.73	8.63
	1983-84	68,638	330,826	399,464	2.60	6.52	5.18
	1988-89	413,770	1,336,648	1,750,418	5.85	7.95	7.33
	1993-94	2,083,700	3,090,900	5,174,600	12.67	7.00	8.54
West Bengal (7.84)	1979-80	91,158	87,488	178,647	9.70	9.48	9.59
	1983-84	205,664	484,601	690,265	7.80	9.55	8.95
	1988-89	523,327	2,976,060	3,499,387	7.41	17.71	14.66
	1993-94	1,442,100	2,811,200	4,253,300	8.77	6.37	7.02

4.3.2 The Rural Urban Distribution of Unorganised Restaurants and Hotels in each State

As a general rule, the share of rural areas in enterprises is greater than its share in employment, and rural areas share in employment is in turn greater than rural areas share in gross value added by unorganised restaurants and hotels. This is true for all states except Bihar and Orissa where employment is more ruralised than enterprises. Gujarat, Haryana, Orissa, Rajasthan and Uttar Pradesh provide a set of exceptions to the second part of the rule – that rural shares in employment are normally greater than rural shares in gross value added. In these five states rural shares in GVA exceed the corresponding shares in employment.

Over time, in most states, rural areas' relative contribution to employment and gross value added has gone down sharply. In eight out of the thirteen states for which the required data is available¹, the rural share in employment went down by more than ten percentage points. The eight states are: Andhra Pradesh, Gujarat, Haryana, Maharashtra, Orissa, Rajasthan, Tamil Nadu and West Bengal. The result is that today, there are only five states where employment in unorganised restaurants and hotels remains predominantly rural. Of these, Kerala stands out as the only state where employment in this industry is still overwhelmingly rural.

¹ The two for which recent year data is not available are Delhi and Punjab. Small sample size was the problem.

Table 4.3.4: The Share of Rural Areas in Enterprises, Employment and Gross Value Added in Fifteen Major States: 1979-80, 1983-84, 1988-89 and 1993-94

(GVA is at constant 1993-94 prices)

State	Year	Enterprises	Employment	Gross Value Added
Andhra Pradesh	1979-80	66.17	64.07	59.85
	1983-84	60.68	52.37	39.85
	1988-89	64.47	54.81	34.65
	1993-94	62.70	51.82	35.57
Bihar	1979-80	58.94	59.72	56.06
	1983-84	45.23	39.49	36.50
	1988-89	37.60	38.13	37.55
	1993-94	54.86	51.31	37.27
Delhi	1979-80	14.07	12.28	3.23
	1983-84	na	na	na
	1988-89	na	na	Na
	1993-94	na	na	na
Gujarat	1979-80	40.73	34.77	26.24
	1983-84	34.11	27.05	24.57
	1988-89	39.94	21.24	25.36
	1993-94	23.12	15.75	14.41
Haryana	1979-80	53.44	47.77	39.85
	1983-84	8.46	7.67	2.04
	1988-89	na	na	Na
	1993-94	29.18	25.66	27.98
Karnataka	1979-80	65.45	60.54	45.54
	1983-84	59.13	41.79	18.93
	1988-89	49.30	35.94	31.64
	1993-94	69.19	55.93	38.23
Kerala	1979-80	90.48	88.90	85.27
	1983-84	86.47	77.79	61.71
	1988-89	83.68	78.87	73.79
	1993-94	91.31	86.49	76.46
Madhya Pradesh	1979-80	46.05	37.64	31.99
	1983-84	49.27	40.13	38.88
	1988-89	41.49	37.99	30.39
	1993-94	42.65	34.85	24.21
Maharashtra	1979-80	44.66	38.87	31.49
	1983-84	47.85	29.90	22.99
	1988-89	45.49	28.72	15.27
	1993-94	27.28	14.59	9.01
Orissa	1979-80	76.26	76.45	65.60
	1983-84	53.47	46.85	33.62
	1988-89	63.23	35.11	40.84
	1993-94	69.48	63.23	49.10
Punjab	1979-80	21.60	19.83	12.73
	1983-84	16.13	12.86	10.59
	1988-89	na	na	na
	1993-94	na	na	na
Rajasthan	1979-80	53.04	52.56	54.58
	1983-84	31.21	25.10	21.28
	1988-89	41.20	28.16	27.59
	1993-94	36.18	27.73	22.96

State	Year	Enterprises	Employment	Gross Value Added
Tamil Nadu	1979-80	65.34	63.43	57.03
	1983-84	63.43	54.68	48.37
	1988-89	59.36	46.90	37.91
	1993-94	56.55	40.29	20.24
Uttar Pradesh	1979-80	41.72	39.06	32.70
	1983-84	29.10	23.35	17.18
	1988-89	30.01	23.68	23.64
	1993-94	48.11	39.66	40.27
West Bengal	1979-80	60.41	57.83	51.03
	1983-84	49.53	41.85	29.79
	1988-89	49.89	43.95	14.95
	1993-94	52.00	41.68	33.91

The share of rural areas in gross value added has also declined by ten percentage points or more in 8 out of 13 states. The list of such states is virtually the same as one for employment, except that Bihar replaces Maharashtra. With the sole exception of Uttar Pradesh, all the other states also record a decline in the relative contribution of rural areas to gross value added.

In short the growing urbanisation of the restaurants and hotels business is a general phenomenon. The pace of change is rapid in the case of employment and gross value added, and slow in the case of enterprises. In two states in the south – Karnataka and Kerala – the move was in the reverse direction; the share of all enterprises located in rural areas, rose. On the other hand, there were four north western states where the urbanisation of enterprises proceeded just as rapidly as the urbanisation of employment, pushing down the share of rural located units by more than ten percentage points.

In general the share of rural areas in the family operated restaurants and hotels businesses is far higher than rural areas share in the larger non-directory and directory establishments. In fact, there has been no significant decline in the share of rural located own account units in six out of thirteen states. Instead, rural areas share in the OAE category, has gone up in five states. Table 4.3.5 gives the details by enterprise type.

The outcome is that in eight out of 13 states, the majority of own account enterprises (and workers) in the hotels and restaurants industry are located in rural areas. Kerala is the only state where the NDE and DE units are predominantly rural located. The rural urban distribution of gross value added follows a similar regional pattern, by enterprise type.

Table 4.3.5: The Rural Urban Distribution of Unorganised Restaurants, Hotels and Other Lodging Places, by State and Enterprise Type: 1979-80, 1983-84, 1988-89 and 1993-94

State	Year	(GVA at constant 1993-94 prices)								
		Rural Share in Enterprises			Rural Share in Employment			Rural Share in GVA		
		OAE	NDE	DE	OAE	NDE	DE	OAE	NDE	DE
Andhra Pradesh	1979-80	67.27	53.44	na	65.54	52.06	na	58.56	61.79	na
	1983-84	67.97	41.98	19.85	72.31	39.97	14.61	68.27	37.96	9.66
	1988-89	72.13	50.80	7.56	75.26	43.62	4.93	63.77	43.07	3.42
	1993-94	70.70	40.46	23.52	69.86	36.85	18.93	65.55	27.93	15.52
Bihar	1979-80	62.12	45.61	na	65.35	44.68	na	64.76	39.88	na
	1983-84	52.14	27.58	28.43	52.14	25.48	24.39	51.05	23.32	26.06
	1988-89	34.58	44.32	45.52	35.34	40.47	43.98	32.45	44.62	31.12
	1993-94	62.86	33.39	36.62	65.56	31.66	40.54	56.00	26.49	27.79

State	Year	Rural Share in Enterprises			Rural Share in Employment			Rural Share in GVA		
		OAE	NDE	DE	OAE	NDE	DE	OAE	NDE	DE
Delhi	1979-80	21.61	2.81	na	27.97	1.61	na	7.00	0.44	na
	1983-84	na	na	na	na	na	na	na	na	na
	1988-89	na	na	na	na	na	na	na	na	na
	1993-94	na	na	na	na	na	na	na	na	na
Gujarat	1979-80	47.38	30.44	na	44.50	26.46	na	33.23	21.73	na
	1983-84	42.16	25.04	22.53	35.40	22.95	23.32	31.62	22.65	22.46
	1988-89	47.90	34.46	7.87	24.67	26.43	6.16	59.82	20.06	3.07
	1993-94	30.72	13.60	3.75	27.75	13.40	2.76	28.28	15.51	1.89
Haryana	1979-80	54.51	50.74	na	48.45	46.92	na	40.60	39.20	na
	1983-84	10.51	5.74	na	12.88	5.87	na	3.07	3.01	na
	1988-89	na	na	na	na	na	na	na	na	na
	1993-94	37.32	5.93	16.27	38.53	6.62	18.19	42.56	7.02	17.82
Karnataka	1979-80	70.42	40.19	na	68.53	36.95	na	59.71	25.92	na
	1983-84	73.73	31.45	1.36	72.70	28.73	1.09	67.00	16.54	0.21
	1988-89	56.54	30.26	15.66	51.92	26.92	9.61	68.17	22.75	8.45
	1993-94	78.57	40.76	12.89	77.45	36.53	10.29	74.14	27.30	6.83
Kerala	1979-80	92.74	78.17	na	92.74	75.54	na	90.73	77.89	na
	1983-84	91.28	75.53	59.42	90.47	76.28	45.75	87.90	75.51	38.33
	1988-89	87.03	77.33	54.31	87.48	74.29	63.57	85.99	77.93	61.12
	1993-94	94.45	82.53	52.20	94.43	81.72	44.75	94.44	77.70	39.45
Madhya Pradesh	1979-80	51.52	31.53	na	43.10	30.11	na	40.98	22.99	na
	1983-84	56.62	40.84	10.32	53.09	37.60	10.44	54.80	39.63	9.16
	1988-89	41.76	45.04	22.75	40.22	44.43	20.08	34.58	37.82	12.56
	1993-94	48.74	30.61	24.37	43.46	29.17	23.06	38.12	18.83	13.83
Maharashtra	1979-80	51.92	30.47	na	48.80	28.08	na	42.26	23.47	na
	1983-84	68.51	43.82	10.53	64.57	44.62	8.01	64.25	45.37	6.45
	1988-89	68.59	28.49	10.92	68.28	27.87	7.66	59.32	27.48	3.92
	1993-94	48.63	19.02	4.56	44.12	18.23	4.27	39.96	16.36	3.66
Orissa	1979-80	81.39	58.41	na	83.90	59.10	na	73.85	55.66	na
	1983-84	65.76	24.83	23.41	70.29	24.60	21.30	55.55	22.99	12.36
	1988-89	75.31	36.03	29.44	77.63	11.64	30.25	72.70	35.93	18.74
	1993-94	76.07	39.46	42.05	77.94	38.92	38.09	69.33	36.61	27.69
Punjab	1979-80	27.82	7.69	na	30.09	6.73	na	20.67	4.62	na
	1983-84	20.99	8.73	na	21.98	7.09	na	20.46	5.32	na
	1988-89	na	na	na	na	na	na	na	na	na
	1993-94	na	na	na	na	na	na	na	na	na
Rajasthan	1979-80	56.06	43.68	na	55.73	47.81	na	43.55	62.36	na
	1983-84	35.92	18.16	7.66	34.23	15.47	6.97	30.20	14.92	11.48
	1988-89	50.61	14.52	9.29	44.44	12.13	8.17	45.63	14.69	9.13
	1993-94	42.90	18.24	4.62	38.89	17.75	5.40	34.83	16.55	5.61
Tamil Nadu	1979-80	70.52	37.32	na	71.67	36.87	na	69.70	32.16	na
	1983-84	73.52	32.90	28.99	73.38	34.85	28.44	69.67	29.45	37.50
	1988-89	68.25	40.68	17.65	64.85	40.64	15.60	59.07	36.11	22.55
	1993-94	69.98	24.09	8.32	69.79	23.98	5.60	62.81	18.38	2.53
Uttar Pradesh	1979-80	44.58	30.63	na	43.06	30.49	na	36.05	26.95	na
	1983-84	32.44	18.37	13.51	28.26	16.12	15.52	23.73	10.63	11.09
	1988-89	32.10	28.54	0.93	31.26	20.06	1.56	29.93	28.98	1.25
	1993-94	53.94	28.23	5.32	53.83	27.69	4.02	52.97	24.90	37.14
West Bengal	1979-80	64.69	45.70	na	64.83	44.75	na	57.24	41.11	na
	1983-84	53.71	48.74	17.03	54.38	47.03	13.84	45.26	45.69	8.28
	1988-89	56.84	43.91	7.65	60.88	42.89	6.46	13.60	20.69	5.69
	1993-94	58.88	44.32	7.04	58.72	38.19	9.35	52.78	32.26	17.34

4.3.3 The Structure of Unorganised Restaurants, Hotels and Other Lodging Places Within each State

In this section, the structure of unorganised restaurants and hotels is defined in terms of the percentage shares of each of three enterprise types, first for rural and urban areas combined, and then for rural and urban areas separately. The statistics for rural and urban areas combined are given in table 4.3.6 and those for rural and urban areas separately in tables 4.3.7 and 4.3.8, respectively.

