Pakistan's Experience in Employment Generation at the Micro and Macro Levels, and Future Directions*

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Abstract

The Pakistan economy is currently going through a period of much needed structural adjustment focusing on: (i) Reducing fiscal deficits from about 6 to 4 per cent of GDP, which should reduce public sector borrowing and bring down interest rates and inflation; (ii) Reducing tariffs from an average of about 80 per cent in 1993 to about 60 per cent currently and about 45 per cent next year – which while requiring painful adjustments particularly in the industrial sectors, should make Pakistan more competitive in the long term and also benefit consumers; (iii) Reducing the size of the public sector in the economy by privatising nationalised banks, nationalised and public sector industry and public utilities including power, gas and telecommunications, which should increase the efficiency of these sectors. All these measures have implications for employment generation. In the short term they are slowing down the economy and therefore employment creation is not taking place at the earlier higher rates. In the long term they should help stabilise the economy and add significantly to economic growth.

Within this context the employment outlook for Pakistan is difficult and challenging at the same time. Difficult because Pakistan's formal employment growth areas which have been geared to absorb substantial additions to the labour force are no longer directly appropriate for this purpose. And challenging because the large and growing informal sector comprising many small entrepreneurs, could be an important potential source of employment creation. The ability of small entrepreneurs to respond to industrial modernisation in the face of structural reforms will depend on their access to credit and modern production techniques, and the upgrading of their skills, given the present low literacy and skill level of the labour force. Let us first look at each of the formal growth areas.

The government has traditionally been the biggest source of organised institutional employment, with an estimated 4 million workers (within a total national employment envelope of 32 million). These workers in the public sector are also spectacularly numerous when we

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compare them to the 1.5 million workers in private large scale enterprises employing ten or more people in all Pakistan. It, therefore, has to be recognised that the numbers of public employees cannot be increased any further and in fact need to be reduced. Major immediate reductions will come with the privatisation of public industrial enterprises and public utilities (which together employ about 0.4 million workers). Similarly, large scale industry is coming under competitive pressure with the reduction of tariffs and will therefore not likely increase its employment levels substantially. Small and medium scale industry (particularly textiles) are also very inefficient compared to international standards and will probably shed labour from its current level of about 2 million workers. The labour force directly employed in agriculture (15 million) may increase marginally although recent employment elasticity estimates are close to zero. Construction, trade, transport, communications, financial and other services are likely to be the growth areas of the future. Yet in terms of employment generation they are unlikely to absorb a significant proportion of the new entrants into the labour force. Recent estimates suggest that civilian non-government persons working for wages will probably increase only at modest rates from their current level of 10 million (Chaudhry, 1995). There would be a substantial addition to the labour force if more women were to enter it. The present female labour force participation rate is only 9 per cent.

The good news is that ordinary Pakistanis are increasingly taking their future in their own hands and creating millions of micro-level enterprises. There were 14 million people counted as self-employed in 1992 and while there are some definitional problems associated with this number, e.g. millions of agricultural *haris* are counted as self-employed, overall they indicate that the bulk of Pakistanis work for themselves. Self-employment numbers become even more staggering when one adds the remaining 7 million unpaid family members who comprise the remaining part of the employed labour force. Thus fully 21 million Pakistanis or 68 per cent of the employed labour force of 31 million in 1992 were working for themselves or their families alone. These 'micro' level enterprises have been and will continue to be the growth areas for employment in the future. Government policy is only slowly beginning to focus on the needs and requirements of the sector. One indicator of both government policy and the situation on the ground is scheduled banks advances by size of advance. At end Dec. 1994, there were 7,16,000 advance holders (70 per cent of the total) of Rs. 50,000 and below involving total lending of Rs. 8.8 billion (2.5 per cent of the total) while only 4,998 advance holders (0.5 per cent of the total) had obtained advances of Rs. 185 billion (55 per cent of the total) (State Bank of Pakistan, *Annual Report 1994-95).*

