



GOVERNMENT OF MAHARASHTRA

A REPORT ON
‘UNORGANISED MANUFACTURING ENTERPRISES’
BASED ON DATA COLLECTED IN STATE SAMPLE OF
56th ROUND OF NATIONAL SAMPLE SURVEY
(JULY, 2000 – JUNE, 2001)

VOL.I

**Directorate of Economics and Statistics, Planning Department,
Government of Maharashtra,
Mumbai**

PREFACE

The Directorate of Economics and Statistics has prepared a report on ‘**Unorganised Manufacturing Enterprises**’ based on the data of state sample collected in the 56th round (July, 2000 to June, 2001) of National Sample Survey.

2. Volume I of the report contains important findings of the survey in ‘Executive Summary’ while detailed results are given in ‘Findings of the survey’. Estimation procedure, concepts & definitions and list of statistical tables are given in Volume II. Both the volumes are available on the Directorate’s website “<http://mahades.maharashtra.gov.in>”.

3. I hope results of this survey will be useful to senior officers of the Government involved in policy framing, researchers, economists and academicians.

Mumbai
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Director of Economics and Statistics,
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Chapter 1

Executive Summary

*The state sample of survey on 'Unorganised Manufacturing' conducted in Maharashtra during July, 2000 to June, 2001 (56th round of NSS) indicates that there were **9.5 lakh** unorganised manufacturing enterprises. Out of these **5.16 lakh** were in rural and **4.34 lakh** were in urban areas. This was **9.4 percent**, **4.1 percent** and **16.5 percent** respectively more over those in the year 1994-95. Just **26.3 percent** of these were registered. Apparel manufacturing units, food products and wood products were the predominant areas where these enterprises operated. The total employment generated by them was **23.8 lakhs** of which **61 percent** was in the urban areas. The gross value added **per enterprise** was Rs. **41,774** in rural and Rs. **1.28 lakh** in urban areas, while the gross value added **per worker** was Rs. **23,107** in rural and Rs. **38,588** in urban areas.*

Survey findings

2 **Enterprises:** The share of unorganised manufacturing enterprises in rural areas was 54 per cent which has gone down from 57.11 per cent in 94-95 indicating a shift of enterprises from rural to urban areas. Compared to 1994-95 the Own Account Manufacturing Enterprises (**OAME**:-which are run without a hired worker) increased by **10 per cent**, the Directory Manufacturing Establishments (**DME**:-which have at least one hired worker with total number of workers six or more) have registered a growth of **39 per cent** while the Non-Directory Manufacturing Establishments (**NDME**:-which have at least one hired worker with total number of workers less than six) have decreased by **five percent**.

3 **Industrial groups:** It is observed that enterprises in “manufacturing of wearing apparel” are predominant in the unorganized manufacturing sector of the State followed by those in the manufacturing of “food products and beverages” and then by “wood & wood products”. The industry group ‘Manufacturing of wearing apparel’ generated maximum employment.

4 **Employment:** The survey results show that the unorganised manufacturing sector generated **23.8 lakh** employment opportunities, out of which about **61 per cent** were in the urban areas. The distribution of employment according to the type of enterprise shows that about **43 per cent** was accounted for by the OAME’s, about **21 per cent** by the NDME’s and remaining **36 per cent** by DME’s.

5 The total number of hired workers grew by about **30 per cent** while the total persons employed in the sector increased by **five percent** during 1994-95 to 2000-01. The increase in employment was about **8 per cent** in NDMEs and **48 per cent** in DME’s, though it has decreased by about **19 percent** in OAME’s. During the same period in rural areas, the total employment in unorganized manufacturing sector has decreased by about **11 per cent**.

6 **Gross Value added:** The gross value added **per enterprise** was Rs. **41,774** in rural and Rs. **1.28 lakh** in urban areas, while the gross value added **per worker** was Rs. **23,107** in rural and Rs. **38,588** in urban areas. The proportion of gross value added for the industry group ‘Manufacture of

food products and beverages' was maximum (**24.40 per cent**) followed by 'Manufacture of other non-metallic mineral products' (**19.67 per cent**) in rural areas and was maximum for the category 'Manufacture of textiles' (**19.56 per cent**) followed by 'Manufacture of wearing apparel; dressing and dyeing of fur' (**17.88 per cent**) in urban areas.

7. **Registration:** It is observed that **73.7 per cent** of the enterprises were not registered under any act or authority. The proportion of registered enterprises in the rural areas was only **14.5 per cent** and that in the urban areas was **40.4 per cent**. Amongst the registered enterprises, maximum were registered under the Municipal Act (90.8 per cent), followed by registration under Handicraft Commission (12.4 per cent) and Directorate of Industries (9.6 per cent).

Survey Recommendations

- 1 Mandatory registration of enterprises may be considered as a policy matter.
- 2 Since the unorganized manufacturing sector contributes significantly to the economy especially by way of employment generation, policies may be formed to give some incentives/concessions to enterprises in the sector, to encourage entrepreneurs.

Chapter 2

Survey findings

Introduction

1 During 1977, the first Economic Census was conducted by the Central Statistical Organisation (CSO) in collaboration with the State Statistical Bureaus in order to collect some basic information about non-agriculture enterprises employing at least one hired worker (referred as establishments). Following this census, small establishments and enterprises not employing any hired workers [known as Own Account Enterprises (OAE)] engaged in manufacturing and repairing activities were surveyed on sample basis in the 33rd round of NSS during 1978-79.

2 The Second Economic Census was conducted in 1980 along with the house listing operations of the 1981 Population Census. This census had a bigger coverage than the earlier one since it covered interalia, the own account enterprises also. While presenting the results of this census, the establishments were further split into two categories as (i) Directory Establishment (DE) and (ii) Non-Directory Establishments (NDE), the difference being that the former employed a total of six or more workers while the latter employed a total of five or less number of workers.

