

Role of Financial Intermediation Services in the Informal Sector*

I. Introduction

The National Statistical Commission made a series of recommendations in regard to the improvements in the existing statistical system, data collection mechanism, and also the data gaps to be filled-in in formal and informal sectors of the economy. Among the data gaps, the informal sector is one segment on which scanty data are available. According to the UN System of National Accounts (SNA), 1993, the informal sector has broadly been characterised as consisting of units engaged in producing goods and services with the primary objective of generating employment and income to the persons concerned.¹ The production units in the informal sector are regarded as household enterprises or equivalently, unincorporated enterprises owned by households. These units are engaged in activities like, manufacturing, construction, trading and repair services, hotels and restaurants, transport, storage and communication, financial intermediation, real estate, renting and business activities, education and other community, social and personal services. All these activities can broadly be grouped as 'financial' and 'non-financial' activities in the informal sector, wherein the financial intermediation services constitute the former while the remaining activities form the non-financial sector.

The article assesses the role of financial activity in the informal sector as observed through the 55th round of the National Sample Survey Organisation (NSSO) and compares the results with those of National Accounts Statistics, to the extent they are available. Section II presents the salient results of the NSSO survey while a comparison with the estimates presented in National Accounts Statistics is given in Section III. Certain definitions adopted by NSSO are given in Appendix.

II. Salient Results of the Survey of NSSO

The first ever nation-wide survey on informal sector covering non-agricultural enterprises was conducted by the National Sample Survey Organisation (NSSO) along with the survey of households on employment, unemployment and consumer expenditure in the 55th round during July 1999 to June 2000. The survey covered the non-agricultural enterprises engaged in activities like, (i) manufacturing, (ii) construction, (iii) trading and repair services, (iv) hotels and restaurants, (v) transport, storage and communication, (vi) financial intermediation, (vii) real estate, renting and business activities, (viii) education, (ix) health and social work, and (x) other community, social and personal service activities (excluding domestic services). Information on various characteristics of the enterprises, *viz.*, fixed assets, employment, expenses and receipts, value added, etc., was collected from the enterprises besides the information on workers engaged in these enterprises.

The financial intermediation activities covered in the survey related to financial leasing, hire purchase financing, life insurance agents, non-life insurance agents, administration of financial markets, stock brokers, actuaries, financial advisors, etc., classified under sections 65-67 of National Industrial Classification (NIC), 1998. In this survey, all unincorporated proprietary and partnership enterprises were defined as informal sector enterprises.² All these enterprises are grouped into (a) own account enterprises (OAE), and (b) establishments. The former are those run by household labour, usually without any hired worker employed on 'fairly regular' basis.³ The establishments are those which have got at least one hired worker on a fairly regular basis. The NSSO presented the results against the above mentioned ten activities which had been referred to as tabulation categories. The article considers the enterprises providing service activities in the informal sector, with a special emphasis on financial intermediation services and excludes manufacturing activity of informal sector.

The results of the survey are based on a sample of 6046 villages and 4124 urban blocks. In all, 79,165 enterprises in rural areas and 61,951 enterprises in urban areas, relating to non-manufacturing activities, were surveyed (Table 1). Of these, only 784 enterprises (254 in rural areas and 530 in urban areas) belonged to financial intermediation services. It was estimated that there were 154.55 lakh and 146.88 lakh enterprises in services activities in rural and urban areas, respectively, in 1999-2000⁴. Thus it may be seen that there were larger number of service enterprises in all activities together in rural areas (51.3 per cent) than in urban areas. In the case of financial intermediation services, there were more number of enterprises in urban areas (118,586) than in rural areas (41,804) as also in five other activities. Surprisingly, according to the survey, the number of enterprises in rural areas was higher than that in urban areas in respect of 'transport, storage and communication', 'construction', 'health and social work' and 'other community & social service' activities.