The main result is that own account enterprises remain the dominant enterprise type in all states except Maharashtra, (and possibly Delhi and Punjab). They also generate most of the employment in eight out of 13 states, and a substantial share of it – above 40 per cent – in the remaining states, with the outstanding exception of Maharashtra, where the share of own account enterprises in employment in the industry appears to have fallen below 20 per cent.

The larger NDEs and DEs together, however, generate most of the gross value added by the industry. With respect to gross value added, the only state where the own account enterprises generate the major share is Haryana. States where the contribution of the small family operated units to gross value added by the industry is less than 35 per cent include Gujarat, Maharashtra, Tamil Nadu and West Bengal, and probably Delhi and Punjab as well.

Table 4.3.6: The Share of each Enterprise Type in Enterprises, Employment and Gross Value Added by Unorganised Restaurants and Hotels in Fifteen Major States: 1979-80, 1983-84, 1988-89 and 1993-94 (All Locaitons)

State	Year	Shares of Specified Enterprise Type in:								
		Enterprises			Employment			GVA		
		OAE	NDE	DE	OAE	NDE	DE	OAE	NDE	DE
Andhra Pradesh	1979-80	92.06	7.94	na	89.11	10.89	na	59.97	40.03	na
	1983-84	79.74	11.14	9.12	60.09	12.18	27.73	44.27	14.97	40.76
	1988-89	76.08	18.00	5.92	60.75	18.48	20.77	38.49	20.19	41.32
	1993-94	77.78	14.63	7.59	58.82	16.42	24.76	35.11	20.03	44.86
Bihar	1979-80	80.73	19.27	na	72.76	27.24	na	65.01	34.99	na
	1983-84	71.66	22.11	6.23	53.31	27.91	18.77	45.47	33.94	20.59
	1988-89	69.38	27.75	2.86	51.70	39.51	8.79	44.41	43.26	12.34
	1993-94	72.06	20.70	7.24	52.24	25.93	21.83	35.09	31.86	33.05
Delhi	1979-80	59.88	40.12	na	40.51	59.49	na	42.54	57.46	na
	1983-84	na	na	na	na	na	na	na	na	na
	1988-89	35.27	48.09	16.64	16.29	44.10	39.61	11.91	41.13	46.96
	1993-94	na	na	na	na	na	na	na	na	na
Gujarat	1979-80	60.76	39.24	na	46.06	53.94	na	39.21	60.79	na
	1983-84	54.32	36.49	9.19	32.08	40.52	27.40	22.20	38.14	39.65
	1988-89	54.65	38.34	7.01	39.08	38.68	22.23	26.57	42.50	30.94
	1993-94	60.42	31.21	8.37	37.46	34.13	28.41	31.64	30.59	37.77
Haryana	1979-80	71.70	28.30	na	55.46	44.54	na	46.23	53.77	na
	1983-84	65.56	27.36	7.08	44.34	33.43	22.23	32.98	34.15	32.87
	1988-89	58.33	38.79	2.88	37.23	52.83	9.93	29.71	59.71	10.57
	1993-94	73.07	23.90	3.03	56.21	34.28	9.51	55.85	33.84	10.31
Karnataka	1979-80	83.55	16.45	na	74.69	25.31	na	58.06	41.94	na
	1983-84	73.19	15.97	10.84	49.70	18.51	31.79	22.26	23.56	54.18
	1988-89	75.93	17.83	6.24	54.73	18.34	26.93	32.89	24.78	42.33
	1993-94	78.95	15.95	5.10	59.68	21.20	19.12	37.99	28.50	33.51
Kerala	1979-80	84.50	15.50	na	77.65	22.35	na	57.44	42.56	na
	1983-84	75.80	17.99	6.20	57.51	20.71	21.79	25.99	28.24	45.77
	1988-89	77.49	17.48	5.03	54.85	20.43	24.72	29.25	32.09	38.66
	1993-94	80.92	16.22	2.85	67.58	22.08	10.34	44.63	32.59	22.78

State	Year	Shares of Specified Enterprise Type in:								
		Enterprises			Employment			GVA		
		OAE	NDE	DE	OAE	NDE	DE	OAE	NDE	DE
Madhya Pradesh	1979-80	72.61	27.39	na	57.96	42.04	na	50.05	49.95	na
	1983-84	63.92	30.64	5.44	43.82	40.52	15.66	33.78	46.96	19.27
	1988-89	57.09	35.40	7.52	37.28	42.72	2na	28.01	46.14	25.84
	1993-94	68.59	25.03	6.38	47.55	34.18	18.26	36.00	32.67	31.33
Maharashtra	1979-80	66.14	33.86	na	52.08	47.92	na	42.67	57.33	na
	1983-84	42.94	37.32	19.74	18.31	31.51	50.19	11.21	25.85	62.94
	1988-89	50.44	31.18	18.38	25.86	26.64	47.50	11.57	20.97	67.45
	1993-94	41.43	30.82	27.75	17.40	24.23	58.36	8.13	18.93	72.94
Orissa	1979-80	77.67	22.33	na	69.94	30.06	na	54.64	45.36	na
	1983-84	70.14	25.21	4.65	49.81	34.89	15.30	40.06	37.23	22.71
	1988-89	70.53	21.75	7.73	31.60	54.37	14.03	29.39	36.32	34.29
	1993-94	81.69	13.94	4.37	62.64	21.38	15.98	44.90	30.47	24.63
Punjab	1979-80	69.12	30.88	na	56.08	43.92	na	50.53	49.47	na
	1983-84	62.05	35.57	2.38	42.14	50.80	7.06	39.39	47.61	13.00
	1988-89	48.15	45.32	6.53	31.59	51.10	17.31	26.26	46.34	27.40
	1993-94	na	na	na	na	na	na	na	na	na
Rajasthan	1979-80	75.56	24.44	na	59.94	40.06	na	41.38	58.62	na
	1983-84	74.63	23.48	1.89	54.67	37.92	7.41	43.66	47.24	9.10
	1988-89	74.43	22.09	3.48	51.31	34.95	13.74	44.03	42.96	13.01
	1993-94	74.74	21.67	3.59	55.43	30.55	14.02	47.91	30.63	21.46
Tamil Nadu	1979-80	84.40	15.60	na	76.31	23.69	na	66.25	33.75	na
	1983-84	75.93	16.11	7.96	55.76	18.47	25.77	39.11	21.29	39.60
	1988-89	73.53	19.56	6.90	51.55	23.61	24.84	32.08	26.86	41.06
	1993-94	73.66	17.81	8.53	48.20	20.37	31.43	23.96	20.62	55.42
Uttar Pradesh	1979-80	79.50	20.50	na	68.16	31.84	na	63.21	36.79	na
	1983-84	77.50	18.94	3.56	60.22	27.46	12.32	49.41	32.61	17.98
	1988-89	69.45	26.91	3.64	52.28	35.65	12.06	41.31	38.01	20.68
	1993-94	80.01	16.96	3.03	60.28	23.72	15.99	36.72	21.94	41.34
West Bengal	1979-80	77.45	22.55	na	65.15	34.85	na	61.49	38.51	na
	1983-84	62.51	30.16	7.33	40.92	34.41	24.67	30.56	27.31	42.13
	1988-89	61.58	32.98	5.45	40.11	43.00	16.89	61.02	29.60	9.39
	1993-94	65.84	29.05	5.10	44.92	35.22	19.87	32.07	34.85	33.08

In rural areas, the small own account enterprises dominate overwhelmingly. Madhya Pradesh, Maharashtra and West Bengal are the only states where the large enterprises constitute as much as 20 per cent of all rural units. Rural employment in the industry also is heavily concentrated in the small family operated businesses. Own account enterprises contribute a somewhat smaller share to gross value added by rural units, but in 10 out of 13 states they account for more than half of gross value added by all rural units.

Over time the relative importance of the small own account enterprises has tended to go down in the rural areas more than half of all states, but there are states where structural change has moved in the opposite direction. In Gujarat, Haryana, Orissa, Rajasthan and Uttar Pradesh, the rural own account enterprises have expanded their share. In Gujarat, Haryana, Tamil Nadu and West Bengal, the employment share of rural own account enterprises has increased, while in Gujarat, Haryana, Orissa and Rajasthan the share of income generated by the smallest units has risen. In short, in rural areas at least, there is no sign that own account enterprises are being displaced by larger enterprise types, at least in relative terms.

Table 4.3.7: Share of each Enterprise Type in Enterprises, Employment and Gross Value Added by Unorganised Restaurants and Hotels Located in Rural Areas in Fifteen Major States: 1979-80, 1983-84, 1988-89 and 1993-94

State	Year	Shares of Specified Enterprise Type in:								
		Enterprises			Employment			GVA		
		OAE	NDE	DE	OAE	NDE	DE	OAE	NDE	DE
Andhra Pradesh	1979-80	93.59	6.41	na	91.15	8.85	na	58.67	41.33	na
	1983-84	89.31	7.70	2.98	82.96	9.30	7.74	75.86	14.26	9.88
	1988-89	85.12	14.19	0.69	83.42	14.71	1.87	70.83	25.09	4.08
	1993-94	87.71	9.44	2.85	79.28	11.67	9.05	64.69	15.73	19.58
Bihar	1979-80	85.09	14.91	na	79.62	20.38	na	75.11	24.89	na
	1983-84	82.60	13.48	3.92	70.39	18.01	11.59	63.60	21.69	14.71
	1988-89	63.82	32.71	3.47	47.92	41.95	10.14	38.38	51.40	10.22
	1993-94	82.57	12.60	4.83	66.75	16.00	17.25	52.72	22.64	24.64
Delhi	1979-80	91.98	8.02	na	92.23	7.77	na	92.21	7.79	na
	1983-84	na	na	na	na	na	na	na	na	na
	1988-89	na	na	na	na	na	na	na	na	na
	1993-94	na	na	na	na	na	na	na	na	na
Gujarat	1979-80	70.68	29.32	na	58.95	41.05	na	49.66	50.34	na
	1983-84	67.14	26.79	6.07	41.99	34.39	23.62	28.58	35.17	36.25
	1988-89	65.54	33.08	1.38	45.41	48.14	6.45	62.66	33.60	3.74
	1993-94	80.29	18.35	1.36	65.99	29.03	4.98	62.10	32.93	4.97
Haryana	1979-80	73.13	26.87	na	56.25	43.75	na	47.11	52.89	na
	1983-84	81.45	18.55	na	74.44	25.56	na	49.61	50.39	na
	1988-89	na	na	na	na	na	na	na	na	na
	1993-94	93.46	4.85	1.69	84.41	8.84	6.74	84.95	8.48	6.57
Karnataka	1979-80	89.90	10.10	na	84.55	15.45	na	76.12	23.88	na
	1983-84	91.25	8.50	0.25	86.45	12.72	0.83	78.81	20.58	0.61
	1988-89	87.07	10.95	1.98	79.06	13.74	7.20	70.87	17.82	11.31
	1993-94	89.66	9.40	0.95	82.64	13.85	3.52	73.67	20.35	5.98
Kerala	1979-80	86.61	13.39	na	81.01	18.99	na	61.12	38.88	na
	1983-84	80.02	15.72	4.26	66.88	20.30	12.81	37.02	34.55	28.43
	1988-89	80.58	16.16	3.26	60.83	19.25	19.92	34.09	33.89	32.02
	1993-94	83.71	14.66	1.63	73.78	20.87	5.35	55.13	33.12	11.75
Madhya Pradesh	1979-80	81.24	18.76	na	66.37	33.63	na	64.11	35.89	na
	1983-84	73.46	25.40	1.14	57.96	37.96	4.07	47.60	47.86	4.54
	1988-89	57.45	38.42	4.12	39.47	49.97	10.57	31.88	57.44	10.68
	1993-94	78.39	17.97	3.64	59.31	28.61	12.09	56.70	25.41	17.89
Maharashtra	1979-80	76.90	23.10	na	65.38	34.62	na	57.26	42.74	na
	1983-84	61.48	34.18	4.34	39.53	47.02	13.45	31.33	51.01	17.65
	1988-89	76.06	19.53	4.41	61.48	25.86	12.66	44.96	37.73	17.31
	1993-94	73.87	21.49	4.64	52.64	30.28	17.08	36.05	34.36	29.59
Orissa	1979-80	82.90	17.10	na	76.76	23.24	na	61.51	38.49	na
	1983-84	86.26	11.71	2.03	74.73	18.32	6.96	66.18	25.46	8.35
	1988-89	84.01	12.39	3.60	69.89	18.02	12.09	52.32	31.95	15.73
	1993-94	89.44	7.92	2.64	77.21	13.16	9.63	63.40	22.72	13.89