More recently, starting from the mid 1980s, the government, NGOs and external donor agencies have begun to focus on the micro-enterprise sector. The government's initial emphasis was on the educated unemployed (e.g. The Small Business Finance Corporation's Scheme for professionals, then the Youth Investment Promotion Society Programme and then the Self Employment Programme) although it quickly moved to more general micro-level programmes like the short-lived Yellow Cab Scheme. The NGO efforts were exemplified in the external donor supported Agha Khan Rural Development Support Programme in the Northern Areas, the purely indigenous Orangi Pilot Project of Dr. Akhtar Hamid Khan and the more recent and much simpler Government/ILO/Japan 'Strategic Employment' initiatives. The scheduled banks have also started small business finance schemes recently. This is therefore a good time to take stock of the various major initiatives in this field.

Summary of Major Employment Generation Initiatives

Only five major employment generation initiatives are reviewed in this paper – in large part because they are the major ongoing current initiatives but also because they are sufficiently different in approach that an interesting comparison can be made and lessons drawn. These initiatives, referred to above in paragraph 4, are two NGO initiatives (AKRSP and OPP), two government initiatives (YIPS, SBFC) and the government / ILO / Japan Project.

The Agha Khan Rural Support Programme (AKRSP) is a classic example of a well managed integrated development programme. Initiated in Gilgit in January 1983 and covering Baltistan and Chitral from 1986 it focuses on organising communities, institution building and human resource development, rural development programmes (physical productive infrastructure or PPI) and provision of credit for economic activities and mobilisation of savings. It is a massive programme in both geographical terms and coverage. As of mid-1995, of the total 2,070 villages in the above districts, Village Organisations (VOs) have been created in 1880 and women's organisations (WOs) in 803. There are 77,000 VO members and 27,000 WO members among a total of 103,000 households in these areas. Credit advances amount to Rs. 41 crores and savings mobilised amount to Rs. 23 crores. PPIs amounting to Rs. 29 crores in 1600 projects have been completed or are underway. Eight thousand field specialists in various disciplines have been trained. Overall, the programme has been rated as very successful (World Bank, 1990) and is being replicated by the provincial governments in areas in NWFP and Balochistan, and nationally by the Federal Government through a Rs. 50 crores endowment to the newly created NRSP (National Rural Support Programme). The higher levels of administrative costs associated with this comprehensive integrated rural development programme – about 30 per cent (AKSRP *Twelfth Annual Review 1994)* and possible criticism on focus and capture by elite groups/rich people (Nayab, 1994) together with the 'special case argument' of the Ismaili peoples of the Northern areas complete the summary picture.

The Orangi Pilot Project was started in 1980 with the assistance of the now defunct Bank of Credit and Commerce International (BCCI) which funded the cash component of workers self-help contributions to construct 5000 underground sewage lines (Farooq-i-Azam, 1995). Starting initially with PPI programmes such as the AKSRP, it moved into the provision of credit through the creation of the Orangi Charitable Trust (OCT) in September 1987 to provide loans to small household enterprises. Total lending until December 1994 amounted to Rs. 4.5 crores in its Family Enterprise Programme (there are two other much smaller programmes) to about 3000 individuals. OCT borrows funds from banks and onlends to individuals without service charges, which is financed by donors, and without collateral for business and family enterprise production related activities. There is no savings programme.

The Government/ILO/Japan Project is part of an intercountry project which is testing out 'strategic approaches to employment promotion' in several South Asian countries. The model is simple and somewhat unique in that it does not aim for integrated community development projects of PPI, but focuses simply and clearly on forming Community Based Organisations (CBOs) which mobilise community members to start regular savings, elect credit management committees, frame savings and credit rules and extend credit to members for individually managed micro-enterprises. Additional funding (upto three times savings) is provided by the ILO/Japan project or by arrangement with the Allied Bank which extends the loan to the CBO which, in turn, onlends to the individual for productive employment. The Project (started in January 1994) now covers 81 sites (villages, urban areas) involving 67 CBOs in villages (male, female or both) and 33 other centres (rural, semi-urban or urban). Projects in Khairpur and Rotla have been particularly successful. Funds disbursed until July 1995 amounted to Rs. 2.3 million to 669 individuals. Most of the schemes follow the savings/credit approach but there are also projects focusing entirely on skills training based on fees repayable after the completion of training against perusal guarantees. Skills training was provided to 608 individuals to enable them to be gainfully employed.