TABLE 1: Number of Enterprises in Services Sector, 1999-2000 - by Type of Activity

Type of Activity	Number of Enterprises Surveyed			Estimated Number of Enterprises			
	Rural	Urban	Combined	Rural	Urban	Combined	
Construction	6,003	3,910	9,913	1181,368	672,795	1854,163	(6.2)
Trading and Repair Services	37,878	26,872	64,750	8577,793	8794,085	17371,878	(57.6)
Hotels and Restaurants	8,287	7,516	15,803	848,222	928,128	1776,350	(5.9)
Transport, Storage and Communications	10,569	10,282	20,851	2011,949	1924,047	3935,995	(13.1)
Financial Intermediation	254	530	784	41,804	118,586	160,390	(0.5)
Real Estate, Renting and Business Activities	1,350	2,935	4,285	200,293	572,388	772,681	(2.6)
Education	1,523	2,124	3,647	232,104	348,132	580,237	(1.9)
Health and Social Work	2,816	1,984	4,800	455,080	330,558	785,637	(2.6)
Other Community, Social and Personal Service Activities	10,485	5,798	16,283	1906,161	999,731	2905,891	(9.6)
All Activities	79,165	61,951	141,116	15454,774	14688,449	30143,223	
				(51.3)	(48.7)	(100.0)	

Note: Figures in brackets are percentages total of all activities.

It may be seen from Table 2 that value added per worker is the highest in the case of financial intermediation service enterprises (Rs.40,622) followed by 'health and social work', 'real estate related services' and 'trading and repair services'.⁵ As expected, the value added per worker in urban areas is more than double than that in rural areas. The value added per worker was the highest in health and social work enterprises (Rs.48,058) in urban areas followed by financial intermediation services (Rs.43,874). In rural areas, value added per worker was maximum for financial service enterprises at Rs.27,590, followed by 'transport, storage and communications' enterprises (Rs.24,803). As against this, it is interesting to see from the table that trading and repair services accounted for 62 per cent of the aggregate value added of all service enterprises in the informal sector, while the financial intermediation activities accounted for less than 1 per cent. Transport, storage and communications activities shared about 11 per cent, while all other activities had small shares ranging from 2 to 8 per cent.

Table 2: Value Added per Worker in Services Sector: Type of Activity

Tabulation Category	Estimated Aggregate Value Added * (Rs. crore)	Value Added per Worker (in Rs.)		
		Rural	Urban	Combined

Construction	7,395	(5.2)	23,183	33,699	27,704
Trading and Repair Services	88,561	(62.2)	18,298	40,598	31,180
Hotels and Restaurants	10,499	(7.4)	17,170	29,077	24,468
Transport, Storage and Communications	15,316	(10.7)	24,803	33,522	29,307
Financial Intermediation	1,352	(0.9)	27,590	43,874	40,622
Real Estate, Renting and Business Activities	5,159	(3.6)	20,841	37,088	33,763
Education	3,229	(2.3)	12,176	21,823	18,565
Health and Social Work	4,495	(3.2)	24,031	48,058	37,354
Other Community, Social and Personal Service Activities	6,442	(4.5)	8,847	21,256	13,623
All Activities	142,448	(100.0)	15,008	33,437	24,242

(*): Estimates are based on Method 2 (product approach).

Among the enterprises rendering financial intermediation services, it was estimated that nearly 74 per cent of them were in urban areas ([Table 3](#)). Considering the enterprises by their type, OAEs formed nearly 74 per cent of all financial enterprises in the informal sector. Of the financial enterprises in rural areas, OAEs accounted for about 86 per cent whereas their share in urban areas was 69.3 per cent.

Table 3: Number of Enterprises in Financial Intermediation Activity, 1999-2000

	Number of Enterprises	
	Surveyed	Estimated
Rural		
Own Account Enterprises	181	36,191
Establishments	73	5,613
All Enterprises	254	41,804
Urban		
Own Account Enterprises	399	82,238
Establishments	131	36,348
All Enterprises	530	118,586
Combined		
Own Account Enterprises	580	118,429
Establishments	204	41,960
All Enterprises	784	160,390