3 As a follow up to the Second Economic Census, OAE and NDE engaged in manufacturing and repairing activities were surveyed in the 40th and 45th rounds of NSS during July, 1984 to June, 1985 and July, 1989 to June, 1990 respectively. The Third Economic Census was conducted in 1990 along with the house listing operations of the 1991 Population Census following the same concepts and definitions as in the second Economic Census. As a follow-up to the third Economic Census, the first integrated survey on unorganized manufacturing and repairing enterprises covering OAME's, NDME's and DME's was conducted in the 51st round of NSS during July, 1994 to June, 1995. The Fourth Economic Census was conducted during 1998, independent of Population Census. As a follow-up to this census, the second integrated survey on unorganized manufacturing was conducted in 56th round of NSS during July, 2000 to June, 2001 with similar concepts of 51st round of NSS. To get an idea about the changes in the unorganized manufacturing sector over the period 1994 to 2000 data of 51st round are compared with the current round data. The comparison is restricted to these two rounds because of the similarity in coverage and conceptual framework of both the surveys.

4 **About the Survey:** - The information from fourth economic census conducted by CSO during 1988 was used for stratification and list of villages and blocks was used as frame for selection in this survey. The State sample covered the entire rural and urban area of the State.

5 **Period of Survey:** - The 56th round of NSS was of one year duration starting from July, 2000 to June, 2001. This round was further subdivided into four sub-rounds each of three months duration as follows:

- Sub-round 1 : July, 2000 to September, 2000.
- Sub-round 2 : October, 2000 to December, 2000.
- Sub-round 3 : January, 2001 to March, 2001.
- Sub-round 4 : April, 2001 to June, 2001.

In all these sub-rounds, equal numbers of sample villages/blocks were allotted for survey.

6 The schedule for this enquiry was designed to collect the information on all Own Account Manufacturing Enterprises (OAME), Non Directory Manufacturing Establishments (NDME) and Directory Manufacturing Establishments (DME) except enterprises engaged in repair & maintenance of computer & computer based systems (National Industrial Classification [NIC] - 1998 Code 72501), repair of office, computing and accounting machinery other than computers and computer based systems (NIC-1998 code 72502) and maintenance and repair of motor vehicles (including washing and polishing etc.) (NIC-1998 code 50200). These manufacturing enterprises/establishments were covered by the two-digit codes, (called divisions) 15 to 37 (Tabulation category 'D') under NIC-1998. Enterprises registered under Sections 2m(i) and 2m(ii) of the Factories Act, 1948 (i.e. enterprises employing 10 or more workers using power and those employing 20 or more workers without using power) were excluded from the survey coverage. However, enterprises registered under Section 85 of Factories Act, 1948 were covered in this survey. In addition, enterprises engaged in cotton ginning, cleaning and bailing (NIC-98 Code 01405) not covered under ASI were also covered. Bidi and Cigar Manufacturing enterprises except those registered under bidi and cigar workers (condition of employment) Act, 1966 and covered under ASI, were into the purview of the survey. The main objective of the survey was to collect more details about capital, employment, emoluments, inputs, outputs etc. of these enterprises/establishments (establishment is an enterprise having at least one hired worker on fairly regular basis during major part of the operation). This report provides structural changes in status and count of unorganized sector of manufacturing industry.

Results of survey

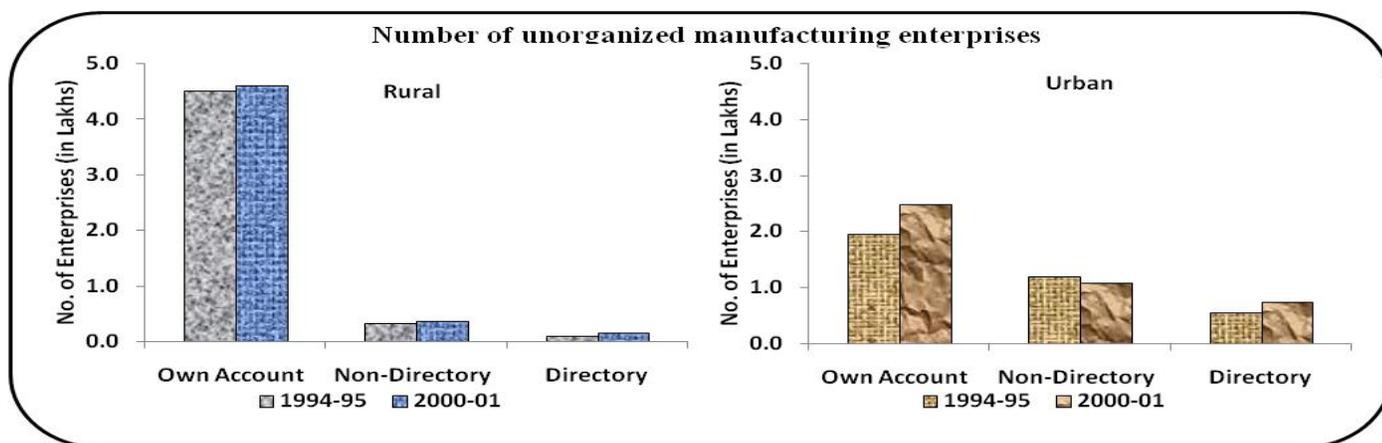
Number of enterprises

7 Before entering into the details of the survey findings, it is pertinent to know about the types of manufacturing enterprises covered during the survey. Three different types of manufacturing enterprises viz. (i) Own Account Manufacturing Enterprises (OAME) – those run without any hired worker, (ii) Non-Directory Manufacturing Establishments (NDME) – those run with at least one hired worker, total number of workers being less than six and (iii) Directory Manufacturing Establishments (DME) – those run with at least one hired worker, total workers being six or more, were covered. The classification of the enterprises in these three types helps to present the magnitude of the functioning of the enterprises along with the employment opportunities available in the unorganised sector. Table 1 gives number of unorganized manufacturing enterprises by type.