State	Year	Shares of Specified Enterprise Type in:								
		Enterprises			Employment			GVA		
		OAE	NDE	DE	OAE	NDE	DE	OAE	NDE	DE
Punjab	1979-80	89.00	11.00	na	85.10	14.90	na	82.05	17.95	na
	1983-84	80.76	19.24	na	72.02	27.98	na	76.10	23.90	na
	1988-89	na	na	na	na	na	na	na	na	na
	1993-94	na	na	na	na	na	na	na	na	na
Rajasthan	1979-80	79.87	20.13	na	63.56	36.44	na	33.02	66.98	na
	1983-84	85.88	13.66	0.46	74.56	23.38	2.06	61.97	33.13	4.91
	1988-89	91.43	7.79	0.78	80.96	15.05	3.99	72.82	22.87	4.31
	1993-94	88.61	10.93	0.46	77.72	19.55	2.73	72.68	22.08	5.24
Tamil Nadu	1979-80	91.09	8.91	na	86.23	13.77	na	80.97	19.03	na
	1983-84	88.01	8.36	3.64	74.82	11.77	13.41	56.33	12.96	30.70
	1988-89	84.54	13.41	2.05	71.28	20.45	8.26	49.99	25.58	24.42
	1993-94	91.16	7.59	1.25	83.50	12.13	4.37	74.36	18.72	6.92
Uttar Pradesh	1979-80	84.94	15.06	na	75.14	24.86	na	69.68	30.32	na
	1983-84	86.39	11.96	1.65	72.86	18.95	8.19	68.23	20.17	11.60
	1988-89	74.29	25.60	0.11	69.00	30.20	0.79	52.31	46.60	1.09
	1993-94	89.71	9.95	0.34	81.81	16.56	1.62	48.31	13.56	38.13
West Bengal	1979-80	82.94	17.06	na	73.03	26.97	na	68.97	31.03	na
	1983-84	67.80	29.68	2.52	53.17	38.67	8.16	46.42	41.87	11.71
	1988-89	70.15	29.02	0.83	55.55	41.97	2.48	55.48	40.95	3.57
	1993-94	74.55	24.76	0.69	63.27	32.27	4.46	49.93	33.15	16.92

Table 4.3.8: Share of each Enterprise Type in Enterprises, Employment and Gross Value Added by Unorganised Restaurants and Hotels Located in Urban Areas in Fifteen Major States: 1979-80, 1983-84, 1988-89 and 1993-94

State	Year	Shares of Specified Enterprise Type in:								
		Enterprises			Employment			GVA		
		OAE	NDE	DE	OAE	NDE	DE	OAE	NDE	DE
Andhra Pradesh	1979-80	89.07	10.93	na	85.47	14.53	na	61.90	38.10	na
	1983-84	64.97	16.43	18.60	34.93	15.35	49.71	23.35	15.44	61.21
	1988-89	59.68	24.93	15.40	33.25	23.06	43.70	21.34	17.59	61.07
	1993-94	61.09	23.35	15.55	36.80	21.52	41.67	18.77	22.41	58.82
Bihar	1979-80	74.47	25.53	na	62.59	37.41	na	52.13	47.87	na
	1983-84	62.62	29.23	8.15	42.17	34.38	23.46	35.04	40.98	23.97
	1988-89	72.73	24.77	2.50	54.03	38.01	7.96	48.03	38.36	13.61
	1993-94	59.29	30.55	10.16	36.94	36.39	26.66	24.61	37.34	38.05
Delhi	1979-80	54.63	45.37	na	33.27	66.73	na	40.88	59.12	na
	1983-84	na	na	na	na	na	na	na	na	na
	1988-89	35.27	48.09	16.64	16.29	44.10	39.61	11.91	41.13	46.96
	1993-94	na	na	na	na	na	na	na	na	na
Gujarat	1979-80	53.95	46.05	na	39.19	60.81	na	35.49	64.51	na
	1983-84	47.68	41.51	10.81	28.40	42.80	28.80	20.13	39.11	40.76
	1988-89	47.40	41.84	10.76	37.38	36.13	26.49	14.30	45.52	40.18
	1993-94	54.45	35.07	10.48	32.13	35.08	32.79	26.51	30.19	43.29
Haryana	1979-80	70.06	29.94	na	54.74	45.26	na	45.65	54.35	na
	1983-84	64.09	28.17	7.74	41.84	34.09	24.07	32.63	33.81	33.56
	1988-89	58.33	38.79	2.88	37.23	52.83	9.93	29.71	59.71	10.57
	1993-94	64.67	31.74	3.58	46.47	43.06	10.47	44.55	43.69	11.76
Karnataka	1979-80	71.53	28.47	na	59.56	40.44	na	42.95	57.05	na
	1983-84	47.05	26.80	26.16	23.31	22.66	54.03	9.06	24.25	66.69
	1988-89	65.10	24.53	10.37	41.08	20.93	38.00	15.31	28.00	56.68
	1993-94	54.92	30.67	14.41	30.54	30.54	38.92	15.91	33.55	50.55
Kerala	1979-80	64.44	35.56	na	50.76	49.24	na	36.13	63.87	na
	1983-84	48.86	32.53	18.61	24.67	22.11	53.21	8.22	18.06	73.72
	1988-89	61.62	24.30	14.09	32.51	24.87	42.62	15.64	27.02	57.35
	1993-94	51.71	32.62	15.68	27.85	29.87	42.27	10.54	30.88	58.58

State	Year	Shares of Specified Enterprise Type in:								
		Enterprises			Employment			GVA		
		OAE	NDE	DE	OAE	NDE	DE	OAE	NDE	DE
Madhya Pradesh	1979-80	65.24	34.76	na	52.89	47.11	na	43.43	56.57	na
	1983-84	54.65	35.74	9.61	34.33	42.23	23.43	24.98	46.39	28.63
	1988-89	56.83	33.25	9.92	35.94	38.28	25.77	26.32	41.21	32.46
	1993-94	61.31	30.28	8.41	41.27	37.16	21.57	29.39	34.99	35.62
Maharashtra	1979-80	57.46	42.54	na	43.62	56.38	na	35.96	64.04	na
	1983-84	25.93	40.21	33.86	9.25	24.89	65.86	5.21	18.34	76.46
	1988-89	29.06	40.90	30.03	11.51	26.96	61.53	5.56	17.95	76.49
	1993-94	29.27	34.31	36.42	11.39	23.20	65.41	5.37	17.40	77.23
Orissa	1979-80	60.89	39.11	na	47.81	52.19	na	41.54	58.46	na
	1983-84	51.62	40.73	7.65	27.84	49.50	22.66	26.82	43.19	29.98
	1988-89	47.34	37.83	14.83	10.89	74.03	15.08	13.56	39.34	47.10
	1993-94	64.04	27.66	8.30	37.58	35.51	26.91	27.06	37.95	35.00
Punjab	1979-80	63.64	36.36	na	48.91	51.09	na	45.94	54.06	na
	1983-84	58.45	38.71	2.84	37.73	54.17	8.10	35.05	50.42	14.54
	1988-89	48.15	45.32	6.53	31.59	51.10	17.31	26.26	46.34	27.40
	1993-94	na	na	na	na	na	na	na	na	na
Rajasthan	1979-80	70.69	29.31	na	55.93	44.07	na	51.43	48.57	na
	1983-84	69.52	27.94	2.53	48.01	42.79	9.20	38.71	51.05	10.23
	1988-89	62.52	32.12	5.37	39.68	42.76	17.56	33.06	50.61	16.33
	1993-94	66.87	27.77	5.37	46.87	34.78	18.35	40.53	33.18	26.29
Tamil Nadu	1979-80	71.78	28.22	na	59.11	40.89	na	46.72	53.28	na
	1983-84	54.99	29.56	15.45	32.75	26.55	40.69	22.97	29.09	47.94
	1988-89	57.46	28.56	13.99	34.13	26.39	39.48	21.15	27.64	51.21
	1993-94	50.90	31.11	17.99	24.38	25.94	49.68	11.17	21.10	67.73
Uttar Pradesh	1979-80	75.60	24.40	na	63.69	36.31	na	60.07	39.93	na
	1983-84	73.85	21.81	4.34	56.37	30.05	13.58	45.50	35.19	19.31
	1988-89	67.37	27.48	5.15	47.09	37.34	15.56	37.91	35.35	26.74
	1993-94	71.02	23.45	5.53	46.13	28.43	25.44	28.91	27.58	43.51
West Bengal	1979-80	69.07	30.93	na	54.34	45.66	na	53.70	46.30	na
	1983-84	57.33	30.63	12.05	32.10	31.35	36.55	23.83	21.12	55.05
	1988-89	53.05	36.91	10.04	27.99	43.81	28.19	61.99	27.60	10.41
	1993-94	56.41	33.71	9.88	31.79	37.32	30.88	22.92	35.72	41.37

In urban areas, the story is quite different. The share of the small family operated enterprises is on the decline in all states except Gujarat and Orissa. In both employment and gross value added terms, the relative contribution of the urban own account enterprises is going down in all states without exception. Nevertheless, in urban areas, they are still important, accounting for more than half of all units in all states except Maharashtra. However, they do not account for as much as half of all employment in any state, and their share in gross value added by urban units now stands below 25 per cent in the majority of states.

Thus own account units are likely to continue to play the leading role in rural employment and income generation in the majority of states. In urban areas, it is the larger establishments, which now generate most of the employment, and account for the overwhelming bulk of gross value added by unorganised restaurants, hotels and other lodging places.

4.3.4 The performance of Unorganised Restaurants and Hotels at the State level

(i) Growth Rates: Enterprises, Employment and Gross Value Added

For restaurants, hotels and other lodging places, the economically buoyant early 1980s was a time for restructuring. In many, but not all, states some of the small own account enterprises were phased out during the early years especially in rural areas. In urban areas, in most states rapid growth in the number of larger units more than compensated for their decline. In rural areas, the

number of larger enterprises also declined in most states with the result that the units exiting from the industry outnumbered the new entrants in the rural areas of all but few states: Karnataka, Kerala, Madhya Pradesh, Maharashtra and Punjab. There were some cut backs in the number of small enterprises in subsequent years also, but these were commonly made up for by the growth of non-directory and directory establishments. Growth rate figures for all enterprise types combined are given in table 4.3.9. Details, by enterprise type be seen in appendix table Appendix table-4.1.

Cutbacks in employment generally took place whenever the number of small enterprises went down. Thus the expansion in the number of larger units failed to absorb the people formerly working in the smaller own account units. This evidence implies that the enterprise restructuring process was not generally of the kind where small family operated enterprises expand by hiring one or two additional workers with the result that they get reclassified as non-directory establishments in the next round. What has happened is something different. Some family operated own account units left the restaurants and hotels business altogether in many states; they were not 'upgraded' to the next higher enterprise type. Instead they were replaced by a completely different set of larger enterprises run partly by hired labour. Judged by the huge growth rates in gross value added by the industry, shown in table 4.3.10, this restructuring process in unorganised restaurants, hotels and other lodging places was a grand success virtually everywhere.

In the early years the urban rate of growth of GVA exceeded the rural rate of growth in the majority of states. In two states Maharashtra and Tamil Nadu, gross value added by urban enterprises grew faster than gross value added by rural units in all periods. In more recent times, however rural GVA growth rates have tended to catch up, or even overtake, urban growth rates, as in Andhra Pradesh, Karnataka, Kerala, Orissa, Uttar Pradesh and West Bengal.