The survey collected data on aggregate value of fixed assets, owned and hired, by the service enterprises in informal sector and these data are given in [Table 4](#). The results indicated that 77.3 per cent of the assets of all service enterprises in rural areas are owned by them while in the urban areas similar share was only 57.1 per cent indicating that enterprises in urban areas prefer to have hired assets like land and buildings. The assets owned by enterprises in financial activity (Rs.1,285 crore), however, held a very small share (0.8 per cent) in assets of all service enterprises. In the case of financial services, about 60 per cent of the assets are owned by the enterprises. However, only 7.1 per cent of the assets (owned and hired) of financial enterprises was held in rural areas and the rest in urban areas. Considering the composition of fixed assets for financial enterprises, land and buildings formed about 54

per cent in rural areas while they formed 77.3 per cent in urban areas (Table 5). The transport equipment had a higher share of 30 per cent in respect of rural financial enterprises as against less than 10 per cent share for urban financial enterprises. Hired assets of the financial enterprises are mostly in the form of land and buildings, perhaps in the form of rented premises for the enterprises. It is true for both rural and urban areas.

The details of outstanding loans and interest payable by the service enterprises were also collected in the survey. It was estimated that outstanding debt of Rs.23,998 crore (all activities) was payable as at the end of March 2000 to credit agencies in both organised and unorganised sectors (Table 6).⁶ Of this total amount, credit payable by the urban enterprises accounted for the largest share of about 82.5 per cent. Of the outstanding debt of the urban enterprises, it was mostly accounted for by the establishments (79.8 per cent). In the case of enterprises in the rural sector, the OAEs accounted for a higher share than that of establishments for all services enterprises. The outstanding debt of financial intermediation enterprises was of a small order at about Rs.204 crore for both rural and urban areas.

Table 4: Aggregate Value of Assets owned by Enterprises in Services Sector

Type of Activity	Rural			Urban			Combined		
	Owned	Hired	Net addition in last 365 days	Owned	Hired	Net addition in last 365 days	Owned	Hired	Net addition in last 365 days
Own Account Enterprises									
Financial Intermediation	6136	2508	1165	49254	30968	951	55391	33476	2117
Other Activities	2536010	797713	68070	44619077	4500978	121668	6953587	5298690	189737
All Activities	2542146	800221	69235	44668331	4531946	122619	7008978	5332166	191854
Establishments									
Financial Intermediation	1714	4808	163	71362	46986	852	73077	51794	1016
Other Activities	1088430	262755	55891	7819704	6388157	113462	8908133	6650912	169353
All Activities	1090144	267563	56054	7891066	6435143	114314	8981210	6702706	170369
All Enterprises									
Financial Intermediation	7851	7316	1329	120617	77955	1804	128467	85270	3133
Other Activities	3624439	1060468	123960	12237281	10889134	235130	15861720	11949602	359090
All Activities	3632290	1067784	125289	12357898	10967089	236934	15990187	12034872	362223

TABLE 5: Financial Intermediation Service Enterprises: Composition of Fixed Assets

Population Group	Land & Buildings	Plant & Machinery	Transport Equipment	Others	Total
(Rs. lakh)					
Owned Assets					
Rural	4222 (53.8)	241 (3.1)	2363 (30.1)	1025 (13.1)	7851 (100.0)
Urban	93270 (77.3)	1020 (0.8)	11748 (9.7)	14578 (12.1)	120617 (100.0)
Combined	97492 (75.9)	1261 (1.0)	14110 (11.0)	15604 (12.1)	128467 (100.0)
Hired Assets					
Rural	7309	0	0	7	7316
Urban	77606	0	249	100	77955
Combined	84915	0	249	107	85271

Note: Figures in brackets are percentages to total.