Table 1
Number of unorganized manufacturing enterprises by type

Manufacturing Enterprise Type	Rural		Urban		State (Rural + Urban)		
	1994-95	2000-01	1994-95	2000-01	1994-95	2000-01	Percentage increase
Own Account	4,51,066	4,61,828	1,96,586	2,49,426	6,47,652	7,11,254	9.8
Non-Directory	34,667	37,998	1,20,497	1,09,551	1,55,164	1,47,549	(-) 4.9
Directory	10,476	16,533	55,492	75,007	65,968	91,540	38.8
All	4,96,209	5,16,359	3,72,575	4,33,984	8,68,784	9,50,343	9.4

8 There were in all 9.50 lakh enterprises in the State belonging to the unorganized manufacturing sector during 2000-01 showing an increase of 9.4 per cent over that in 1994-95. The OAME registered a growth of about 10 per cent while the DME's have shown a significant growth of about 39 per cent over the period from 1994-95 to 2000-01. It may be seen that in rural area, all the three types of enterprises have increased, the rise being 2.4 per cent for OAME, 9.6 per cent for NDME and 57.8 per cent for DME. However, in urban area OAME and DMEs have increased (by 26.9 and 35.2 per cent respectively) while NDMEs have decreased (by 9.1 per cent) during 94-95 to 2000-01. The percentage share of enterprises in rural areas has gone down from 57.11 per cent to 54.33 per cent indicating a shift of enterprises for rural to urban areas in the last five years.



9 The enterprises were classified according to the manufacturing activity as described by the two-digit level of National Industrial Classification of 1998 (NIC-1998). Percentage distribution of enterprises by different industries for each enterprise type for the State is given in Table 2.

Table 2
Percentage distribution of enterprises by different industries for each enterprise type

Manufacturing activity	Enterprise type			
	Own Account	Non Directory	Directory	All
Food products and beverages	17.72	15.64	9.96	16.65
Tobacco products	3.43	0.10	0.43	2.63
Textiles	3.79	16.10	24.27	7.67
Wearing apparel; dressing and dyeing of fur	37.45	19.70	11.48	32.19
Tanning and dressing of leather; luggage, handbags, saddle, harness and footwear	2.57	1.87	1.82	2.39
Wood and products of wood and cork except furniture, articles of straw and plaiting materials	16.18	2.62	1.79	12.69
Paper and paper products	0.24	0.94	0.88	0.42
Publishing, printing and reproduction of recorded media	0.86	5.46	2.75	1.75
Coke, refined petroleum products and nuclear fuel	0.03	0.15	0.00	0.05
Chemicals and chemical products	0.46	0.74	0.79	0.54
Rubber and plastic products	0.35	3.02	6.06	1.31
Other non-metallic mineral products	3.44	4.36	11.15	4.32
Basic metals	0.44	1.85	2.38	0.84
Fabricated metal products, except machinery and equipment	5.31	13.84	10.59	7.14

Machinery and equipment n.e.c.*	0.21	1.80	2.58	0.69
Office, accounting and computing machinery	<i>Neg</i>	0.02	0.01	<i>Neg</i>
Electrical machinery and apparatus n.e.c.*	0.14	1.43	1.79	0.50
Radio, television and communication equipment and apparatus	<i>Neg</i>	0.07	0.45	0.06
Medical, precision and optical instruments, watches and clocks	0.14	0.09	0.51	0.07
Motor vehicles, trailers and semi-trailers	<i>Neg</i>	0.39	0.71	0.13
Other transport equipment	0.01	0.05	0.24	0.04
Furniture, manufacturing n.e.c.*	7.29	9.69	9.31	7.86
Recycling	0.06	0.07	0.04	0.06
All	100.00	100.00	100.00	100.00

*n.e.c. - not elsewhere classified; Neg - negligible.

10 It is observed that enterprises for manufacturing of 'wearing apparel' are predominant in the unorganized manufacturing sector of the State followed by those is the manufacturing of "food products, beverages" and then by "wood & wood products". Among other manufacturing activities, share of enterprises in manufacturing of textiles, fabricated metal products, other non-metallic mineral products are significant. Same manufacturing activities were predominant during 1994-95 as well so, there are no significant structural changes in the unorganized manufacturing sector over the period 1994-95 to 2000-01.

Employment

11 The unorganised manufacturing sector is known for its potential for employment opportunities in the Indian economy. The survey results show that the unorganised manufacturing sector generated 23.8 lakh employment opportunities, out of which about 61 percent were in the urban areas. The distribution of employment according to the type of enterprise shows that about 43 per cent was accounted for by the own account manufacturing enterprises, about 21 per cent by the non-directory manufacturing establishments and remaining 36 per cent by directory manufacturing establishments.

12 The employment opportunities generated by the unorganised manufacturing sector grew by about 5 per cent during 1994-95 to 2000-01. This growth is not remarkable, keeping in view the growth rate of number of enterprises, indicating increased dependence on machineries/automated production units over man power.