Table 4.3.9: Enterprise Growth Rates in Unorganised Restaurants and Hotels in Fifteen Major States: Rural, Urban and All Locations: 1979-80 to 1983-84, 1983-84 to 1988-89 and 1988-89 to 1993-94

State	Period	Rural	Urban	All Locations
Andhra Pradesh	79-80 to 83-84	-15.31	-10.14	-13.45
	83-84 to 88-89	13.87	10.25	12.50
	88-89 to 93-94	0.27	1.82	0.83
Bihar	79-80 to 83-84	-12.44	0.55	-6.44
	83-84 to 88-89	-2.62	3.71	1.04
	88-89 to 93-94	13.42	-1.43	5.16
Delhi	79-80 to 83-84	na	na	na
	83-84 to 88-89	na	na	na
	88-89 to 93-94	na	na	na
Gujarat	79-80 to 83-84	-3.82	3.25	0.55
	83-84 to 88-89	10.19	4.80	6.76
	88-89 to 93-94	-3.50	13.09	7.64
Haryana	79-80 to 83-84	-29.23	32.85	12.19
	83-84 to 88-89	na	-4.21	-5.89
	88-89 to 93-94	na	-1.99	5.01
Karnataka	79-80 to 83-84	3.37	10.57	6.02
	83-84 to 88-89	-1.87	6.25	1.76
	88-89 to 93-94	9.21	-7.62	2.05
Kerala	79-80 to 83-84	0.07	10.53	1.21
	83-84 to 88-89	-4.73	-0.45	-4.11
	88-89 to 93-94	10.31	-4.42	8.40
Madhya Pradesh	79-80 to 83-84	13.90	10.27	11.98
	83-84 to 88-89	-3.61	2.64	-0.24
	88-89 to 93-94	2.22	1.26	1.66
Maharashtra	79-80 to 83-84	10.96	7.44	9.06
	83-84 to 88-89	2.37	4.33	3.41
	88-89 to 93-94	-6.82	9.34	3.22

State	Period	Rural	Urban	All Locations
Orissa	79-80 to 83-84	-0.82	28.25	8.39
	83-84 to 88-89	-0.69	-8.38	-3.96
	88-89 to 93-94	7.46	1.59	5.45
Punjab	79-80 to 83-84	24.44	36.15	33.87
	83-84 to 88-89	na	16.37	12.35
	88-89 to 93-94	na	na	na
Rajasthan	79-80 to 83-84	-11.69	10.92	0.83
	83-84 to 88-89	13.76	4.29	7.62
	88-89 to 93-94	1.57	5.96	4.24
Tamil Nadu	79-80 to 83-84	-1.11	0.97	-0.38
	83-84 to 88-89	1.80	5.35	3.16
	88-89 to 93-94	2.94	5.35	3.95
Uttar Pradesh	79-80 to 83-84	-9.72	3.75	-1.21
	83-84 to 88-89	8.70	7.76	8.03
	88-89 to 93-94	12.78	-3.34	2.62
West Bengal	79-80 to 83-84	-7.60	3.19	-2.89
	83-84 to 88-89	9.43	9.11	9.27
	88-89 to 93-94	7.88	6.08	6.99

Table 4.3.10: Employment Growth Rates in Unorganised Restaurants and Hotels in Fifteen Major States: Rural, Urban and All Locations: 1979-80 to 1983-84, 1983-84 to 1988-89 and 1988-89 to 1993-94

State	Period	Rural	Urban	All Locations
Andhra Pradesh	79-80 to 83-84	-11.36	0.03	-6.78
	83-84 to 88-89	14.65	12.42	13.61
	88-89 to 93-94	-2.15	0.22	-1.05
Bihar	79-80 to 83-84	-11.78	8.31	-2.17
	83-84 to 88-89	-0.17	0.98	0.53
	88-89 to 93-94	11.81	0.43	5.36
Delhi	79-80 to 83-84	na	na	na
	83-84 to 88-89	na	na	na
	88-89 to 93-94	na	na	na
Gujarat	79-80 to 83-84	-0.58	8.87	5.87
	83-84 to 88-89	2.91	9.68	8.01
	88-89 to 93-94	0.25	7.87	6.42
Haryana	79-80 to 83-84	-24.09	38.26	19.91
	83-84 to 88-89	na	-6.08	-7.57
	88-89 to 93-94	na	0.73	6.88
Karnataka	79-80 to 83-84	5.23	27.22	15.44
	83-84 to 88-89	-1.28	3.71	1.74
	88-89 to 93-94	6.81	-9.28	-2.23
Kerala	79-80 to 83-84	4.71	28.75	8.26
	83-84 to 88-89	-5.72	-6.92	-5.98
	88-89 to 93-94	9.61	-1.59	7.60
Madhya Pradesh	79-80 to 83-84	19.29	16.20	17.39
	83-84 to 88-89	2.09	3.94	3.22
	88-89 to 93-94	-3.79	-1.14	-2.11
Maharashtra	79-80 to 83-84	14.35	26.36	22.10
	83-84 to 88-89	4.24	5.43	5.08
	88-89 to 93-94	-8.27	8.91	5.04
Orissa	79-80 to 83-84	-3.40	33.81	9.17
	83-84 to 88-89	1.75	12.18	7.79
	88-89 to 93-94	2.87	-18.37	-8.55
Punjab	79-80 to 83-84	20.98	37.65	34.81
	83-84 to 88-89	na	21.72	18.42
	88-89 to 93-94	na	na	na

State	Period	Rural	Urban	All Locations
Rajasthan	79-80 to 83-84	-15.64	13.77	1.49
	83-84 to 88-89	10.51	7.09	7.99
	88-89 to 93-94	5.00	5.45	5.32
Tamil Nadu	79-80 to 83-84	1.25	10.86	5.07
	83-84 to 88-89	-0.31	6.11	2.80
	88-89 to 93-94	1.15	6.75	4.27
Uttar Pradesh	79-80 to 83-84	-10.75	7.48	1.50
	83-84 to 88-89	10.10	9.70	9.79
	88-89 to 93-94	14.01	-1.89	2.83
West Bengal	79-80 to 83-84	-4.03	12.75	4.05
	83-84 to 88-89	8.16	6.33	7.11
	88-89 to 93-94	5.57	7.54	6.69

Table 4.3.11: Growth Rates in Gross Value Added by Unorganised Restaurants, Hotels and Other Logging Places in Fifteen Major States: Rural, Urban and All Locations: 1979-80 to 1983-84, 1983-84 to 1988-89 and 1988-89 to 1993-94

State	Period	Rural	Urban	All Locations
Andhra Pradesh	79-80 to 83-84	8.42	32.79	20.02
	83-84 to 88-89	28.30	34.14	31.94
	88-89 to 93-94	18.62	17.66	18.00
Bihar	79-80 to 83-84	14.22	39.42	27.16
	83-84 to 88-89	18.44	17.37	17.76
	88-89 to 93-94	25.54	25.84	25.73
Delhi	79-80 to 83-84	na	na	na
	83-84 to 88-89	na	na	na
	88-89 to 93-94	na	na	na
Gujarat	79-80 to 83-84	40.17	43.29	42.49
	83-84 to 88-89	25.95	24.89	25.15
	88-89 to 93-94	10.53	27.20	23.76
Haryana	79-80 to 83-84	-26.65	74.17	54.18
	83-84 to 88-89	na	8.44	8.00
	88-89 to 93-94	na	14.90	22.69
Karnataka	79-80 to 83-84	35.12	85.89	68.29
	83-84 to 88-89	24.73	8.77	12.55
	88-89 to 93-94	18.33	11.65	13.93
Kerala	79-80 to 83-84	35.88	87.05	47.32
	83-84 to 88-89	19.77	7.13	15.56
	88-89 to 93-94	20.15	16.77	19.30
Madhya Pradesh	79-80 to 83-84	57.36	45.92	49.87
	83-84 to 88-89	14.96	23.95	20.77
	88-89 to 93-94	11.30	18.48	16.48
Maharashtra	79-80 to 83-84	53.56	71.05	66.12
	83-84 to 88-89	16.76	29.15	26.71
	88-89 to 93-94	10.71	24.79	23.03
Orissa	79-80 to 83-84	27.62	77.77	50.83
	83-84 to 88-89	20.55	13.30	15.95
	88-89 to 93-94	17.52	9.91	13.27
Punjab	79-80 to 83-84	47.22	55.08	54.15
	83-84 to 88-89	na	46.63	43.38
	88-89 to 93-94	na	na	na
Rajasthan	79-80 to 83-84	-3.80	39.69	21.75
	83-84 to 88-89	32.24	23.47	25.55
	88-89 to 93-94	24.56	30.83	29.22
Tamil Nadu	79-80 to 83-84	35.63	47.98	41.34
	83-84 to 88-89	18.87	29.50	24.80
	88-89 to 93-94	10.29	31.45	25.03

State	Period	Rural	Urban	All Locations
Uttar Pradesh	79-80 to 83-84	6.88	32.21	25.53
	83-84 to 88-89	43.23	32.22	34.38
	88-89 to 93-94	38.17	18.25	24.21
West Bengal	79-80 to 83-84	22.56	53.41	40.20
	83-84 to 88-89	20.54	43.76	38.36
	88-89 to 93-94	22.47	-1.13	3.98

(ii) The Employment Generation Record

The employment generation record, stated in terms of the absolute number of jobs lost or a jobs gained is mixed. In the early 1990s, for rural and urban areas combined a substantial number of workers left the industry in Andhra Pradesh, Karnataka, Madhya Pradesh and Orissa. More recent reductions in urban employment were concentrated in urban Karnataka, Kerala, Madhya Pradesh, Orissa and Uttar Pradesh. Workers in rural locations lost jobs in two states, Madhya Pradesh and Maharashtra during the most recent period. However in the two earlier periods rural employment contracted in a number of states, while it expanded in urban locations. Table 4.3.12 gives the details. It may be noted also that in absolute terms, when employment expanded in urban areas, the new jobs created were commonly much larger in number than any additional employment generated in rural areas.

Table 4.3.12: Changes in the Absolute Number Employed in Unorganised Restaurants, Hotels and Other Lodging Places in Rural, Urban and All Locations: 1979-80 to 1983-84, 1983-84 to 1988-89 and 1988-89 to 1993-94

State	Period	Rural	Urban	All Locations
Andhra Pradesh	79-80 to 83-84	-73,667	113	-73,553
	83-84 to 88-89	116,511	85,999	202,510
	88-89 to 93-94	-24,274	2,138	-22,136
Bihar	79-80 to 83-84	-38,179	24,569	-13,610
	83-84 to 88-89	-509	4,480	3,971
	88-89 to 93-94	43,453	2,044	45,497
Delhi	79-80 to 83-84	na	na	na
	83-84 to 88-89	na	na	na
	88-89 to 93-94	na	na	na
Gujarat	79-80 to 83-84	-568	18,817	18,249
	83-84 to 88-89	3,739	38,340	42,079
	88-89 to 93-94	356	47,699	48,055
Haryana	79-80 to 83-84	-7,186	31,220	24,034
	83-84 to 88-89	na	-11,569	-15,141
	88-89 to 93-94	na	1,159	12,400
Karnataka	79-80 to 83-84	18,911	88,272	107,182
	83-84 to 88-89	-6,412	28,485	22,073
	88-89 to 93-94	37,483	-66,013	-28,530
Kerala	79-80 to 83-84	44,896	48,499	93,395
	83-84 to 88-89	-68,157	-22,977	-91,134
	88-89 to 93-94	115,712	-4,114	111,598
Madhya Pradesh	79-80 to 83-84	27,466	36,551	64,016
	83-84 to 88-89	5,913	17,275	23,188
	88-89 to 93-94	-10,560	-5,467	-16,027
Maharashtra	79-80 to 83-84	43,359	148,802	192,160
	83-84 to 88-89	24,082	74,111	98,193
	88-89 to 93-94	-45,035	169,841	124,806
Orissa	79-80 to 83-84	-10,056	52,818	42,762
	83-84 to 88-89	6,116	59,618	65,734
	88-89 to 93-94	11,224	-86,954	-75,730

State	Period	Rural	Urban	All Locations
Punjab	79-80 to 83-84	2,511	23,018	25,530
	83-84 to 88-89	-4,710	53,348	48,638
	88-89 to 93-94	na	na	na
Rajasthan	79-80 to 83-84	-15,758	19,459	3,701
	83-84 to 88-89	10,489	19,733	30,222
	88-89 to 93-94	7,369	20,664	28,033
Tamil Nadu	79-80 to 83-84	9,887	57,250	67,137
	83-84 to 88-89	-3,145	58,441	55,296
	88-89 to 93-94	11,830	87,930	99,760
Uttar Pradesh	79-80 to 83-84	-23,453	33,503	10,050
	83-84 to 88-89	25,156	78,659	103,815
	88-89 to 93-94	60,995	-19,313	41,682
West Bengal	79-80 to 83-84	-16,640	49,237	32,596
	83-84 to 88-89	44,678	46,401	91,079
	88-89 to 93-94	42,842	76,959	119,801

(iii) Trends in Enterprise and Labour Productivity at the State Level

Twenty years ago gross value added per enterprise in the unorganised restaurants and hotels industry did not differ greatly from one state to the next, especially in rural areas. All this has changed. The coefficients of variation for rural areas have more than doubled, and those for urban areas are not far behind.

The interstate inequalities in enterprise productivity, shown by the coefficients of variation in table 4.3.13, appear to have peaked in 1988-89 and then gone down somewhat for the majority of enterprises in this industry. But among the largest enterprise type, the directory establishments, interstate inequalities rose continuously in rural areas.

The trends in interstate inequalities in labour productivity follow the same time path as those for GVA per enterprise. In urban areas the inequalities in labour productivity are somewhat lower than in rural locations. Table 4.3.14 gives the inequality measures for labour productivity.

One implication of these results may be that entrepreneurship and labour are unable to move fast enough across regions, (and presumably across industries) to adjust to the growing interstate productivity differences. Judging by the large and persistent rural-urban productivity differences, people involved in the industry are not even particularly mobile from rural to urban areas within the same state. In Tamil Nadu, for example, urban enterprises earn five times as much, on the average, as rural ones do. At the other extreme, there are some states where there is practically no difference between rural and urban enterprise productivity – see the absolute figures for Haryana in table 4.3.15 for example.