The Youth Investment Promotion Society (YIPS) was established by the Federal Government in February 1987 with NDFC, FBC and SBFC as shareholders to offer technical assistance and provide loans on soft terms to the educated unemployed youth (18-35 years). YIPS has recently increased its lending limit from Rs. 1,00,000 to Rs. 2,00,000 for individuals and upto Rs. 20 lakhs for groups upto 10 persons. YIPS processes all loan documentation and approves the loan, but actual disbursements and repayments are handled through the SBFC. Loans sanctioned till June 30, 1995 amounted to Rs. 7 billion for 59,000 projects. In 1994-95 Rs. 2.3 billion was sanctioned for 13,124 projects involving 14,174 youth. All funds are made available to YIPS through a concessionary credit line from the State Bank of Pakistan.

The Small Business Finance Corporation is a development finance institution established by the Federal Government in 1972 to provide financial assistance on soft terms to: (i) Small Business Enterprises (Rs. 20 lakhs limit) and individual businessmen (Rs. 5 lakhs limit) against hypothecation of business assets and mortgage of immovable properties; (ii) Professionals – doctors, engineers, lawyers (upto Rs. 1 lakhs) against personal sureties; and (iii) Individuals and Groups of Individuals under the self employment scheme (up Rs. 3 lakhs for individuals and Rs. 10 lakhs per group of 5) against registered mortgage of immovable property as collateral. The loans schemes for Small Enterprises and professionals have now been almost phased out and the Self-Employment Scheme (SEP) is its major lending activity. The SBFC received a concessionary credit line of Rs. 3.8 billion from the State Bank in 1994-95 for the SEP which was entirely committed. Disbursements in 1994-95 amounted to Rs. 1.3 billion for about 8,963 persons (or groups of persons). Recovery rates are low — 56 per cent in 1992, 63 per cent in 1993 and 73 per cent in 1994 – mainly due to pressure to lend in these years, but SBFC performance is rapidly improving.

Comparison of Schemes

All the five programmes are significant to the Pakistan situation. In order to have a clearer idea about their differences, they are now compared across seven areas (conceptual model, economic model, financial model, credit and savings system, employment creation, focus on women, and physical productive infrastructure and training).

Conceptual Models The conceptual models underlying the five programmes (See Table-1 below) are significantly different and in fact reflect integrated rural development model experimented with world wide and in the united Pakistan of the 1960s in Comilla (and re-invented in Bangladesh as BRAC — see Annexure II). The genius of Dr. Abdul Hamid Khan, the founding spirit of Comilla, resulted in the transformation of the integrated rural development concept into the urban area of Orangi using the power of organised communities to create economic infrastructure through self-help and then moving onto individual economic activities. Interestingly, neither AKRSP nor OPP/OCT have moved into health and education financing, delivery and cost recovery in a significant way (unlike Bangladesh's BRAC) although AKRSP is now (since early 1995) being used as the implementing agency for SAP education (primary school) programmes. The ILO/Japan project uses the community based approach in that communities are organised into CBOs but only to obtain or mobilise credit from banks or donors, secured in part by CBO's own savings contributed by members. This is on lent to members, both rural and urban, for micro level enterprises. The conceptual model here is that of community mobilisation for financial assistance for self-employment purposes only. The YIPS/SBFC model is the final modern extreme of using a financial institution to provide concessional credit for self-employment purposes.