TABLE 6: Aggregate Value of Outstanding Loans and Interest Payable of the Services' Enterprises
(Rs. lakh)

Tabulation Category	Rural		Urban		Combined	
	Amount	Interest	Amount	Interest	Amount	Interest
Own Account Enterprises						
Financial Intermediation	967	153	10634	11221	11602	11374
Other Activities	223279	47915	388617	76341	611894	124256
All Activities	224245	48068	399251	87562	623496	135630
Establishments						
Financial Intermediation	2710	677	6120	939	8829	1616
Other Activities	192043	35512	1575422	255129	1767466	290640
All Activities	194753	36189	1581542	256068	1776295	292256
All Enterprises						
Financial Intermediation	3677	829	16754	12160	20431	12990
Other Activities	415321	83427	1964039	331470	2379360	414897
All Activities	418998	84256	1980793	343630	2399791	427887

TABLE 7: Financial Intermediation Services: Aggregate Outstanding Loans by Credit Agencies
(Rs. lakh)

Credit Agency	Rural			Urban		
	OAEs	Establishments	Total	OAEs	Establishments	Total
Term Lending Institutions	0	0	0	62	0	62
Government	160	0	160	73	100	173
Commercial Banks	324	27	351	302	42	344
Co-op. Banks and Societies	31	9	40	0	0	0
Other Institutional Agencies	125	53	178	154	184	338
Money lenders	123	807	930	1724	1191	2915
Business Partners	0	18	18	225	511	736
Friends and Relatives	199	9	208	636	3691	4327
Suppliers/contractors	5	0	5	0	0	0
Others	0	1787	1787	7457	400	7857
Total	967	2710	3677	10634	6120	16754

Note: OAE - Own Account Enterprises.

It is observed from [Table 7](#) that the financial enterprises in the service sector borrowed from credit agencies in unorganised sector as well besides those in organised sector. In the case of rural enterprises in financial services, the debt of OAEs owed to agencies in organised sector was higher than the debt to moneylenders, relatives and friends in the unorganised sector whereas the establishments in the rural areas borrowed more from credit agencies in the unorganized sector. In the case of these establishments about 66 per cent of debt was not classified under any credit agency. In the case of urban enterprises, debt of both OAEs and establishments owed to ‘money-lenders’ and ‘friends and relatives’ accounted for a major share in the total debt. About 70 per cent of total debt of OAEs in urban areas was not classified under any credit agency. An important feature observed for financial enterprises in both rural and urban areas is that they obtained about 45 per cent of their credit from agencies in the unorganised sector, excluding the credit not classified to any agency.

It was observed earlier from [Table 2](#) that the value added per worker was the highest in the case of enterprises in financial intermediation services. Combining the enterprises in rural and urban areas and also by their type, value added of the financial enterprises in rural areas was much lower at Rs. 18,337 lakh than that of urban areas (Rs.116,840 lakh) during the period under reference ([Table 8](#)). Looking at these enterprises by their type, the aggregate value added of the OAEs at Rs.71,369 lakh, is higher than the value added of establishments (Rs.63,808 lakh). Further, the OAEs accounted for a share of 62 per cent of value added in rural areas as against 51.3 per cent in urban area. The productivity of the workers defined as the value added per worker, in urban areas is higher than that of workers in rural areas in respect of both OAEs and establishments. The value added per worker is, however, marginally higher in establishments than that in OAEs in rural areas while the reverse was the case for urban areas. In the case of urban enterprises, the value added per worker was much higher (at Rs.49,417 crore) in the case of OAEs compared to that (Rs.39,236 lakh) of establishments. The value added per enterprise for establishments in rural areas was higher by nearly four times than that of OAEs. But the value added per enterprise in the case of establishments in urban areas was more than double than that of OAEs (Rs.156,517 as against Rs.72,898). The value added of all enterprises providing financial intermediation services in informal sector was estimated as of the order of Rs.1,352 crore during the period 1999-2000.

TABLE 8: Financial Intermediation Service Enterprises - Aggregate Value Added, Value Added per Enterprise and per Worker

Item	Own Account Enterprises	Establishments	All Enterprises
Rural			
Aggregate Annual Value Added (Rs. lakh)	11,420	6,918	18,337
Value Added per Worker (Rs.)	27,105	28,428	27,590
Value Added per Enterprise (Rs.)	31,554	123,245	43,865
Urban			
Aggregate Annual Value Added (Rs. lakh)	59,949	56,890	116,840
Value Added per Worker (Rs.)	49,417	39,236	43,874
Value Added per Enterprise (Rs.)	72,898	156,517	98,528
Combined			
Aggregate Annual Value Added (Rs. lakh)	71,369	63,808	135,177
Value Added per Worker (Rs.)	43,666	37,683	40,622

Value Added per Enterprise (Rs.)	60,263	152,066	84,280
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Looking at the composition of value added for the financial intermediation services, the net surplus accounted for a major share followed by income in the form of interest in the case of OAEs and emoluments in the case of establishments ([Table 9](#)). The emoluments component of value added had a higher share for establishments in the urban areas than that of their counterparts on rural areas.