Table 4.3.13: Interstate Inequalities in Gross Value Added per Enterprise, by Enterprise Type and Rural or Urban Location: 1979-80, 1983-84, 1988-89 and 1993-94

(GVA in 1993-94 constant prices)

Location and Year	Coefficient of Variation by Enterprise Type			
	OAE	NDE	DE	All Types
Rural				
1979-80	23.16	64.63	-	24.63
1983-84	37.97	41.98	76.64	46.14
1988-89	61.38	66.46	99.64	62.32
1993-94	54.58	52.84	250.13	53.21
Urban				
1979-80	37.04	27.95	-	33.14
1983-84	30.92	35.85	60.59	61.74
1988-89	99.51	25.97	37.11	49.58
1993-94	46.38	49.43	58.00	65.01
Total (R+U)				
1979-80	39.40	37.36	-	38.65
1983-84	31.30	34.26	46.45	43.20
1988-89	54.41	26.67	42.44	45.53
1993-94	50.23	46.47	68.52	64.86

Table 4.3.14: Interstate Inequalities in Labour Productivity by Enterprise Type and Rural or Urban Location: 1979-80, 1983-84, 1988-89 and 1993-94

(GVA in 1993-94 constant prices)

Location and Year	Coefficient of Variation by Enterprise Type			
	OAE	NDE	DE	All Types
Rural				
1979-80	27.07	59.41	-	29.58
1983-84	41.51	40.49	73.13	42.18
1988-89	82.24	70.94	74.69	65.69
1993-94	56.28	50.73	243.35	54.28
Urban				
1979-80	49.85	27.29	-	33.05
1983-84	34.29	35.19	44.79	39.96
1988-89	126.13	37.13	29.82	45.98
1993-94	47.20	48.79	50.44	49.12
Total (R+U)				
1979-80	47.40	37.36	-	37.42
1983-84	36.07	34.23	41.91	34.30
1988-89	65.77	38.26	30.82	36.15
1993-94	52.21	46.09	55.96	48.08

Table 4.3.15: Enterprise Productivity in Unorganised Restaurants, Hotels and Other Lodging Places: Rural, Urban and All Locations in Fifteen Major States: 1979-8, 1983-84, 1988-89 and 1993-94

(GVA in constant 1993-94 prices)

State	Year	GVA per Enterprise (Rs.)		
		Rural	Urban	All Locations
Andhra Pradesh	1979-80	1,597	2,095	1,766
	1983-84	4,289	9,992	6,531
	1988-89	7,789	26,648	14,490
	1993-94	18,043	54,928	31,802
Bihar	1979-80	1,517	1,707	1,595
	1983-84	4,393	6,312	5,444
	1988-89	11,692	11,714	11,706
	1993-94	19,426	39,730	28,592
Delhi	1979-80	1,038	5,089	4,519
	1983-84	na	na	na
	1988-89	na	41,569	41,569
	1993-94	na	na	na
Gujarat	1979-80	1,643	3,175	2,551
	1983-84	7,412	11,778	10,289
	1988-89	14,466	28,305	22,778
	1993-94	28,523	50,949	45,764
Haryana	1979-80	1,540	2,668	2,065
	1983-84	1,777	7,881	7,365
	1988-89	na	14,656	14,656
	1993-94	30,601	32,454	31,913
Karnataka	1979-80	949	2,151	1,364
	1983-84	2,772	17,181	8,661
	1988-89	9,195	19,322	14,329
	1993-94	13,732	49,826	24,852
Kerala	1979-80	1,826	2,999	1,938
	1983-84	6,208	24,607	8,698
	1988-89	19,494	35,518	22,108
	1993-94	29,890	96,682	35,696
Madhya Pradesh	1979-80	1,410	2,559	2,030
	1983-84	5,139	7,845	6,512
	1988-89	12,401	20,149	16,934
	1993-94	18,981	44,192	33,441
Maharashtra	1979-80	1,732	3,040	2,456
	1983-84	6,353	19,528	13,223
	1988-89	12,263	56,763	36,522
	1993-94	29,036	109,921	87,858
Orissa	1979-80	1,100	1,853	1,278
	1983-84	3,014	6,839	4,794
	1988-89	7,944	19,783	12,297
	1993-94	12,425	29,324	17,582
Punjab	1979-80	2,084	3,937	3,537
	1983-84	4,082	6,627	6,216
	1988-89	na	21,045	21,045
	1993-94	na	na	na
Rajasthan	1979-80	2,444	2,297	2,375
	1983-84	3,442	5,778	5,049
	1988-89	7,307	13,438	10,912
	1993-94	20,274	38,574	31,953
Tamil Nadu	1979-80	1,467	2,083	1,680
	1983-84	5,191	9,611	6,808
	1988-89	11,268	26,966	17,647
	1993-94	15,903	81,544	44,424

State	Year	GVA per Enterprise (Rs.)		
		Rural	Urban	All Locations
Uttar Pradesh	1979-80	1,455	2,143	1,856
	1983-84	2,857	5,651	4,838
	1988-89	11,350	15,718	14,407
	1993-94	31,330	43,080	37,427
West Bengal	1979-80	1,615	2,365	1,912
	1983-84	4,998	11,556	8,308
	1988-89	8,106	45,901	27,043
	1993-94	15,286	32,285	23,445

Table 4.3.16: Labour Productivity in Unorganised Restaurants, Hotels and Other Lodging Places: Rural, Urban and All Locations in Fifteen Major States: 1979-8, 1983-84, 1988-89 and 1993-94

(GVA in constant 1993-94 prices)

State	Year	GVA per Worker (Rs.)		
		Rural	Urban	All Locations
Andhra Pradesh	1979-80	697	834	747
	1983-84	1,561	2,591	2,052
	1988-89	2,741	6,268	4,335
	1993-94	7,176	13,981	10,454
Bihar	1979-80	660	767	703
	1983-84	1,856	2,107	2,008
	1988-89	4,362	4,470	4,429
	1993-94	7,785	13,806	10,717
Delhi	1979-80	503	2,109	1,911
	1983-84	na	na	na
	1988-89	na	11,252	11,252
	1993-94	na	na	na
Gujarat	1979-80	802	1,201	1,062
	1983-84	3,167	3,604	3,486
	1988-89	8,694	6,899	7,280
	1993-94	14,162	15,731	15,484
Haryana	1979-80	987	1,362	1,183
	1983-84	861	3,431	3,234
	1988-89	na	7,041	7,041
	1993-94	15,310	13,596	14,036
Karnataka	1979-80	463	849	615
	1983-84	1,258	3,868	2,777
	1988-89	4,049	4,910	4,601
	1993-94	6,758	13,859	9,887
Kerala	1979-80	899	1,244	937
	1983-84	2,550	5,540	3,214
	1988-89	8,437	11,189	9,019
	1993-94	13,356	26,324	15,108
Madhya Pradesh	1979-80	829	1,064	975
	1983-84	2,510	2,645	2,591
	1988-89	4,544	6,379	5,682
	1993-94	9,415	15,770	13,556
Maharashtra	1979-80	813	1,126	1,004
	1983-84	2,645	3,780	3,441
	1988-89	4,665	10,428	8,773
	1993-94	11,946	20,595	19,334
Orissa	1979-80	467	795	544
	1983-84	1,423	2,477	1,983
	1988-89	3,322	2,603	2,856
	1993-94	6,463	11,521	8,323

State	Year	GVA per Worker (Rs.)		
		Rural	Urban	All Locations
Punjab	1979-80	1,095	1,856	1,705
	1983-84	2,401	2,991	2,915
	1988-89	na	7,587	7,587
	1993-94	na	na	na
Rajasthan	1979-80	1,305	1,204	1,257
	1983-84	2,207	2,736	2,603
	1988-89	5,415	5,573	5,528
	1993-94	12,722	16,386	15,370
Tamil Nadu	1979-80	631	825	702
	1983-84	2,033	2,618	2,298
	1988-89	4,899	7,087	6,061
	1993-94	7,549	20,067	15,024
Uttar Pradesh	1979-80	820	1,081	979
	1983-84	1,686	2,475	2,291
	1988-89	6,281	6,296	6,292
	1993-94	16,424	16,016	16,177
West Bengal	1979-80	832	1,095	942
	1983-84	2,212	3,752	3,107
	1988-89	3,802	16,951	11,172
	1993-94	7,990	11,132	9,822

What explains these large and growing interstate productivity differences? To find out, two sets of regressions were run. In the first, two potential explanatory variables were tested: state population, and state gross domestic product per capita. In the second, a third explanatory variable was added: the rural share in total population.

The results indicate the following:

For the earlier years, from 1979-80 to 1988-89, interstate differences in per capita incomes alone account for a significant part of the regional differences in per enterprise productivity. The highly significant positive effects of interstate variations in per capita incomes continue into the early 1990s, when population also emerges as a significant positive factor.

The introduction of the third explanatory variable did not take the explanation very much further. Its impact on per enterprise productivity is negative throughout, as anticipated, but its influence was significant only during the 1980s.

Table 4.3.17: Regression Results: Dependent Variable – Gross Value Added per Enterprise in each of Fifteen States: 1979-80, 1983-84, 1988-89 and 1993-94

Independent Variables	Statistics	Year			
		1979-80	1983-84	1988-89	1993-94
First Regression Set	R²	.675	.179	.435	.736
1. Population	Beta coefficient	.044	.186	.290	.523
	t-Value	.239	.653	1.155	3.300
	Significance	–	–	–	***
2. SGDP per Capita	Beta coefficient	.875	.615	.853	.904
	t-Value	4.703	2.160	3.403	5.758
	Significance	***	.	***	***
Second Regression Set	R²	.678	.422	.607	.707
1. Population	Beta coefficient	.005	.020	.204	.528
	t-Value	.024	.082	.962	3.099
	Significance	–	–	–	**

Independent Variables	Statistics	Year			
		1979-80	1983-84	1988-89	1993-94
2. SGDP per Capita	Beta coefficient	.595	.069	.242	.939
	t-Value	1.841	.209	.751	2.979
	Significance	.	–	–	**
3. Rural Share in Total Population	Beta coefficient	-.304	-.700	-.702	.039
	t-Value	1.053	2.370	2.496	.130
	Significance	–	*	*	–

Note: Stars ***, ** and * indicate levels of significance at 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 labour productivity, the dominant factor is again per capita incomes, which account for interstate variations in labour productivity to a significant extent. The share of rural areas in total population fails to contribute anything to explaining the large inequalities in labour productivity levels as between states. Table 4.3.18 gives the regression statistics.

Table 4.3.18: Regression Results: Dependent Variable – Gross Value Added per Worker in each of Fifteen States: 1979-80, 1983-84, 1988-89 and 1993-94

Independent Variables	Statistics	Year			
		1979-80	1983-84	1988-89	1993-94
First Regression Set	R²	.501	.347	.217	.442
1. Population	Beta coefficient	-.032	-.055	.196	.456
	t-Value	-.138	-.218	.663	1.996
	Significance	–	–	–	.
2. SGDP per Capita	Beta coefficient	.738	.641	.669	.741
	t-Value	3.203	2.525	2.266	3.246
	Significance	***	.	**	***
Second Regression Set	R²	.461	.362	.420	.385
1. Population	Beta coefficient	-.048	-.138	.134	.471
	t-Value	-.197	-.528	.461	1.906
	Significance	–	–	–	.
2. SGDP per Capita	Beta coefficient	.622	.369	.228	.841
	t-Value	1.489	1.059	.516	1.841
	Significance	–	–	–	.
3. Rural Share in Total Population	Beta coefficient	-.126	-.350	-.507	.113
	t-Value	-.337	-1.127	-1.316	.258
	Significance	–	–	–	–

Note: Stars ***, ** and * indicate levels of significance at 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.

To conclude, regional differences in per capita income levels provide the best explanation for interstate differences in both enterprise and labour productivity in the unorganised restaurants and hotels business. In states where per capita incomes are low, enterprise and labour productivity levels are low in this industry, and conversely, high state per capita incomes are associated with better earnings in unorganised restaurants and hotels.

4.3.5 Trends in Productivity Growth

Productivity growth rates in most states started out high from 1978-80 to 1983-84 and then came down, in some states sharply. Rajasthan is the only state where productivity growth rates in both rural and urban areas accelerated. In most states however, even during the early nineties, productivity growth rates remained both positive and substantial. In urban areas, West Bengal alone suffered negative productivity growth during the 1990s. In rural areas, the lowest productivity growth rates between 1988-89 and 1993-94 are all positive and greater than five per cent compound.