Table-1: Conceptual Models

	Integrated Development	Organising Communities	Economic Activity Based	Infrastructure Based	Health/ Education Based
AKRSP	Yes	Yes	Yes	Yes	No
OPP/OCT	Yes	Yes	Yes	Yes	No
ILO/Japan	No	Yes	Yes	No	No
YIPS	No	No	Yes	No	No
SBFC	No	No	Yes	No	No

<u>Economic Models</u>. These are also significantly different in the programmes under review (Table-2 below). The integrated rural/urban development economic model is distinct in its basis that local government either does not exist or has failed to mobilise community funding. Thus ADRSP and OPP both substitute either NGO own funding (donor financed) or mobilise community funding, both in cash or kind for undertaking community based PPI projects. The other significant part of the economic model is provision of credit for micro-level economic activities and training for productive employment, both individual micro-level and institutional level. Here ADRSP provides credit for economic activities and also provides free-of-cost training. OPP/OCT like YIPS and SBFC provide credit for economic activities but no training, while ILO/Japan is unique in that it provides credit for both economic activities and training. The provision of a credit – based human resource development programme being experimented

with by ILO/Japan (at its computer centre in Islamabad with a "pay-as-you-earn after training" component for students not able to afford to pay the fees) is an important step in extending the concept of provision of credit and cost-recovery for human resource development. The logical extension is to first extend micro- and small- and medium-scale credit to create training institutions by private individuals and NGOs and then extend credit for training purposes to be utilised by individuals who train in these institutions.

Table-2: Economic Models

	Provides NGO Own Funds for (Local) Govt. Type Activities	Provides Community Funds in Absence of Local Govt.	Credit for Economic Activities	Training provided	Training Cost Recovery Credit Based
AKRSP	Yes	Yes	Yes	Yes	No
OPP/OCT	Yes	Yes	Yes	No	No
ILO/Japan	No	No	Yes	Yes	Yes
YIPS	No	No	Yes	No	No
SBFC	No	No	Yes	No	No

Financial Models. The financial models underlying the programmes are very distinct (Table-3 below). There is one grouping which is based on the philosophy that the NGO or the Bank is the major decision-making authority for lending and for recovery (OPP/OCT, YIPS, SBFC), while the ILO/Japan project has the borrowing, lending and decision making agency as the CBO. The AKRSP is a mixture in that the NGO role is very strong in community managed lending. Savings schemes (save first – borrow later) are an integral part of both the AKRSP and ILO/Japan projects, while OPP/OCT as well as YIPS and SBFC do not have any savings schemes. These make the latter schemes (OPP/OCT, YIPS and SBFC) vulnerable to the vagaries of outside funding, such as concessional credit lines from the State Bank of Pakistan for YIPS and SBFC. The lower default rates of the NGOs seem strongly linked both to community involvement and savings collateral provided in the case of AKRSP and ILO/Japan. An extremely competent NGO mechanism in the case of OPP/OCT seems to be responsible for the current excellent repayment rates, but OCT did have substantial problems effecting recoveries when it was first established.

Table-3: Financial Models

	Community Managed Disbursement and Recovery of Loans	NGO / Bank Managed Disbursement and Recovery of Loans	Saving Schemes Part of Programme	Default (Rates (%)
AKRSP	Yes	Yes	Yes	3.4%
OPP/OCT	No	Yes	No	4.4%
ILO/Japan	Yes	No	Yes	2.0%
YIPS	No	Yes	No	27 %
SBFC	No	Yes	No	27 %

Credit and savings system. These are summarised in Table-4 below. In terms of volume of lending. YIPS and SBFC are the major institutions having lent about Rs 8 billion through the YIPS and SEP programmes and currently together committing about Rs. 4-5 billion per annum. While these institutions have tried to diversify to smaller communities with more offices/ branches, the bulk of their lending is to the urban areas and to the educated upper/middle classes. This is reflected in their average size of lending and upward moving limits (Rs. 2 lakhs in 1994-95). Sources of funding for YIPS and SEP are concessionary credit lines from the State Bank of Pakistan. As of the time of the writing of this paper, these lines were effectively suspended in that new lines for 1994-95 had not been released to these institutions because of their high default rates and apparent non-submission of audited accounts for the last three years. There has been considerable pressure to lend on these institutions, and coupled with political interference in both appointments/transfer of personnel as well as approval of loans, this has led to poor financial performance.