Table 3
Estimated employment by enterprise type

Manufacturing Enterprise Type	(in lakh)					
	Rural		Urban		State (Rural + Urban)	
	1994-95	2000-01	1994-95	2000-01	1994-95	2000-01
Own Account	8.19	6.64	3.39	3.73	11.58	10.37
Non-Directory	1.04	1.13	4.11	3.80	5.16	4.93
Directory	1.06	1.57	4.99	6.94	6.04	8.51
All	10.29	9.34	12.49	14.47	22.78	23.81

13 In rural areas, the total employment in unorganized manufacturing sector has decreased by about 11 per cent which is due to decrease in employment in OAME's (by about 19 per cent). In other types of enterprises, the employment shows an increase, by about 8 per cent in NDMEs and by 48 per cent in DME. It is interesting to note that though the no. of OAME have increased, the employment therein has decreased implying that the owner is the sole worker in most of the OAME's with no help from household members; which may further be attributed to inclination towards nucleus families.

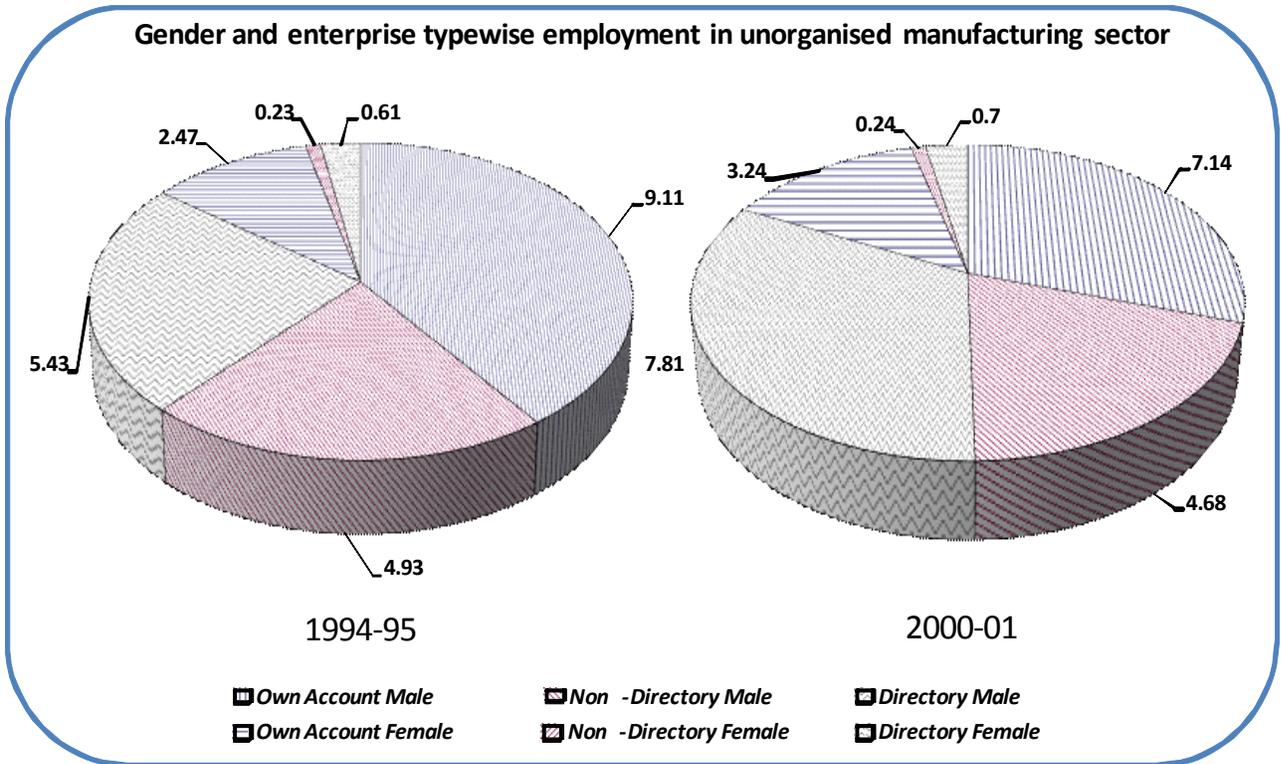
14 The total number of estimated employment for the State was 23.81 lakh out of which 8.51 lakh (35.7 per cent) were working in DME's, 4.93 lakh (20.7 per cent) were working in NDME's and 10.37 lakh (43.6 per cent) were working in OAME's. In the urban areas, out of total employment of 14.47 lakh, 6.94 lakh (47.93 per cent), 3.80 lakh (26.24 per cent) and 3.73 lakh (25.83 per cent) were for DME's, NDME's and OAME's respectively. Similarly, for rural areas, out of total 9.34 lakh workers, 1.57 lakh (16.83 per cent), 1.13 lakh (12.00 per cent) and 6.64 lakh (71.17 per cent) were in DME's, NDME's and OAME's respectively.

15 The estimated number of workers during 51st round and 56th round were 22.78 lakh and 23.81 lakh respectively with a definite shift of employment from rural sector to urban sector.

Table 4
Gender wise employment by type of enterprise

Manufacturing Enterprise Type	(in lakh)											
	Rural				Urban				State			
	1994-95		2000-01		1994-95		2000-01		1994-95		2000-01	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Own Account	6.25	1.94	4.56	2.08	2.86	0.53	2.58	1.16	9.11	2.47	7.14	3.24
Non-Directory	0.93	0.11	1.06	0.06	4.00	0.12	3.62	0.18	4.93	0.23	4.68	0.24
Directory	0.81	0.25	1.25	0.32	4.62	0.36	6.56	0.38	5.43	0.61	7.81	0.70
All	7.99	2.30	6.87	2.46	11.48	1.00	12.76	1.72	19.47	3.31	19.63	4.18

16 In the State, the percentage of males in the total employment was 82.4 per cent and of females it was 17.6 per cent. In rural areas, the proportion of females in total employment was 26.4 per cent and in the urban areas it was 11.9 per cent. This clearly indicates that overall females had comparatively less participation in terms of employment, more specifically in urban areas.