In most states, urban productivity tended to grow more rapidly than rural productivity. Only Gujarat and Uttar Pradesh experienced more rapid rural productivity growth in two out of three periods. In both states this happened because rural productivity growth was more rapid, in every period, for at least two out of three enterprise types. In general, however, there are no distinctive differences between productivity growth in own account enterprises, and productivity growth in larger non-directory and directory establishments. This suggests a future scenario in which family operated units coexist with larger enterprises, with both sets enjoying productivity gains at similar rates, despite the fact that productivity levels differ widely.

Table 4.3.19: Enterprise and Labour Productivity Growth Rates in Unorganised Restaurants and Hotels in Fifteen Major States by Rural and Urban Location: 1979-80 to 1983-84, 1983-84 to 1988-89 and 1988-89 to 1993-94

State	Period	Rates of Growth					
		GVA per Enterprise			GVA per Worker		
		Rural	Urban	All Locations	Rural	Urban	All Locations
Andhra Pradesh	79-80 to 83-84	28.01	47.77	38.68	22.31	32.76	28.75
	83-84 to 88-89	12.68	21.68	17.28	11.91	19.32	16.13
	88-89 to 93-94	18.29	15.56	17.02	21.23	17.41	19.25
Bihar	79-80 to 83-84	30.44	38.66	35.92	29.47	28.73	29.98
	83-84 to 88-89	21.63	13.16	16.55	18.64	16.23	17.14
	88-89 to 93-94	10.69	27.67	19.55	12.28	25.30	19.33
Delhi	79-80 to 83-84	na	na	na	na	na	na
	83-84 to 88-89	na	na	na	na	na	na
	88-89 to 93-94	na	na	na	na	na	na
Gujarat	79-80 to 83-84	45.73	38.79	41.72	40.98	31.61	34.59
	83-84 to 88-89	14.31	19.17	17.23	22.38	13.87	15.87
	88-89 to 93-94	14.54	12.47	14.97	10.25	17.92	16.29
Haryana	79-80 to 83-84	3.64	31.10	37.42	-3.37	25.98	28.58
	83-84 to 88-89	na	13.21	14.75	na	15.46	16.84
	88-89 to 93-94	na	17.23	16.84	na	14.07	14.79
Karnataka	79-80 to 83-84	30.72	68.12	58.73	28.41	46.11	45.78
	83-84 to 88-89	27.10	2.38	10.60	26.35	4.89	10.62
	88-89 to 93-94	8.35	20.86	11.64	10.79	23.06	16.53
Kerala	79-80 to 83-84	35.78	69.24	45.55	29.77	45.28	36.08
	83-84 to 88-89	25.72	7.62	20.51	27.04	15.10	22.92
	88-89 to 93-94	8.92	22.17	10.06	9.62	18.66	10.87
Madhya Pradesh	79-80 to 83-84	38.16	32.33	33.83	31.92	25.58	27.67
	83-84 to 88-89	19.27	20.76	21.06	12.60	19.25	17.00
	88-89 to 93-94	8.89	17.01	14.58	15.68	19.85	18.99
Maharashtra	79-80 to 83-84	38.40	59.20	52.33	34.29	35.37	36.05
	83-84 to 88-89	14.06	23.79	22.53	12.01	22.50	20.59
	88-89 to 93-94	18.81	14.13	19.19	20.69	14.58	17.12
Orissa	79-80 to 83-84	28.67	38.61	39.16	32.12	32.86	38.16
	83-84 to 88-89	21.39	23.67	20.73	18.48	1.00	7.57
	88-89 to 93-94	9.36	8.19	7.41	14.24	34.65	23.85
Punjab	79-80 to 83-84	18.30	13.91	15.14	21.69	12.67	14.35
	83-84 to 88-89	na	26.00	27.62	na	20.46	21.08
	88-89 to 93-94	na	na	na	na	na	na
Rajasthan	79-80 to 83-84	8.94	25.93	20.75	14.03	22.78	19.96
	83-84 to 88-89	16.25	18.39	16.67	19.66	15.29	16.26
	88-89 to 93-94	22.64	23.48	23.97	18.63	24.07	22.69
Tamil Nadu	79-80 to 83-84	37.16	46.56	41.87	33.96	33.48	34.51
	83-84 to 88-89	16.77	22.92	20.99	19.24	22.04	21.41
	88-89 to 93-94	7.13	24.77	20.28	9.03	23.14	19.91
Uttar Pradesh	79-80 to 83-84	18.38	27.43	27.07	19.75	23.01	23.68
	83-84 to 88-89	31.77	22.70	24.39	30.09	20.53	22.39
	88-89 to 93-94	22.52	22.34	21.04	21.20	20.53	20.79
West Bengal	79-80 to 83-84	32.64	48.67	44.38	27.71	36.07	34.75
	83-84 to 88-89	10.15	31.77	26.62	11.44	35.20	29.17
	88-89 to 93-94	13.53	-6.80	-2.81	16.01	-8.07	-2.54

4.3.6 A Note on the Changing Share of Restaurants and Hotels in Gross Value Added by Trade, Hotels and Restaurants Combined

In relative terms, the unorganised segment of the combined (organised plus unorganised) sector described as Trade, Hotels and Restaurants in the National Accounts Statistics has grown faster than the organised segment. Furthermore, within the unorganised segment, restaurants and hotels have grown much faster than trade. Up to now, the evidence at the state level to this effect was not available because in the gross state domestic product data published by the Central Statistical Organisation², the estimates for restaurants and hotels are lumped together with those for trade. Thus at the region level, remarkably little is known about the income contribution of the restaurants and hotels segment generally.

Table 4.3.20 presents the estimates which reveal the expanding share of unorganised trade, restaurants and hotels segment in the gross value added by the sector as whole. In interpreting the results for the two most recent years, however, caution is required. This is because changes in CSO methodology for estimating gross domestic product had the effect of increasing the GDP estimates for trade from 1993-94 and reducing estimates for hotels and restaurants³. The long term trend is, however, unmistakable. The income contribution of the unorganised segment has risen over time. In several states, however, the estimates suggest that this contribution peaked in the mid 1980s, and declined or stabilised thereafter. There are other states, however, where the rise in the share of the unorganised sector was more or less continuous, producing a peak in 1996-97. These states include Madhya Pradesh, Rajasthan, Tamil Nadu and Uttar Pradesh.

² See: Estimates of State Domestic Product and Gross Fixed Capital Formation, CSO, Dept. of Statistics, Ministry of Planning, Govt. of India.

³ See pages 17 and 18, CSO New Series on National Accounts Statistics (Base year 1993-94)

Table 4.3.20: Gross State Domestic Product from Trade, Hotels and Restaurants (Organised plus Unorganised) and Gross Value Added by Units in the Unorganised Segment for Fifteen Major States, Selected Years

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

State	Income Estimate	1979-80	1983-84	1985-86	1988-89	1990-91	1993-94	1996-97
Andhra Pradesh	(i) SDGP-All Trade, Hotels and Restaurants	31,125,063	42,320,296	48,919,258	58,385,314	60,037,764	75,556,300	107,725,967
	(ii) GVA- Unorganised Trade, Restaurants and Hotels	3,844,222	9,449,283	14,963,047	19,088,800	22,231,732	26,077,722	31,236,764
	(iii) Per cent Share: Unorganised to All	12.35	22.33	30.59	32.69	37.03	34.51	29.00
Bihar	(i) SDGP-All Trade, Hotels and Restaurants	32,202,653	41,962,677	49,212,719	58,932,179	61,891,090	62,080,300	64,766,697
	(ii) GVA- Unorganised Trade, Restaurants and Hotels	4,278,981	9,185,844	13,396,557	20,281,760	26,875,089	25,795,865	25,934,057
	(iii) Per cent Share: Unorganised to All	13.29	21.89	27.22	34.42	43.42	41.55	40.04
Delhi	(i) SDGP-All Trade, Hotels and Restaurants	16,169,893	19,779,925	25,862,763	32,612,610	33,485,326	42,751,700	43,897,563
	(ii) GVA- Unorganised Trade, Restaurants and Hotels	7,168,043	28,370,990	56,751,460*	28,578,373	17,420,615*	15,999,498*	14,694,311*
	(iii) Per cent Share: Unorganised to All	44.33	143.43	(219.43)	87.63	(52.02)	(37.42)	(33.47)
Gujarat	(i) SDGP-All Trade, Hotels and Restaurants	31,727,344	42,647,884	44,587,098	55,695,117	61,833,810	66,615,100	93,416,736
	(ii) GVA- Unorganised Trade, Restaurants and Hotels	10,785,601	18,435,738	24,065,152	22,431,638	21,644,390	23,877,906	27,330,435
	(iii) Per cent Share: Unorganised to All	33.99	43.23	53.97	40.28	35.00	35.84	29.26
Haryana	(i) SDGP-All Trade, Hotels and Restaurants	10,395,711	13,485,465	17,211,567	22,143,165	24,246,241	27,894,400	38,495,434
	(ii) GVA- Unorganised Trade, Restaurants and Hotels	1,660,325	2,714,280	3,387,201	4,851,387	6,242,036	6,792,345	7,593,693
	(iii) Per cent Share: Unorganised to All	15.97	20.13	19.68	21.91	25.74	24.35	19.73
Karnataka	(i) SDGP-All Trade, Hotels and Restaurants	21,874,490	25,965,288	27,017,469	37,538,710	42,970,231	53,417,700	63,462,981
	(ii) GVA- Unorganised Trade, Restaurants and Hotels	7,294,379	14,002,845	18,971,524	16,628,525	15,417,659	19,641,698	25,097,849
	(iii) Per cent Share: Unorganised to All	33.35	53.93	70.22	44.30	35.88	36.77	39.55

State	Income Estimate	1979-80	1983-84	1985-86	1988-89	1990-91	1993-94	1996-97
Kerala	(i) SDGP-All Trade, Hotels and Restaurants	30,452,753	30,713,788	33,289,437	36,906,505	39,441,477	45,923,100	53,280,308
	(ii) GVA- Unorganised Trade, Restaurants and Hotels	6,139,412	13,732,957	19,943,627	17,721,982	16,949,736	19,746,852	24,141,919
	(iii) Per cent Share: Unorganised to All	20.16	44.71	59.91	48.02	42.97	43.00	45.31
Madhya Pradesh	(i) SDGP-All Trade, Hotels and Restaurants	25,248,514	35,198,050	39,962,871	44,351,792	52,613,417	62,416,400	72,938,569
	(ii) GVA- Unorganised Trade, Restaurants and Hotels	4,585,642	6,489,647	7,668,960	11,964,798	16,013,765	20,712,732	26,899,446
	(iii) Per cent Share: Unorganised to All	18.16	18.44	19.19	26.98	30.44	33.18	36.88
Maharashtra	(i) SDGP-All Trade, Hotels and Restaurants	69,341,606	77,878,215	86,642,479	102,976,028	129,149,684	148,299,400	190,897,496
	(ii) GVA- Unorganised Trade, Restaurants and Hotels	15,221,082	30,052,875	41,858,076	43,672,090	45,567,357	58,739,336	77,962,799
	(iii) Per cent Share: Unorganised to All	21.95	38.59	48.31	42.41	35.28	39.61	40.84
Orissa	(i) SDGP-All Trade, Hotels and Restaurants	10,867,445	16,322,537	17,915,874	23,366,938	19,755,634	27,187,400	27,352,383
	(ii) GVA- Unorganised Trade, Restaurants and Hotels	1,829,524	3,502,985	4,716,065	6,373,326	7,762,417	10,198,266	13,415,085
	(iii) Per cent Share: Unorganised to All	16.83	21.46	26.32	27.27	39.29	37.51	49.05
Punjab	(i) SDGP-All Trade, Hotels and Restaurants	30,799,213	37,038,542	37,721,125	43,225,926	43,628,655	48,558,200	54,940,679
	(ii) GVA- Unorganised Trade, Restaurants and Hotels	2,332,668	14,740,909	37,023,243	19,397,431	na	14,172,321	na
	(iii) Per cent Share: Unorganised to All	7.57	39.80	98.15	44.87	na	29.19	na
Punjab	(i) SDGP-All Trade, Hotels and Restaurants	30,799,213	37,038,542	37,721,125	43,225,926	43,628,655	48,558,200	54,940,679
	(ii) GVA- Unorganised Trade, Restaurants and Hotels	2,332,668	14,740,909	37,023,243	19,397,431	na	14,172,321	na
	(iii) Per cent Share: Unorganised to All	7.57	39.80	98.15	44.87	na	29.19	na

State	Income Estimate	1979-80	1983-84	1985-86	1988-89	1990-91	1993-94	1996-97
Rajasthan	(i) SDGP-All Trade, Hotels and Restaurants	16,839,318	19,825,671	21,654,804	40,097,621	44,687,001	46,288,900	53,970,507
	(ii) GVA- Unorganised Trade, Restaurants and Hotels	2,818,733	6,196,630	9,203,479	10,150,366	10,988,793	14,856,312	20,701,753
	(iii) Per cent Share: Unorganised to All	16.74	31.26	42.50	25.31	24.59	32.09	38.36
Tamil Nadu	(i) SDGP-All Trade, Hotels and Restaurants	40,609,757	41,729,035	51,373,029	61,022,808	64,299,786	79,690,900	95,022,947
	(ii) GVA- Unorganised Trade, Restaurants and Hotels	7,403,352	9,927,635	11,524,036	8,659,117	25,817,241	34,197,292	47,211,238
	(iii) Per cent Share: Unorganised to All	18.23	23.79	22.43	30.58	40.15	42.91	49.68
Uttar Pradesh	(i) SDGP-All Trade, Hotels and Restaurants	58,051,039	78,320,196	81,601,627	97,007,070	102,260,353	117,944,700	122,097,339
	(ii) GVA- Unorganised Trade, Restaurants and Hotels	12,517,813	21,535,735	28,364,472	30,192,913	31,688,657	44,149,445	62,317,519
	(iii) Per cent Share: Unorganised to All	21.56	27.50	34.76	31.12	30.99	37.43	51.04
West Bengal	(i) SDGP-All Trade, Hotels and Restaurants	28,871,602	36,476,412	39,465,345	45,937,178	48,307,739	59,423,000	76,455,103
	(ii) GVA- Unorganised Trade, Restaurants and Hotels	11,490,887	23,366,423	33,426,848	29,387,800	26,211,355	31,843,198	38,721,465
	(iii) Per cent Share: Unorganised to All	39.80	64.06	84.70	63.97	54.26	53.59	50.65

Note: Changes in CSO methodology for estimating GDP had the effect of increasing GDP for Trade from 1993-94 and reducing estimates for hotels and restaurants. See pages 17 & 18 of CSO, New Series on National Accounts Statistics (Base year 1993-94).