AKSRP is the most sophisticated of NGOs in terms of both savings, lending and number of operations. Their average size of loan is relatively big (Rs. 34 thousand) and this is owing to lending for both micro- as well as small-scale enterprises (which is demonstrated in the following paragraph). The OPP/OCT average size of lending is probably just right for micro-level enterprises in urban areas in that period (Rs. 15,000) while ILO/Japan shows that self-employment generation in rural areas is not very costly (at Rs. 3400).

Table-4: Credit and Savings System

	Deposits Mobilised (Rs.Million)	Total Lending (Rs.Million)	No. Of Loans (Rs.)	Av. Size of Loan	Default Rate
AKRSP(Dec. 92-June 95)	231	413	12,306	33,560	3.4%
OCT (Sept. 87-Nov.94*	..	45.6	3,013	15,134	4.4%
ILO/Japan (1994-June 95)	0.54	2.3	669	3,438	2.0%
YIPS(1988-June 1995)	..	3,715	36,882	1,00,727	27 %
SBFC (Sept.1992-June 1995)	..	4,392	34,638	1,26,797	27 %

* Family Enterprise Economic Programme

Employment Creation. Table-5 below indicates that both ADRSP and ILO/Japan are effectively creating jobs in the rural areas with very minimal investments (Rs. 3500-4000) while OCT is creating jobs very efficiently at the lower end of the social scale in the urban areas also (at about Rs. 21,000 per family enterprise which may therefore involved more than one person in the family). The YIPS and SEP average cost of employment numbers (Rs. 35,000 – 47,000) indicate that 'self-employed' educated urban youth or adults tend to employ other lower paid individuals in their enterprise and the average cost of job creation reflects the combination of the higher and lower pays from income streams expected from these investments.

Table-5: Employment Creation

	Total Lending (Rs. Mn)	Number of 'Beneficiaries' or Employment Generation	Average Cost of Job Creation (Rs.)
AKRSP (April-June 95)	26.8	6,783	3,951
OPP/OCT (94 – 95) *	7.6	360	20,987
ILO/Japan (1994-95)	2.3	669	3,438
YIPS (1994)	1,211	34,664	34,935
SBFC (1994)	1,261	26,889	46,897

* Per family enterprise

Focus on Women. The NGO programmes (AKRSP, OCT, ILO/Japan) focus heavily on women – Table-6 below. While the concept of separate programmes for women is an excellent idea in societies such as Pakistan (and Bangladesh), their increasing rapid growth within the overall combined programme seems to be a matter of natural evolution. For instance, in the case of the Grameen Bank and BRAC in Bangladesh, poor rural women are the major borrowers. YIPS and SBFC (SEP) have also tried to increase their focus on lending to women but their current lending ratios reflect either than women's access to these credit lines is difficult, or that educated urban women are more likely to seek institutionalised employment rather than seek to create their own micro-enterprises.

Table-6: Focus on Women

	Women Organisations (WO's)	WO/ Total	Credit to Women (CW)	CW/ Total	Savings by Women (SW)	SW/ Total
AKRSP (Dec. 82-June 95)	803	30%	N.A.	N.A.	Rs. 42 million	18%
OCT * (Sept. 87-Nov. 94)	..	..	Rs. 9 million	22 %	..	..
ILO/Japan (March 94-August 95)	13	46 %	238 loans	36 %	N.A.	N.A.
YIPS	..	..	N.A.	10 %	..	..
SBFC	..	..	N.A.	N.A.	..	..