17 Since, the concept of worker was different in 56th rounds as compared to the earlier rounds, for comparison purposes, only the common type of worker i.e. 'hired worker' is considered in Table 5. A hired worker is a person employed directly or through any agency on payment of regular wage / salary in cash or kind. Apprentices, paid or unpaid, as well as paid household workers, servants and resident workers of the enterprise are also to be considered as hired workers. The total number of hired workers has increased from 7.79 lakh to 10.11 lakh over the last five years registering a smart growth of about 30 per cent.

Table 5
Hired workers

Sector	1994-95			2000-01		
	Male	Female	Total	Male	Female	Total
Rural	1.11	0.22	1.33	1.57	0.34	1.91
Urban	6.10	0.36	6.46	7.76	0.44	8.20
All	7.21	0.58	7.79	9.33	0.78	10.11

18 Information on estimated number of workers by gender in different categories of workers in 56th round is given in Table 6. The rural – urban gap is significant for 'hired worker' category where 81 per cent hired workers are in urban and only 19 per cent are in rural areas. In the total number of estimated workers, 17.6 per cent were females. This proportion in rural and urban areas was 26.4 per cent and 11.9 per cent respectively. Amongst the different types of workers, the proportion of female workers was more in 'other workers' which was 47.7 per cent in rural area, 21.9 per cent in

urban area and 36.0 per cent for the State. Proportion of females in working owners for rural, urban and State was 25.5 per cent, 20.1 per cent and 23.1 per cent respectively.

Table 6
Categorywise workers

Sector	Working owner			Hired Workers			Other Workers *			Total Workers		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Rural	4.72	1.62	6.34	1.57	0.34	1.91	0.58	0.50	1.08	6.87	2.46	9.33
Urban	4.28	1.08	5.36	7.76	0.44	8.20	0.72	0.20	0.92	12.76	1.72	14.48
All	9.00	2.70	11.70	9.33	0.78	10.11	1.30	0.70	2.00	19.63	4.18	23.81

**Other workers - includes all persons belonging to household of proprietor or households of working in or for enterprise without regular salary or wages. Persons working as exchange labourer in enterprise without salary or wages are also covered in this category. All unpaid household workers/helpers who are associated with activities of enterprise during the reference month are considered in this category.*

19 Percentage distribution of employment by different industries (at 2 digit level of NIC-1998) for each enterprise type in the State is given in Table 7. It is observed that, maximum employment was generated in 'Manufacturing of wearing apparel; dressing and dyeing of fur' (21.39 per cent) followed by 'Manufacture of textiles' (15.88 per cent). In DME's maximum employment (28.25 per cent) were found in 'Manufacture of textiles' followed by 'Manufacture of other non-metallic mineral products' (11.49 per cent). In NDME's maximum employment (18.67 per cent) were observed in 'Manufacture of other wearing apparel; dressing and dyeing of fur' followed by 'Manufacture of textiles' (18.04 per cent). It was observed that maximum employment in OAMEs was generated in 'Manufacturing of wearing apparel; dressing and dyeing of fur' (30.89 per cent) followed by 'Manufacture of food products and beverages' (18.44 per cent).

Table 7
Percentage distribution of employment by different industries for each enterprise type

Manufacturing activity	Enterprise type			
	Own Account	Non Directory	Directory	All
Food products and beverages	18.44	13.37	9.69	14.27
Tobacco products	3.47	0.11	0.45	1.69
Textiles	4.71	18.04	28.25	15.88
Wearing apparel; dressing and dyeing of fur	30.89	18.67	11.38	21.39
Tanning and dressing of leather; Manufacture of luggage, handbags, saddle, harness and footwear	2.77	1.89	1.49	2.13
Wood and products of wood and cork except furniture, articles of straw and plaiting materials	16.35	2.69	1.48	8.21
Paper and paper products	0.31	1.12	0.79	0.65
Publishing, printing and reproduction of recorded media	0.94	5.66	2.10	2.33
Coke, refined petroleum products and nuclear fuel	0.07	0.22	<i>Neg</i>	0.07
Chemicals and chemical products	0.45	0.78	0.68	0.60
Rubber and plastic products	0.44	3.40	5.44	2.84
Other non-metallic mineral products	5.56	4.82	11.49	7.55
Basic metals	0.54	1.90	1.94	1.32
Fabricated metal products, except machinery and equipment	6.36	13.77	9.47	9.00
Machinery and equipment n.e.c.*	0.24	1.93	2.29	1.32
Office, accounting and computing machinery	<i>Neg</i>	0.02	0.02	0.01
Electrical machinery and apparatus n.e.c.*	0.12	1.55	1.97	1.07
Radio, television and communication equipment and apparatus	0.01	0.17	0.37	0.17
Medical, precision and optical instruments, watches and clocks	0.01	0.11	0.39	0.17
Motor vehicles, trailers and semi-trailers	0.02	0.44	0.65	0.33
Other transport equipment	0.01	0.06	0.21	0.09
Furniture, manufacturing n.e.c.*	8.21	9.22	9.42	8.85
Recycling	0.08	0.06	0.03	0.06
All	100.00	100.00	100.00	100.00

Gross value added

20 Gross value added is an indicator of viability of an industry calculated broadly as the difference between output and intermediate consumption for any industry and is usually given in terms of total GVA, GVA per enterprise and GVA per worker.

21 Percentage distribution of aggregate gross value added by different industries (NIC-2 digit 1998 codes) for rural and urban areas are given in Table 8 which shows that for the rural areas, proportion of gross value added for the NIC category 'Manufacture of food products and beverages' was maximum i.e. 24.40 per cent followed by 19.67 per cent for 'Manufacture of other non-metallic mineral products'. For urban areas, the gross value added was the maximum for the category 'Manufacture of textiles' (19.56 per cent) followed by 'Manufacture of wearing apparel; dressing and dyeing of fur' (17.88 per cent).