The NSSO also presented, in the report, the data on the estimated number of enterprises, the estimated number of workers, value added per enterprise and value added per worker across major States for different activities including financial intermediation services. These details for financial enterprises are presented in Statements 1 to 4. It was estimated that Tamil Nadu accounted for about 25 per cent of total number of enterprises (160,391) in the financial intermediation services followed by Andhra Pradesh (13 per cent) in both urban and rural areas taken together. While Delhi had maximum number of establishments (13,551), Tamil Nadu had maximum number of OAEs (29,428). The female participation in total employment of enterprises in financial intermediation services, at all India level, is estimated to be 7.2 per cent. This participation rate was the highest in Kerala (39.5 per cent) followed by Maharashtra (22.4 per cent).

TABLE 9: Financial Intermediation Service Enterprises - Components of Value Added

Type of Enterprise	Emoluments	Rent	Interest	Net Surplus	Total Value Added
(Rs. lakh)					
Own Account Enterprises					
Rural	65	143	153	11,194	11,555
Urban	861	1,658	11,221	45,953	59,693
Combined	925	1,801	11,374	57,147	71,248
Establishments					
Rural	1,418	387	677	4,510	6,992
Urban	14,889	2,693	939	38,462	56,983
Combined	16,307	3,080	1,616	42,972	63,975
All Enterprises					
Rural	1,483	530	830	15,704	18,547
Urban	15,750	4,351	12,160	84,416	116,676
Combined	17,233	4,881	12,990	100,119	135,223

Note: Estimates presented in this table are derived following income approach (Method 2) and, therefore, differ from those of other Tables 2,8 and10, which are derived based on product approach (difference between receipts and expenditure).

The value added per worker for financial intermediation services was highest in Madhya Pradesh and Punjab considering both types of enterprises together.⁷ However, Haryana and Rajasthan recorded the maximum value added per worker, in that order, for establishments whereas Punjab and Chandigarh ranked the most for OAEs. It was estimated that the aggregate value added for all financial service enterprises was the highest for Tamil Nadu (Rs.442 crore) followed by Uttar Pradesh (Rs.275 crore). However, in the case of establishments, Uttar Pradesh recorded the maximum value added (Rs.239 crore) followed by Delhi (Rs.226 crore). But in the case of OAEs, Tamil Nadu had the maximum value added at Rs.310 crore. Among the two categories of enterprises, establishments accounted for 30 per cent of value added of all financial enterprises at all-India level.

III Estimates of Value Added based on National Accounts Statistics

The CSO publishes regularly the estimates of value added for different industrial activities including services. The estimates for each of these activities are published at disaggregated level into 'organised' and 'unorganised' sectors. The economic units termed as enterprises, in the unorganised sector refer to those enterprises whose activities or collection of data is not regulated under any legal provisions and/or those which do not maintain any regular accounts, as stated earlier. On the other hand, the informal sector is defined to include all unincorporated proprietary and partnership enterprises. In the process, the enterprises run by cooperative societies, trusts, private and public limited companies (non-ASI) are not covered in the informal sector but are included in the unorganised sector.⁸ The informal sector thus, can be seen as a sub-set of the unorganised sector. Against this background, an attempt is made in this section to compare the estimates of value added of service enterprises in the informal sector derived from the survey for the year 1999-2000 with those obtained from National Accounts Statistics for the same year. The two sets of estimates are given in [Table 10](#).