*Trade only. Data not available for unorganised hotels and restaurants.

Even more remarkable is the substantial increase in the share of restaurants and hotels within unorganised trade, restaurants and hotels. Table 4.3.21 gives the figures

Table 4.3.21: Estimates of the Share of Restaurants, Hotels and Other Lodging Places in Gross Value Added by Unorganised and Organised Trade, Hotels and Restaurants

State/Year	1979-80	1983-84	1985-86	1988-89	1990-91	1993-94	1996-97
West Bengal	1.55	2.95	3.95	11.91	14.43	13.36	12.35
Uttar Pradesh	1.29	1.85	2.54	5.80	8.52	11.72	15.91
Tamil Nadu	2.91	8.65	11.61	13.94	15.74	23.23	32.89
Rajasthan	2.71	2.71	2.87	5.16	7.95	12.70	19.66
Punjab	0.81	0.72	0.59	3.33	na	na	na
Orissa	3.02	8.18	8.16	9.42	9.92	10.97	12.12
Maharashtra	1.04	4.00	4.61	8.99	13.04	18.84	26.43
Madhya Pradesh	1.51	5.40	6.66	7.52	7.63	9.32	11.34
Kerala	3.82	8.03	7.39	12.83	19.09	27.83	38.65
Karnataka	1.16	4.86	4.55	7.40	10.36	12.02	13.91
Haryana	1.60	5.55	5.18	4.56	5.33	9.05	14.96
Gujarat	0.70	1.69	2.03	4.27	6.78	11.65	19.29
Delhi	1.08	na	na	2.23	na	na	na
Bihar	2.67	3.25	3.09	3.33	3.97	8.23	16.26
Andhra Pradesh	5.83	4.93	5.42	9.75	11.66	16.33	22.39

To sum up: in all major states, the share of the unorganised segment of trade; hotels and restaurants has tended to rise over time, and within the unorganised segment, the share of restaurant and hotels has expanded.

Appendix 4.1(a): Growth Rates of Rural Enterprises, Employment and Gross Value Added by Enterprise Type: 1979-80 to 1983-84, 1983-84 to 1988-89 and 1988-89 to 1993-94

(GVA in Rs'000 at Constant at 1993-94 prices)

State	Year	Enterprises				Employment				GVA			
		OAE	NDE	DE	All Types	OAE	NDE	DE	All Types	OAE	NDE	DE	All Types
Andhra Pradesh	1979-80 to 1983-84	-16.29	-11.34	na	-15.31	-13.42	-10.27	na	-11.36	15.61	-16.91	na	8.42
	1983-84 to 1988-89	12.78	28.66	-14.94	13.87	14.77	25.66	-13.73	14.65	26.56	43.65	7.51	28.30
	1988-89 to 1993-94	0.88	-7.57	32.95	0.27	-3.15	-6.57	34.16	-2.15	16.49	8.04	62.30	18.62
Bihar	1979-80 to 1983-84	-13.08	-14.62	na	-12.44	-14.45	-14.46	na	-11.78	9.57	10.36	na	14.22
	1983-84 to 1988-89	-7.52	16.27	-4.98	-2.62	-7.57	18.21	-2.82	-0.17	7.06	40.74	10.13	18.44
	1988-89 to 1993-94	19.41	-6.28	21.20	13.42	19.47	-7.79	24.35	11.81	33.77	6.55	49.69	25.54
Delhi	1979-80 to 1983-84	na	na	na	na	na	na	na	na	na	na	na	na
	1983-84 to 1988-89	na	na	na	na	na	na	na	na	na	na	na	na
	1988-89 to 1993-94	na	na	na	na	na	na	na	na	na	na	na	na
Gujarat	1979-80 to 1983-84	-5.05	-5.97	na	-3.82	-8.67	-4.88	na	-0.58	22.08	28.15	na	40.17
	1983-84 to 1988-89	9.65	14.94	-18.06	10.19	4.54	10.08	-20.62	2.91	47.36	24.81	-20.03	25.95
	1988-89 to 1993-94	0.49	-14.23	-3.81	-3.50	8.04	-9.39	-4.80	0.25	10.33	10.09	16.97	10.53

Haryana	1979-80 to 1983-84	-27.30	-35.49	na	-29.23	-18.58	-33.63	na	-24.09	-25.69	-27.53	na	-26.65
	1983-84 to 1988-89	na	na	na	na	na	na	na	na	na	na	na	na
	1988-89 to 1993-94	na	na	na	na	na	na	na	na	na	na	na	na
Karnataka	1979-80 to 1983-84	3.75	-1.01	na	3.37	5.82	0.24	na	5.23	36.30	30.20	na	35.12
	1983-84 to 1988-89	-2.79	3.23	48.51	-1.87	-3.03	0.25	52.06	-1.28	22.11	21.18	123.82	24.73
	1988-89 to 1993-94	9.85	5.93	-5.73	9.21	7.76	6.97	-7.45	6.81	19.25	21.51	4.18	18.33
Kerala	1979-80 to 1983-84	-1.89	4.15	na	0.07	-0.19	6.47	na	4.71	19.87	31.93	na	35.88
	1983-84 to 1988-89	-4.60	-4.20	-9.68	-4.73	-7.49	-6.73	2.97	-5.72	17.81	19.31	22.65	19.77
	1988-89 to 1993-94	11.15	8.19	-4.00	10.31	13.92	11.39	-15.74	9.61	32.27	19.60	-1.67	20.15
Madhya Pradesh	1979-80 to 1983-84	11.06	22.86	na	13.90	15.31	22.96	na	19.29	46.07	69.10	na	57.36
	1983-84 to 1988-89	-8.24	4.71	24.66	-3.61	-5.46	7.86	23.53	2.09	6.10	19.23	36.42	14.96
	1988-89 to 1993-94	8.77	-12.20	-0.27	2.22	4.38	-13.94	-1.17	-3.79	24.89	-5.45	23.40	11.30
Maharashtra	1979-80 to 1983-84	4.92	22.37	na	10.96	0.84	23.45	na	14.35	32.08	60.51	na	53.56
	1983-84 to 1988-89	6.82	-8.47	2.69	2.37	13.86	-7.51	2.99	4.24	25.50	9.93	16.30	16.76
	1988-89 to 1993-94	-7.36	-5.01	-5.88	-6.82	-11.07	-5.32	-2.60	-8.27	5.93	8.66	23.25	10.71
Orissa	1979-80 to 1983-84	0.17	-9.78	na	-0.82	-4.05	-8.99	na	-3.40	29.97	15.10	na	27.62
	1983-84 to 1988-89	-1.21	0.45	11.30	-0.69	0.39	1.42	13.64	1.75	15.02	26.14	36.81	20.55
	1988-89 to 1993-94	8.81	-1.74	1.04	7.46	4.94	-3.40	-1.71	2.87	22.12	9.77	14.63	17.52
Punjab	1979-80 to 1983-84	21.46	43.13	na	24.44	16.04	41.62	na	20.98	44.47	58.14	na	47.22
	1983-84 to 1988-89	na	na	na	na	na	na	na	na	na	na	na	na
	1988-89 to 1993-94	na	na	na	na	na	na	na	na	na	na	na	na
Rajasthan	1979-80 to 1983-84	-10.07	-19.85	na	-11.69	-12.20	-24.50	na	-15.64	12.60	-19.32	na	-3.80
	1983-84 to 1988-89	15.19	1.67	26.42	13.76	12.35	1.19	26.13	10.51	36.58	22.80	28.83	32.24
	1988-89 to 1993-94	0.93	8.69	-8.76	1.57	4.15	10.64	-2.66	5.00	24.51	23.68	29.56	24.56
Tamil Nadu	1979-80 to 1983-84	-1.96	-2.69	na	-1.11	-2.28	-2.64	na	1.25	23.87	23.22	na	35.63
	1983-84 to 1988-89	0.98	11.89	-9.20	1.80	-1.27	11.33	-9.51	-0.31	16.06	36.18	13.55	18.87
	1988-89 to 1993-94	4.51	-8.14	-6.70	2.94	4.40	-8.89	-10.95	1.15	19.40	3.61	-14.30	10.29
Uttar Pradesh	1979-80 to 1983-84	-9.34	-14.78	na	-9.72	-11.43	-16.60	na	-10.75	6.32	-3.48	na	6.88
	1983-84 to 1988-89	5.47	26.58	-36.50	8.70	8.91	20.86	-30.99	10.10	35.82	69.34	-10.69	43.23
	1988-89 to 1993-94	17.11	-6.64	40.32	12.78	17.96	1.10	31.58	14.01	35.99	7.95	181.13	38.17
West Bengal	1979-80 to 1983-84	-12.14	6.12	na	-7.60	-11.35	5.01	na	-4.03	11.01	32.09	na	22.56
	1983-84 to 1988-89	10.17	8.93	-12.27	9.43	9.12	9.95	-14.75	8.16	24.91	20.01	-4.96	20.54
	1988-89 to 1993-94	9.20	4.51	3.85	7.88	8.35	0.17	18.68	5.57	19.92	17.41	67.19	22.47

**Appendix 4.1(b): Growth Rates of Urban Enterprises, Employment and Gross Value Added by Enterprise Type:
1979-80 to 1983-84, 1983-84 to 1988-89 and 1988-89 to 1993-94**

(GVA in Rs'000 at Constant at 1993-94 prices)