Table 8
Aggregate gross value added by different industries (at 2 digit level of NIC-98) for rural and urban areas

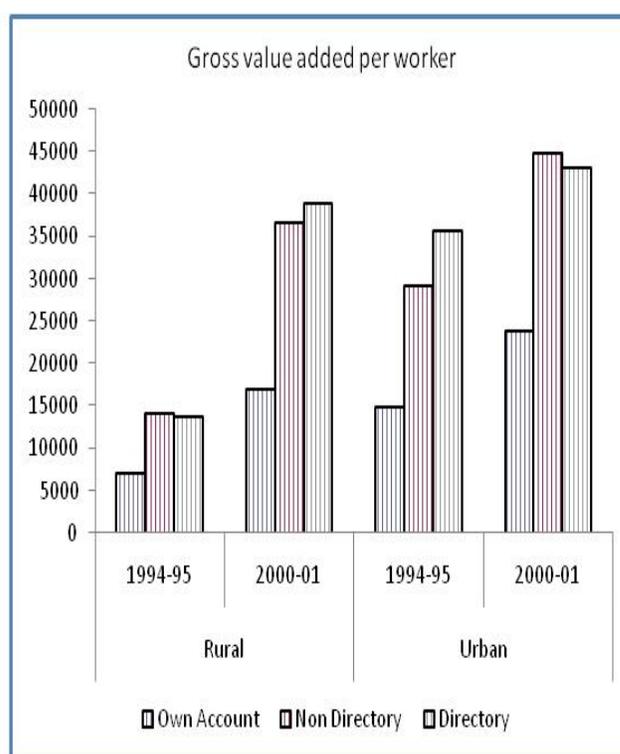
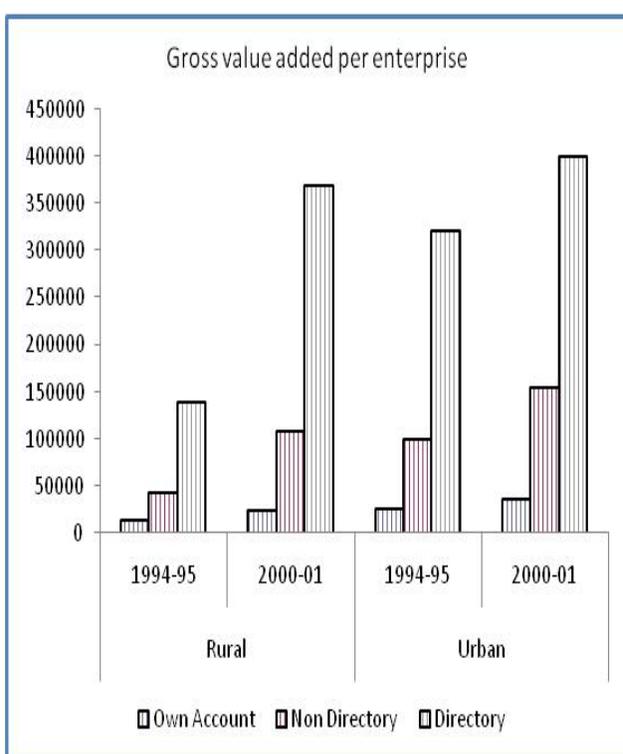
Manufacturing activity	Rural		Urban	
	Aggregate GVA (Rs. lakh)	Percentage	Aggregate GVA (Rs. lakh)	Percentage
Food products and beverages	52,639.74	24.40	44,873.16	8.03
Tobacco products	2,462.59	1.14	1,369.11	0.25
Textiles	18,560.67	8.60	1,09,244.44	19.56
Wearing apparel; dressing and dyeing of fur	34,241.83	15.88	99,888.61	17.88
Tanning and dressing of leather; Manufacture of luggage, handbags, saddle, harness and footwear	3,501.69	1.62	11,841.21	2.12
Wood and products of wood and cork except furniture, articles of straw and plaiting materials	25,397.41	11.77	12,808.52	2.29
Paper and paper products	556.94	0.26	7,698.15	1.38
Publishing, printing and reproduction of recorded media	2,205.83	1.02	21,482.21	3.85
Coke, refined petroleum products and nuclear fuel	695.25	0.32	0.00	0.00
Chemicals and chemical products	1,251.57	0.58	5,632.74	1.01
Rubber and plastic products	3,163.25	1.47	34,505.54	6.18
Other non-metallic mineral products	42,412.45	19.67	20,621.77	3.69
Basic metals	467.03	0.22	16,105.63	2.88
Fabricated metal products, except machinery and equipment	17,514.79	8.12	64,915.00	11.62
Machinery and equipment n.e.c.*	263.65	0.12	17,858.92	3.20
Office, accounting and computing machinery	0.00	0.00	149.12	0.03
Electrical machinery and apparatus n.e.c.*	711.35	0.33	11,266.74	2.02
Radio, television and communication equipment and apparatus	0.00	0.00	3,376.39	0.60
Medical, precision and optical instruments, watches and clocks	348.78	0.16	1,248.50	0.22
Motor vehicles, trailers and semi-trailers	1,503.88	0.70	4,621.88	0.83
Other transport equipment	43.23	0.02	1050.07	0.19
Furniture, manufacturing n.e.c.*	7,654.41	3.55	67,599.66	12.10
Recycling	105.86	0.05	404.39	0.07
All	2,15,702.20	100.00	5,58,561.77	100.00

22 During 2000-01, the gross value added per enterprise by a DME in rural areas was Rs.3.69 lakh which was more than three times that by a NDME and fifteen times more than that of an OAME. In urban areas the gross value added per enterprise by a DME was Rs.3.99 lakh which again was two and half times more than that of NDME and eleven times more than that of an OAME.