* Women Enterpreneurs Programme. Women may also have benefited from the Family Enterprise Programme.

Physical Productive Infrastructure (PPI) and Training. Table-7 below summarises the fact, mentioned earlier, that both AKRSP and OPP have substantial PPI components reflecting their 'integrated development' approach and seeking to build community structures through this modality. Table-7 also shows that training (human resource development) for job creation (as opposed to in-house training for own staff which is undertaken by all institutions) is an integral part of the AKRSP and ILO/Japan projects.

Table-7: Physical Productive Infrastructure and Training

	PPI Investment (Rs.Million)	Number of Projects	Average Cost of Project (Rs.)	Specialists Trained (Number)	Public Trained (Number)
AKRSP (Dec. 82-June 95)	291.6	1529	1,90,712	8337	7344
OPD (Jan. 80-June. 95)	Self Help	5,000	N.A.	..	..
ILO/Japan (Jan. 94-June 95)	..	..	..	..	608
YIPS	..	..	..	..	..
SBFC	..	..	..	..	..

Impact of Government Policies

While there are several government policies which have both a macro-economic / micro-level impact, this paper will consider seven major areas in this regard; (i) Exchange Rate and Trade Policies; (ii) Credit Policies; (iii) Banking Regulation Policies and Status of Savings and Loans Associations; (iv) Regulatory Structures; (v) Training and Technology; (vi) Social Security Nets; and (vii) Local Government.

Exchange Rate and Trade Policies. A flexible exchange rate policy and an under-valued rather than overvalued exchange rate generally boosts domestic employment creation and the economic viability of micro-level enterprises. The recent 7 per cent devaluation in October 1995 has been justified on account of export competitiveness but rising import duties and increasing costs of raw materials due to inflation are likely to have a dampening effect on investment opportunities in the small scale industrial sector. Increasing interest rates will also dampen investment. More liberal trade policies would be beneficial in that the freer availability of technology (both in 'hard' and 'soft' forms) increase the productivity of self-employed labour (electric hand-tools, simple machinery, manuals, work processes etc. Are particularly relevant in this regard).

Credit Policies. It is very difficult to establish or expand a small business using formal credit. Large firms compete and lobby for the already scarce funds available to the private sector. When small firms do try to borrow from formal lending institutions, they invariably cannot meet the collateral requirements or have to go through cumbersome loan sanctioning procedures. Even special schemes meant for small enterprises tend to get diverted to large firms. For instance, in the State Bank Small Loans Scheme (SLS), the upper limit of loans has been enhanced, qualifying larger enterprises to also receive loans; and information is not available on the proportion of SLSs actually sanctioned to small enterprises. Therefore small and micro enterprises generally conformed to borrowing in the informal sector, at higher than market rates. Credit policies clearly need to be refocused on the micro-level sector. This paper has already mentioned earlier that institutional micro-lending is clearly inadequate in terms of volume (paragraph above). This needs to be increased by market based incentives (e.g. not taxing the income of commercial banks from micro-level lending for investment purposes). Special credit lines from the State Bank as well as concessionary finance should be done away with. Even when the objective of such schemes is to provide credit to small business, large manufacturers usually appropriate the majority of loans. Both YIPS and SBFC should be allowed to float bonds with government security, mobilise deposits and lend at market rates. Since small and self-employed entrepreneurs pay higher than market rates for loans through informal channels, it is access to credit, and not high lending rates, that pose the main restriction.

Banking Supervision Policies and Status of Savings Associations. The success of the NGOs in mobilising savings and lending to individuals raises the issue of creating the institution of 'Savings and Loans Associations' similar to those that exist in the U.S.A. The failure of the Co-operative Banks System needs to be examined and protection of savings assured perhaps by guarantee of deposits by a Federal Deposit Insurance Corporation. At this moment we have NGO type savings efforts which are essentially of an informal nature or at the other extreme big commercial banks or DFIs. Thus the AKRSP is planning to become a 'Development Bank for the Northern Areas'. Intermediate financial mechanisms and institutions have to be created.