It may be seen from [Table 10](#), that the estimates of value added obtained from the survey for aggregate of all activities are much lower than those of the NAS, forming about one-third of the latter. In absolute terms, the value added of services activities in the informal sector is estimated at Rs.1,42,448 crore from the NSS Survey, as against Rs. 4,18,048 crore for those services in the unorganised sector from the NAS, for the year 1999-2000. It is observed that the informal sector in different activities accounted with varying shares in unorganised sector; such as 7 to 13 per cent for construction, banking and insurance and real estate related activities; 29 to 49 per cent for trade, transport and communication and community, social and personal services. In the case of hotels and restaurants, informal sector formed 119 per cent of the unorganised sector. It is surprising to see that the value added of 'hotels and restaurants' in the informal sector was higher than that of unorganised segment despite the 'under coverage' of the former than that of the latter. The large difference between the two sets of estimates for most of the service activities could be due to the coverage differences in the two sectors as stated earlier. In the case of financial intermediation activity, the value added of the informal sector was estimated as Rs.1,352 crore as against Rs.10,810 crore estimated by NAS. It is thus estimated that the financial intermediation services in the informal sector formed about one-eighth of the unorganised sector, which formed about 1.2 per cent of the value added of total banking and insurance sector.

Table 10: Value Added (net) of Service Activities – Unorganised/Informal Sector, 1999-2000

Activity	(Amount in Rs. crore)		
	Unorganised Sector - National Accounts Statistics	Informal Sector - NSSO Survey	Coverage of Informal Sector in Unorganised Sector (per cent)
Construction	57,580 (13.8)	7,395 (5.2)	12.8
Trade	180,035 (43.1)	88,561 (62.2)	49.2
Hotels and Restaurants	8,856 (2.1)	10,499 (7.4)	118.6
Transport, Storage and Communication	52,087 (12.4)	15,316 (10.7)	29.4
Banking and Insurance	10,810 (2.6)	1,352 (0.9)	12.5
Real Estate, Ownership of dwellings, and business services	69,423 (16.6)	5,159 (3.6)	7.4
Community, social and personal services	39,257 (9.4)	14,166 (10.0)	36.1

Total	418,048 (100.0)	142,448 (100.0)	34.1
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Note: Figures in brackets are percentages to total.

Interestingly, it is observed that in the case of banking and insurance in unorganised sector of NAS, the compensation of employees was estimated as 'nil' while the Survey estimated at 12.7 per cent of value added of the sector under this component. The survey also estimated the other components of value added, viz., rent, interest and net surplus, while the NAS indicated only the operating surplus/mixed income. The NAS, however, showed independently certain amounts on rent, interest and FISIM as property incomes. It may be pointed out here that the financial enterprises in the informal sector reported emoluments, which was not shown for unorganised sector of NAS. It is suggested that the CSO may examine the adoption of the survey estimates for the purpose of national accounts statistics, particularly estimating value added for unorganised part of the financial intermediation services.

REFERENCES

1. Central Statistical Organisation (2001), *National Accounts Statistics*, Ministry of Statistics and Programme Implementation, Government of India, New Delhi, July.
2. National Sample Survey Organisation (NSSO), (2001), "Informal Sector in India, 1999-2000 - Salient Features", NSSO, Ministry of Statistics and Programme Implementation, Government of India, New Delhi, May.
3. National Statistical Commission (2001), *Report of the National Statistical Commission, Vol.I, II*, Government of India, New Delhi, August.

Appendix

An **Enterprise** is an undertaking which is engaged in the production and/or distribution of some goods and/or services meant mainly for the purpose of sale, whether fully or partly. It may be owned or operated by a single household or by several households jointly, or by an institutional body.

An **Own Account Enterprise** is an undertaking run by household labour, usually without any hired worker employed on a 'fairly regular basis' – which means the major part of the period of operation of the enterprise during the last 365 days.

An **Establishment** is an enterprise, which has got at least one hired worker on a 'fairly regular basis'.