23 The gross value added per worker in rural areas by a DME was Rs.38,908 which was slightly higher than that by NDME and more than double than that of OAME. The gross value added per worker by a DME in urban areas was Rs.43,153 which was less than that of a NDME by about 3.7 per cent and more than that of a OAME by about 81 per cent.

Table 9
Gross value added per enterprise and per worker by enterprise type for rural and urban areas

Manufacturing Enterprise Type	Rural				Urban			
	GVA per enterprise (Rs)		GVA per Worker (Rs)		GVA per enterprise (Rs)		GVA per Worker (Rs)	
	1994-95	2000-01	1994-95	2000-01	1994-95	2000-01	1994-95	2000-01
Own Account	12,946	24,562	7,131	17,067	25,550	35,611	14,830	23,798
Non Directory	42,526	1,08,715	14,127	36,678	99,676	1,55,317	29,199	44,774
Directory	1,38,939	3,69,493	13,740	38,908	3,20,739	3,99,460	35,702	43,153
All	17,673	41,774	8,521	23,107	93,489	1,28,706	27,859	38,588



24 Per enterprise value of key characteristics for OAME's, NDME's and DME's in rural and urban areas is given in Table 10 (R) & 10 (U). During 2000-2001, in rural areas, number of OAMEs was higher than NDMEs and DMEs. The number of persons employed (per enterprise) for DME, NDME and OAME were 9.50, 2.96 and 1.44 respectively. The number of persons employed per DME was more than six times than that of OAME. Fixed asset per enterprise for DME was Rs.3.78

lakh which was 2.7 times more than NDME and 12.8 times more than OAME. The outstanding loan per enterprise for DME was Rs.64,220 which was substantially higher than that for NDME and OAME. The gross value added per enterprise by DME was Rs.3.69 lakh, which was more than three times that of NDME and fifteen times more than that of OAME.

Table 10(R)
Per enterprise values of key characteristics for OAME's, NDME's & DME's in RURAL areas of State

Character	Manufacturing Enterprise Type					
	Own Account		Non-Directory		Directory	
	1994-95	2000-01	1994-95	2000-01	1994-95	2000-01
1. No of enterprises (lakh)	4.51	4.62	0.35	0.38	0.10	0.17
2. Per enterprise value of						
a) No. of persons employed	1.82	1.44	3.01	2.96	9.65	9.50
b) Fixed assets (Rs.000)	12.90	29.44	49.45	136.63	380.78	378.5
c) Outstanding loan (Rs.000)	0.70	0.53	3.24	9.62	176.88	64.22
d) Input (Rs.000)	9.70	17.99	45.54	94.41	494.56	444.62
e) Output (Rs.000)	22.65	42.60	87.66	203.15	633.54	815.59
f) Gross value added (Rs.000)	12.95	24.56	42.53	108.72	138.94	369.49

Table 10(U)
Per enterprise values of key characteristics for OAME's, NDME's & DME's in URBAN areas of State

Character	Manufacturing Enterprise Type					
	Own Account		Non-Directory		Directory	
	1994-95	2000-01	1994-95	2000-01	1994-95	2000-01
1. No of enterprises (lakh)	1.97	2.49	1.2	1.10	0.55	0.75
2. Per enterprise value of						
a) No. of persons employed	1.72	1.50	3.41	3.47	8.98	9.26
b) Fixed assets (Rs.000)	35.20	85.42	110.91	352.49	263.08	754.1
c) Outstanding loan (Rs.000)	1.51	1.44	17.62	12.68	21.37	43.58
d) Input (Rs.000)	22.42	37.90	108.33	190.79	462.65	560.47
e) Output (Rs.000)	47.91	73.57	208.42	346.32	786.25	960.59
f) Gross value added (Rs.000)	25.55	35.61	99.68	155.31	320.74	399.46

25 During 2000-01, in urban areas also the number of OAMEs was higher than NDMEs and DMEs. The number of persons employed (per enterprise) were 9.26, 3.47 and 1.50 for DME, NDME and OAME respectively, indicating that the number of persons employed per DME were more than six times that of OAME and two and half times more than that of NDME. Fixed asset per enterprise for DME was Rs.7,54,100 which was two times more than NDME and nearly nine times more than that of OAME. The outstanding loan per enterprise by DME was Rs.43,580 which was three times more than that of NDME and thirty times more than that of OAME. The gross value added per enterprise by DME was Rs. 3.99 lakh which was two and half times more than NDME and eleven times more than that of OAME.

26 Table 11(R) indicates that during 2000-01, in rural areas the number of persons employed by DME, NDME and OAME were 1.57 lakh, 1.13 lakh and 6.63 lakh respectively. The fixed asset per

worker was maximum for NDME (Rs.46,100) followed by DME (Rs. 39,860) and was least, as expected, for an OAME (Rs.20,480). The outstanding loan per worker by DME was Rs.67,600 which was double than that of NDME and nearly eighteen times more than that of OAME. The gross value added per worker by a DME was Rs.38,910 which was slightly more than that of NDME and about twice that of OAME.