Regulatory Structures. The Pakistan employment scene today is virtually crippled by an overwhelming set of regulations which hamper individual private enterprise. The public sector is exempt from these regulations created by bureaucrats. An example is that to set up a school or office in the urban cities requires private individuals to 'commercialise' such property at enormous cost – public offices or schools do not have to undergo this process. This example is particularly relevant since the most effective micro- and small scale enterprises that can be created as schools and training institutions. Currently there are more than 1 million teachers employed in public sector schools. The nation-wide primary school enrollment rates are less than 50 per cent (and even lower for secondary schools and colleges). Thus many million new jobs can be created in this sector alone if private initiative is allowed through de-regulating the education sector. Other issues of over-regulation related to labour laws, social security laws, pension laws, utility laws etc. All these need to be re-examined with regard to their adverse effects on micro and small scale enterprises.

Social Security Nets. As Pakistan de-regulates and moves to more "market-friendly" economic and labour policies, it needs to create more effective social security nets. Thus old age pension schemes need to be made universal – but based on individual, personally maintained pension accounts rather than the government bureaucracy. Similarly health, education and even cash assistance can be made available to the poor and the needy, not by creating more government institutions, but by direct transfer programmes to individuals who can utilise the funds to get appropriate service from private providers of these services.

Absence of Local Government At The village/Local Urban Level. An important issue relates to the absence of local government and tax and expenditure functions at the local level. Thus in Pakistan's local government 'the village' is not the smallest unit, unlike in India. The recent Local Government Ordinance of the Punjab tried to rectify this marginally but is likely to lapse because of opposition from the feudal lobby. Similarly, in the larger gowns and municipalities, the smaller 'wards' are not financially independent and thus there is no local control over finances and expenditures which then gets inefficiently utilised at 'city wide' levels. If the lack of local government institutions continue, then CBOs will spring up and try to replicate the missing local government functions (e.g. as in AKRSP and OPP/OCT). A positive measure would be reinstating Employment Exchanges in the Punjab. If successful local government institutions can be created then CBOs can restrict their activities to provision of credit (e.g. as in the case of ILO/Japan Project). In the Pakistani context where institutional change (particularly regarding local government) is difficult, we are likely to need both types of institutions.

Annexure - 1

LABOUR / CAPITAL RATIO

		(Rs. In 000)
All Industries		***173***
Food, Beverage & Tobacco		***170***
	Food Manufacturing	189
	Beverage Industry	138
Textile, Apparel & Leather		***98***
-	Manufacturing of textiles	106
	Weaving apparel	43
	Leather & Leather products	108
	Footwear except Rubber & Plastic	52
	Ginning & baling of Fibers	50
Wood, Wood Prod & Furniture		***178***
-	Wood, wood & cork products	194
-	Furniture and Fixture (non metal)	147
Paper, Printing & Publishing		***117***
-	Paper and paper products	163
-	Printing & Publishing	80
Chemicals, Rubber & Plastic		***221***
-	Industrial Chemicals	424
-	Other Chemicals Prod.	97
Petroleum Refining		***858***

Products of Petroleum & Coal		***120***
-	Non-Metallic Mineral Products	325
-	Pottery, China & Earthenware	70
-	Glass & Glass Products	167
-	Other non-metallic mineral products	422
Basic Metal Industry		***608***
-	Iron & Steel	614
-	Non-Ferrous metal based industry	19
Metal Products, Machinery & Equipment		***84***
-	Fabricated Metal Products	65
-	Non-electrical Machinery	106
-	Electrical Machinery & Supplies	83
-	Transport Equipment	80
-	Scientific & Measuring Equipment	62
Handicraft, Shops & Other		***43***
-	Handicrafts	80
-	Sports & Athletic goods	49
-	Other manufacturing	38

Source: Census of Manufacturing Industries, 1988.

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