Last month was used as the reference period to collect most of the data on enterprises. Last month refers to the last 30 days (preceding the date of survey) for perennial and casual enterprises and for seasonal enterprises, which have worked continuously for the last 30 days or more (including scheduled holidays) in the current season. For seasonal enterprises, which have worked for less than 30 days in the current season, last month refers to an average month in the last working season. Values of receipts and expenses, employment, emoluments, rent, interest and net surplus for the enterprises were collected for the last month. The reference period for items, like, value of fixed assets, amount of loan outstanding, etc., is 'as

on the date of survey'. For items like net additions to fixed assets, number of months operated, number of other economic activities taken up, etc., the reference period is the 'last 365 days preceding the date of survey'.

Fixed Assets, such as, land, building, plant and machinery, transport equipments, tools, etc., are assets held for the purpose of producing or providing goods and/or other services. They have a normal economic life of more than one year from the date of acquisition through outright purchase/hire purchase/loans/mortgage/ construction regardless of their use. The value of assets owned by the enterprise is determined on the basis of present market value.

Factor Incomes: The total income generated by any enterprise is distributed into four factors of production – interest to investors, rent to owners of land and building, emoluments to workers and net surplus to entrepreneurs.

The data on **Value Added per Worker** from the enterprises were collected for the reference month. The Annual Value Added was computed by multiplying the related data by 12 in the case of perennial and casual enterprises and by 'number of months operated' for seasonal enterprises. The value added estimates presented in the survey are obtained by alternative approaches, viz., income approach (Method 1) and product approach (Method 2).

* Prepared in the Statistical Analysis Division of the Department of Statistical Analysis and Computer Services.

- 1 The Report of National Statistical Commission, and the Report of the NSSO on Informal Sector in India, 1999-2000, dealt with the concepts and definitions of informal sector in greater detail.
- 2 This definition differs from the concept of 'organised' and 'unorganised' sectors used in National Accounts Statistics. The latter includes those enterprises whose activities or collection of data is not regulated under any legal provision and /or those which do not maintain any regular accounts.
- 3 Fairly regular basis means the major part of the period of operation(s) of the enterprise during the last 365 days.
- 4 Unless otherwise stated, data presented in the paper relate to the year 1999-2000 although the reference to the period is not made every time.
- 5 The estimates of value added were derived in the survey based on two approaches, viz., the factor income approach (Method 1) and the product approach (the difference between receipts and expenditure) (Method 2). While Method 1 estimates are given in Table 9, Method 2 estimates are adopted elsewhere in the article. The difference between the two sets of estimates at aggregate level is only 0.6 per cent.
- 6 Data are reported as on the date of the survey, which are attributed to March 2000.
- 7 Excluding Arunachal Pradesh and A.N. Islands where only 5 enterprises were estimated.
- 8 See NSSO (2001)

Statement 1 : State-Wise Distribution of Estimated Number of Enterprises for Financial Intermediation Activity

State/Union Territory	Own Account Enterprises	Establishments	All Enterprises
Andhra Pradesh	17776	3086	20862
Arunachal Pradesh	0	5	5
Assam	4771	0	4771
Bihar	2222	230	2451
Goa	0	76	76
Gujarat	6311	5432	11744
Haryana	641	177	819
Himachal Pradesh	50	24	74
Jammu and Kashmir	34	243	278
Karnataka	6997	3935	10932
Kerala	7343	2057	9400

Madhya Pradesh	3682	58	3740
Maharashtra	12792	868	13659
Manipur	24	0	24
Meghalaya	0	0	0
Mizoram	0	0	0
Nagaland	0	0	0
Orissa	991	317	1308
Punjab	866	354	1221
Rajasthan	1286	124	1410
Sikkim	0	0	0
Tamil Nadu	29428	10455	39882
Tripura	197	0	197
Uttar Pradesh	10185	688	10873
West Bengal	12122	159	12282
A & N. Islands	5	0	5
Chandigarh	111	0	111
D & Nagar Haveli	0	0	0
Daman & Diu	0	0	0
Delhi	217	13551	13768
Lakshadweep	0	0	0
Pondichery	377	121	499
All India	118428	41960	160391

Statement 2 : State-Wise Distribution of Estimated Number of Workers For Financial Intermediation Activity - By Gender