Table 11(R)
Per worker values of key characteristics for OAME's, NDME's & DME's in RURAL areas of State

Character	Manufacturing Enterprise Type					
	Own Account		Non-Directory		Directory	
	1994-95	2000-01	1994-95	2000-01	1994-95	2000-01
1. No. of persons employed (lakhs)	8.19	6.63	1.04	1.13	1.06	1.57
2. Per worker value of						
a) Fixed assets (Rs.000)	7.10	20.48	16.64	46.10	37.63	39.86
b) Outstanding loan (Rs.000)	0.39	0.37	1.09	3.25	17.48	6.76
c) Input (Rs.000)	5.34	12.52	15.33	31.85	48.88	46.82
d) Output (Rs.000)	12.47	29.64	29.55	68.54	62.61	85.88
e) Gross value added (Rs.000)	7.13	17.07	14.13	36.68	13.74	38.91

Table 11(U)
Per worker values of key characteristics for OAME's, NDME's & DME's in URBAN areas of State

Character	Manufacturing Enterprise Type					
	Own Account		Non-Directory		Directory	
	1994-95	2000-01	1994-95	2000-01	1994-95	2000-01
1. No. of persons employed (lakhs)	3.39	3.73	4.11	3.80	4.99	6.94
2. Per worker value of						
a) Fixed assets (Rs.000)	20.46	57.08	32.38	101.63	29.00	81.46
b) Outstanding loan (Rs.000)	0.88	9.64	5.14	3.66	2.36	4.71
c) Input (Rs.000)	13.08	25.33	31.63	55.00	50.99	60.55
d) Output (Rs.000)	27.84	49.16	60.85	99.84	86.66	103.77
e) Gross value added (Rs.000)	14.83	23.80	29.20	44.77	35.70	43.15

27 In urban areas the number of persons employed (in lakh) by DME, NDME and OAME were 6.94, 3.80 and 3.73 respectively. As in rural area, here also the fixed asset per worker was highest for NDME (Rs. 1,01,630) followed by DME (Rs. 81,460) and was least for an OME (Rs. 57,080). The gross value added per worker was also the maximum for NDME at Rs. 44,770. For DME, the GVA per worker was Rs. 43,150.

28 The enterprises belonging to the unorganized manufacturing sector, as the name itself suggests, are not registered under the Factories Act. In order to study the legal avenues held by these enterprises, information on registration of these units under different acts/authorities was collected during the survey. The proportion of enterprises for each registration act/authority is given in Table 12. It is observed that 73.7 per cent of the enterprises were not registered under any act or authority. The proportion of registered enterprises in the rural areas was only 14.5 per cent and that in the urban areas was 40.4 per cent. Most of the registered enterprises were registered under the Municipal

Act (90.8 per cent), followed by registration under Handicraft Commission (12.4 per cent) and Directorate of Industries (9.6 per cent).

Table 12
Proportion of enterprises according to registration status

Registration status	Rural				Urban				Rural + urban			
	OAME	NDME	DME	ALL	OAME	NDME	DME	ALL	OAME	NDME	DME	ALL
<i>Not Registered</i>	90.1	48.5	43.5	85.5	76.9	38.2	33.5	59.6	85.5	40.8	35.3	73.7
<i>Registered</i>	9.9	51.5	56.5	14.5	23.1	61.8	76.5	40.4	14.5	59.2	64.7	26.3
Registered under												
Municipal Act	80.5	96.1	71.1	83.4	92.2	92.7	97.7	94.0	87.0	93.4	93.5	90.8
<i>Khadi & Village Commission</i>	0.4	0.2	4.1	0.8	0.6	0.7	1.5	0.9	0.5	0.6	1.9	0.9
Coir Board	-	-	-	-	0.1	0.1	0.2	0.1	0.1	-	0.2	0.1
<i>Silk Board</i>	-	-	-	-	0.1	0.3	0.3	0.2	0.1	0.2	0.3	0.2
Jute Commission	-	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1	-	0.1
<i>Dir. of Ind.</i>	3.9	2.2	32.5	7.0	4.0	11.1	18.0	10.7	4.0	9.1	20.3	9.6
Handicraft Commission	3.6	33.5	8.4	12.0	5.7	11.5	21.9	12.5	4.7	16.4	19.8	12.4
<i>Factory Act</i>	-	0.3	0.9	0.2	0.5	0.6	0.6	0.5	0.3	0.5	0.6	0.4
Other	15.3	3.7	22.5	13.1	10.8	13.7	13.0	12.6	12.8	11.5	14.5	12.7

29 The manufacturing units under the unorganized sector generally face various types of problems such as electricity, capital, raw material and marketing etc. The Table 13 gives the proportion of enterprises by the nature of specific problem faced by the unorganized manufacturing enterprises. It is seen that shortage of capital (33.2 per cent) is the major problem faced by these units which is followed by the problem of power cut (13.9 per cent). Interestingly 38.1 per cent of the unorganized manufacturing enterprises reported that they were not facing any problem.

Table 13
Proportion of enterprises for each type of problem faced

Sector	Type of problem						
	Non availability of electric connection	Power cut	Shortage of capital	Non availability of raw material	Marketing of product	Any other problem	Not facing any problem
Rural	1.9	12.8	40.2	11.1	9.8	36.7	33.6
Urban	2.9	15.3	24.9	5.7	7.6	33.1	43.5
State	2.4	13.9	33.2	8.6	8.8	35.1	38.1

30 Apart from the problems listed in Table 13, other problems such as labour, competition etc. are also considered. The Table 14 shows that among the other problems, competition from larger units is the major problem faced by the enterprises falling under the unorganized manufacturing sector. It is followed by non-recovery of charges/credit and local problem.

Table 14
Proportion of enterprises for each type of other problem faced

Sector	Type of other problem								
	Lack of infrastructure facility	Local problem	Harassment	Competition from larger unit	Non availability of labour	Labour problem	Fuel problem	Non recovery of charges/ credit	Others
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Rural	1.2	17.4	0.1	50.8	0.6	0.2	0.6	15.1	14.0
Urban	2.0	7.3	0.3	63.6	0.8	2.7	0.9	12.8	9.6
State	1.6	13.1	0.2	56.3	0.7	1.2	0.7	14.1	12.1

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