State	Year	Enterprises				Employment				GVA			
		OAE	NDE	DE	All Types	OAE	NDE	DE	All Types	OAE	NDE	DE	All Types
Andhra Pradesh	1979-80 to 1983-84	-16.95	-0.49	na	-10.14	-20.02	1.41	na	0.03	4.07	5.95	na	32.79
	1983-84 to 1988-89	8.39	19.83	6.16	10.25	11.32	21.95	9.56	12.42	31.75	37.68	34.08	34.14
	1988-89 to 1993-94	2.29	0.50	2.02	1.82	2.28	-1.15	-0.73	0.22	14.68	23.50	16.78	17.66
Bihar	1979-80 to 1983-84	-3.72	4.01	na	0.55	-1.88	6.04	na	8.31	26.24	34.11	na	39.42
	1983-84 to 1988-89	6.87	0.33	-18.12	3.71	6.11	3.03	-18.66	0.98	25.01	15.83	4.80	17.37
	1988-89 to 1993-94	-5.38	2.79	30.49	-1.43	-6.92	-0.44	27.91	0.43	10.08	25.16	54.57	25.84
Delhi	1979-80 to 1983-84	na	na	na	na	na	na	na	na	na	na	na	na
	1983-84 to 1988-89	na	na	na	na	na	na	na	na	na	na	na	na
	1988-89 to 1993-94	na	na	na	na	na	na	na	na	na	na	na	na
Gujarat	1979-80 to 1983-84	0.11	0.60	na	3.25	0.45	-0.28	na	8.87	24.35	26.44	na	43.29
	1983-84 to 1988-89	4.68	4.97	4.70	4.80	15.87	6.03	7.86	9.68	16.64	28.74	24.53	24.89
	1988-89 to 1993-94	16.27	9.17	12.51	13.09	4.65	7.23	12.57	7.87	43.91	17.17	29.11	27.20
Haryana	1979-80 to 1983-84	29.93	30.84	na	32.85	29.27	28.79	na	38.26	60.14	54.69	na	74.17
	1983-84 to 1988-89	-6.00	2.12	-21.38	-4.21	-8.24	2.53	-21.32	-6.08	6.43	21.51	-13.92	8.44
	1988-89 to 1993-94	0.05	-5.84	2.37	-1.99	5.29	-3.31	1.79	0.73	24.59	7.94	17.37	14.90
Karnataka	1979-80 to 1983-84	-0.43	8.91	na	10.57	0.63	10.08	na	27.22	25.98	50.10	na	85.89
	1983-84 to 1988-89	13.38	4.38	-11.70	6.25	16.15	2.07	-3.34	3.71	20.81	11.95	5.29	8.77
	1988-89 to 1993-94	-10.71	-3.40	-1.35	-7.62	-14.50	-2.16	-8.84	-9.28	12.49	15.75	9.12	11.65
Kerala	1979-80 to 1983-84	3.14	8.09	na	10.53	7.50	5.40	na	28.75	29.17	36.41	na	87.05
	1983-84 to 1988-89	4.27	-6.10	-5.84	-0.45	-1.64	-4.71	-10.96	-6.92	21.84	16.12	1.88	7.13
	1988-89 to 1993-94	-7.72	1.37	-2.36	-4.42	-4.59	2.08	-1.75	-1.59	7.92	19.93	17.27	16.77
Madhya Pradesh	1979-80 to 1983-84	5.50	11.04	na	10.27	4.30	13.07	na	16.20	27.08	38.86	na	45.92
	1983-84 to 1988-89	3.45	1.17	3.30	2.64	4.90	1.92	5.94	3.94	25.26	21.06	27.10	23.95
	1988-89 to 1993-94	2.81	-0.61	-2.04	1.26	1.63	-1.72	-4.60	-1.14	21.12	14.66	20.70	18.48
Maharashtra	1979-80 to 1983-84	-11.94	5.94	na	7.44	-14.25	3.00	na	26.36	5.51	25.13	na	71.05
	1983-84 to 1988-89	6.74	4.69	1.86	4.33	10.13	7.13	4.01	5.43	30.85	28.60	29.17	29.15
	1988-89 to 1993-94	9.50	5.57	13.64	9.34	8.68	5.69	10.25	8.91	23.92	24.03	25.03	24.79
Orissa	1979-80 to 1983-84	23.07	29.55	na	28.25	16.89	32.05	na	33.81	59.36	64.82	na	77.77
	1983-84 to 1988-89	-9.95	-9.72	4.58	-8.38	-7.02	21.58	3.41	12.18	-1.14	11.21	24.01	13.30
	1988-89 to 1993-94	7.92	-4.57	-9.55	1.59	4.57	-29.52	-8.35	-18.37	26.19	9.12	3.57	9.91

State	Year	Enterprises				Employment				GVA			
		OAE	NDE	DE	All Types	OAE	NDE	DE	All Types	OAE	NDE	DE	All Types
Punjab	1979-80 to 1983-84	33.29	38.29	na	36.15	29.00	39.67	na	37.65	44.94	52.40	na	55.08
	1983-84 to 1988-89	11.94	20.10	37.47	16.37	17.48	20.31	41.66	21.72	38.40	44.18	66.45	46.63
	1988-89 to 1993-94	na	na	na	na	na	na	na	na	na	na	na	na
Rajasthan	1979-80 to 1983-84	10.46	9.61	na	10.92	9.50	12.93	na	13.77	30.11	41.44	na	39.69
	1983-84 to 1988-89	2.10	7.24	21.20	4.29	3.09	7.08	21.86	7.09	19.63	23.26	35.57	23.47
	1988-89 to 1993-94	7.39	2.92	5.95	5.96	9.02	1.18	6.38	5.45	36.27	20.24	43.91	30.83
Tamil Nadu	1979-80 to 1983-84	-5.54	2.15	na	0.97	-4.35	-0.48	na	10.86	23.92	27.20	na	47.98
	1983-84 to 1988-89	6.28	4.63	3.28	5.35	6.98	5.97	5.47	6.11	27.37	28.18	31.22	29.50
	1988-89 to 1993-94	2.83	7.17	10.80	5.35	-0.20	6.38	11.76	6.75	15.70	24.54	39.00	31.45
Uttar Pradesh	1979-80 to 1983-84	3.15	0.88	na	3.75	4.25	2.52	na	7.48	23.34	28.10	na	32.21
	1983-84 to 1988-89	5.80	12.85	11.49	7.76	5.82	14.57	12.73	9.70	27.48	32.34	41.11	32.22
	1988-89 to 1993-94	-2.32	-6.36	-1.97	-3.34	-2.30	-7.10	8.25	-1.89	12.01	12.52	30.35	18.25
West Bengal	1979-80 to 1983-84	-1.51	2.93	na	3.19	-1.15	2.63	na	12.75	25.21	26.08	na	53.41
	1983-84 to 1988-89	7.43	13.26	5.19	9.11	3.46	13.70	0.95	6.33	74.06	51.66	3.03	43.76
	1988-89 to 1993-94	7.39	4.16	5.74	6.08	10.31	4.15	9.52	7.54	-18.98	4.10	30.29	-1.13

Appendix 4.1(c): Growth Rates of Enterprises, Employment and Gross Value Added by Enterprise Type: 1979-80 to 1983-84, 1983-84 to 1988-89 and 1988-89 to 1993-94: All Locations

(GVA in Rs'000 at Constant at 1993-94 prices)

State	Year	Enterprises				Employment				GVA			
		OAE	NDE	DE	All Types	OAE	NDE	DE	All Types	OAE	NDE	DE	All Types
Andhra Pradesh	1979-80 to 1983-84	-16.51	-5.82	na	-13.45	-15.52	-4.14	na	-6.78	11.26	-6.14	na	20.02
	1983-84 to 1988-89	11.45	23.84	3.17	12.50	13.86	23.49	7.23	13.61	28.30	40.07	32.30	31.94
	1988-89 to 1993-94	1.28	-3.27	5.96	0.83	-1.69	-3.37	2.49	-1.05	15.85	17.81	19.95	18.00
Bihar	1979-80 to 1983-84	-9.19	-3.18	na	-6.44	-9.49	-1.57	na	-2.17	16.28	26.20	na	27.16
	1983-84 to 1988-89	0.39	5.75	-13.52	1.04	-0.09	7.76	-13.63	0.53	17.21	23.61	6.29	17.76
	1988-89 to 1993-94	5.96	-0.83	26.60	5.16	5.58	-3.15	26.39	5.36	19.94	18.27	53.12	25.73
Delhi	1979-80 to 1983-84	na	na	na	na	na	na	na	na	na	na	na	na
	1983-84 to 1988-89	na	na	na	na	na	na	na	na	na	na	na	na
	1988-89 to 1993-94	na	na	na	na	na	na	na	na	na	na	na	na
Gujarat	1979-80 to 1983-84	-2.23	-1.26	na	0.55	-3.29	-1.44	na	5.87	23.61	26.82	na	42.49
	1983-84 to 1988-89	6.89	7.82	1.14	6.76	12.37	7.01	3.59	8.01	29.72	27.89	19.09	25.15
	1988-89 to 1993-94	9.83	3.30	11.53	7.64	5.53	3.79	11.77	6.42	28.17	15.89	28.80	23.76

State	Year	Enterprises				Employment				GVA			
		OAE	NDE	DE	All Types	OAE	NDE	DE	All Types	OAE	NDE	DE	All Types
Haryana	1979-80 to 1983-84	9.71	11.24	na	12.19	13.38	11.61	na	19.91	41.69	37.64	na	54.18
	1983-84 to 1988-89	-8.06	0.92	-21.38	-5.89	-10.74	1.29	-21.32	-7.57	5.77	20.77	-13.92	8.00
	1988-89 to 1993-94	9.85	-4.69	6.07	5.01	16.06	-1.98	5.96	6.88	39.20	9.52	22.07	22.69
Karnataka	1979-80 to 1983-84	2.57	5.26	na	6.02	4.27	6.75	na	15.44	32.43	45.69	na	68.29
	1983-84 to 1988-89	2.52	4.03	-8.89	1.76	3.72	1.56	-1.59	1.74	21.68	13.69	7.12	12.55
	1988-89 to 1993-94	2.85	-0.20	-1.98	2.05	-0.52	0.64	-8.70	-2.23	17.27	17.17	8.73	13.93
Kerala	1979-80 to 1983-84	-1.50	5.05	na	1.21	0.43	6.21	na	8.26	20.83	32.96	na	47.32
	1983-84 to 1988-89	-3.68	-4.65	-8.05	-4.11	-6.87	-6.23	-3.58	-5.98	18.33	18.56	11.73	15.56
	1988-89 to 1993-94	9.35	6.79	-3.24	8.40	12.19	9.29	-9.61	7.60	29.82	19.67	7.33	19.30
Madhya Pradesh	1979-80 to 1983-84	8.47	15.17	na	11.98	9.46	16.32	na	17.39	35.84	47.57	na	49.87
	1983-84 to 1988-89	-2.47	2.67	6.43	-0.24	-0.06	4.31	8.38	3.22	16.33	20.34	28.07	20.77
	1988-89 to 1993-94	5.46	-5.14	-1.62	1.66	2.77	-6.38	-3.87	-2.11	22.48	8.71	21.05	16.48
Maharashtra	1979-80 to 1983-84	-2.11	11.74	na	9.06	-5.98	9.95	na	22.10	18.94	36.13	na	66.12
	1983-84 to 1988-89	6.79	-0.24	1.95	3.41	12.60	1.62	3.93	5.08	27.52	21.52	28.48	26.71
	1988-89 to 1993-94	-0.76	2.98	12.09	3.22	-2.95	3.07	9.46	5.04	14.64	20.54	24.96	23.03
Orissa	1979-80 to 1983-84	5.66	11.73	na	8.39	0.29	13.32	na	9.17	39.57	43.57	na	50.83
	1983-84 to 1988-89	-3.86	-6.76	6.31	-3.96	-1.58	17.79	5.94	7.79	8.99	15.37	25.90	15.95
	1988-89 to 1993-94	8.60	-3.52	-5.92	5.45	4.86	-24.12	-6.13	-8.55	23.28	9.36	6.02	13.27
Punjab	1979-80 to 1983-84	30.31	38.68	na	33.87	25.51	39.81	na	34.81	44.84	52.68	na	54.15
	1983-84 to 1988-89	6.79	17.93	37.47	12.35	11.79	18.55	41.66	18.42	32.21	42.61	66.45	43.38
	1988-89 to 1993-94	na	na	na	na	na	na	na	na	na	na	na	na
Rajasthan	1979-80 to 1983-84	0.51	-0.17	na	0.83	-0.82	0.10	na	1.49	23.39	15.35	na	21.75
	1983-84 to 1988-89	7.56	6.31	21.63	7.62	6.63	6.25	22.18	7.99	25.76	23.19	34.86	25.55
	1988-89 to 1993-94	4.32	3.84	4.89	4.24	6.96	2.53	5.75	5.32	31.42	20.77	42.82	29.22
Tamil Nadu	1979-80 to 1983-84	-2.98	0.43	na	-0.38	-2.86	-1.26	na	5.07	23.89	25.96	na	41.34
	1983-84 to 1988-89	2.50	7.24	0.26	3.16	1.20	7.96	2.04	2.80	19.96	30.74	25.71	24.80
	1988-89 to 1993-94	3.99	2.01	8.44	3.95	2.88	1.25	9.29	4.27	17.94	18.59	32.76	25.03
Uttar Pradesh	1979-80 to 1983-84	-1.84	-3.15	na	-1.21	-1.60	-2.19	na	1.50	18.03	21.80	na	25.53
	1983-84 to 1988-89	5.69	15.90	8.50	8.03	6.73	15.68	9.33	9.79	29.66	38.56	38.18	34.38
	1988-89 to 1993-94	5.57	-6.44	-1.07	2.62	5.80	-5.21	8.80	2.83	21.31	11.27	42.67	24.21

State	Year	Enterprises				Employment				GVA			
		OAE	NDE	DE	All Types	OAE	NDE	DE	All Types	OAE	NDE	DE	All Types
West Bengal	1979-80 to 1983-84	-7.96	4.43	na	-2.89	-7.37	3.72	na	4.05	17.72	28.66	na	40.20
	1983-84 to 1988-89	8.94	11.23	2.96	9.27	6.68	12.00	-0.70	7.11	58.87	40.61	2.46	38.36
	1988-89 to 1993-94	8.43	4.32	5.60	6.99	9.14	2.51	10.21	6.69	-8.57	7.43	33.77	3.98