State/Union Territory	Male	Female	Total
Andhra Pradesh	40092	2853	42945
Arunachal Pradesh	48	0	48
Assam	4372	399	4771
Bihar	2578	103	2681
Goa	242	228	470
Gujarat	37383	1377	38760
Haryana	1664	0	1664
Himachal Pradesh	80	34	114
Jammu and Kashmir	1054	127	1181
Karnataka	30215	1363	31578
Kerala	10949	4158	15107
Madhya Pradesh	3193	605	3798
Maharashtra	14577	4208	18785
Manipur	0	24	24
Meghalaya	0	0	0
Mizoram	0	0	0
Nagaland	0	0	0
Orissa	2550	0	2550
Punjab	1620	325	1945
Rajasthan	1963	0	1963
Sikkim	0	0	0
Tamil Nadu	85921	7356	93277
Tripura	197	0	197
Uttar Pradesh	14242	752	14994
West Bengal	12150	451	12601
A & N. Islands	5	0	5
Chandigarh	140	20	160
D & Nagar Haveli	0	0	0
Daman & Diu	0	0	0
Delhi	41690	217	41907
Lakshadweep	0	0	0
Pondichery	1100	147	1247

All India	308025	24747	332772
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**Statement 3 : Estimated Annual Value Added Per Worker for Financial Intermediation Activity
(in Rs.)**

State/Union Territory	Own Account Enterprises	Establishments	All Enterprises
Andhra Pradesh	30200	42118	35537
Arunachal Pradesh	0	7959867	7959867
Assam	25657	0	25657
Bihar	40700	21570	37424
Goa	0	25846	25846
Gujarat	42380	31057	33182
Haryana	15780	80894	55795
Himachal Pradesh	34818	7935	19708
Jammu and Kashmir	23014	33897	33415
Karnataka	40830	25214	31888
Kerala	37484	33538	35639
Madhya Pradesh	73563	44130	72668
Maharashtra	45535	37048	43697
Manipur	55200	0	55200
Meghalaya	0	0	0
Mizoram	0	0	0
Nagaland	0	0	0
Orissa	34302	25988	29382
Punjab	122405	31949	72258
Rajasthan	63519	71940	65649
Sikkim	0	0	0
Tamil Nadu	53767	37100	47415
Tripura	14632	0	14632
Uttar Pradesh	34872	36275	35307
West Bengal	28728	22400	28488
A & N. Islands	93990	0	93990
Chandigarh	99050	0	99050
D & Nagar Haveli	0	0	0
Daman & Diu	0	0	0
Delhi	23732	38140	38061
Lakshadweep	0	0	0
Pondichery	32546	27924	30152
All India	43666	37683	40622

**Statement 4 : Estimated Aggregate Annual Value Added for Enterprises In Financial Intermediation Activity
(in Rs. '000)**

State/Union Territory	Own Account Enterprises	Establishments	All Enterprises
Andhra Pradesh	716226	809892	1526118
Arunachal Pradesh	0	385417	385417
Assam	122406	0	122406
Bihar	90422	9903	100325
Goa	0	12177	12177
Gujarat	308247	977875	1286122
Haryana	10120	82712	92832
Himachal Pradesh	1745	510	2255
Jammu and Kashmir	1205	38242	39447
Karnataka	551038	455932	1006970
Kerala	301554	236890	538444
Madhya Pradesh	270880	5097	275977
Maharashtra	670081	150707	820788

Manipur	1311	0	1311
Meghalaya	0	0	0
Mizoram	0	0	0
Nagaland	0	0	0
Orissa	35695	39210	74905
Punjab	106059	34439	140498
Rajasthan	93149	35717	128866
Sikkim	0	0	0
Tamil Nadu	3103737	1318960	4422697
Tripura	2876	0	2876
Uttar Pradesh	360654	2392650	2753304
West Bengal	348252	1971617	2319869
A & N. Islands	485	3134	3619
Chandigarh	15773	318862	334635
D & Nagar Haveli	0	10963	10963
Daman & Diu	0	5511	5511
Delhi	5449	2258000	2263449
Lakshadweep	0	95	95
Pondichery	19568	47283	66851
All India	7136932	28767317	35904249