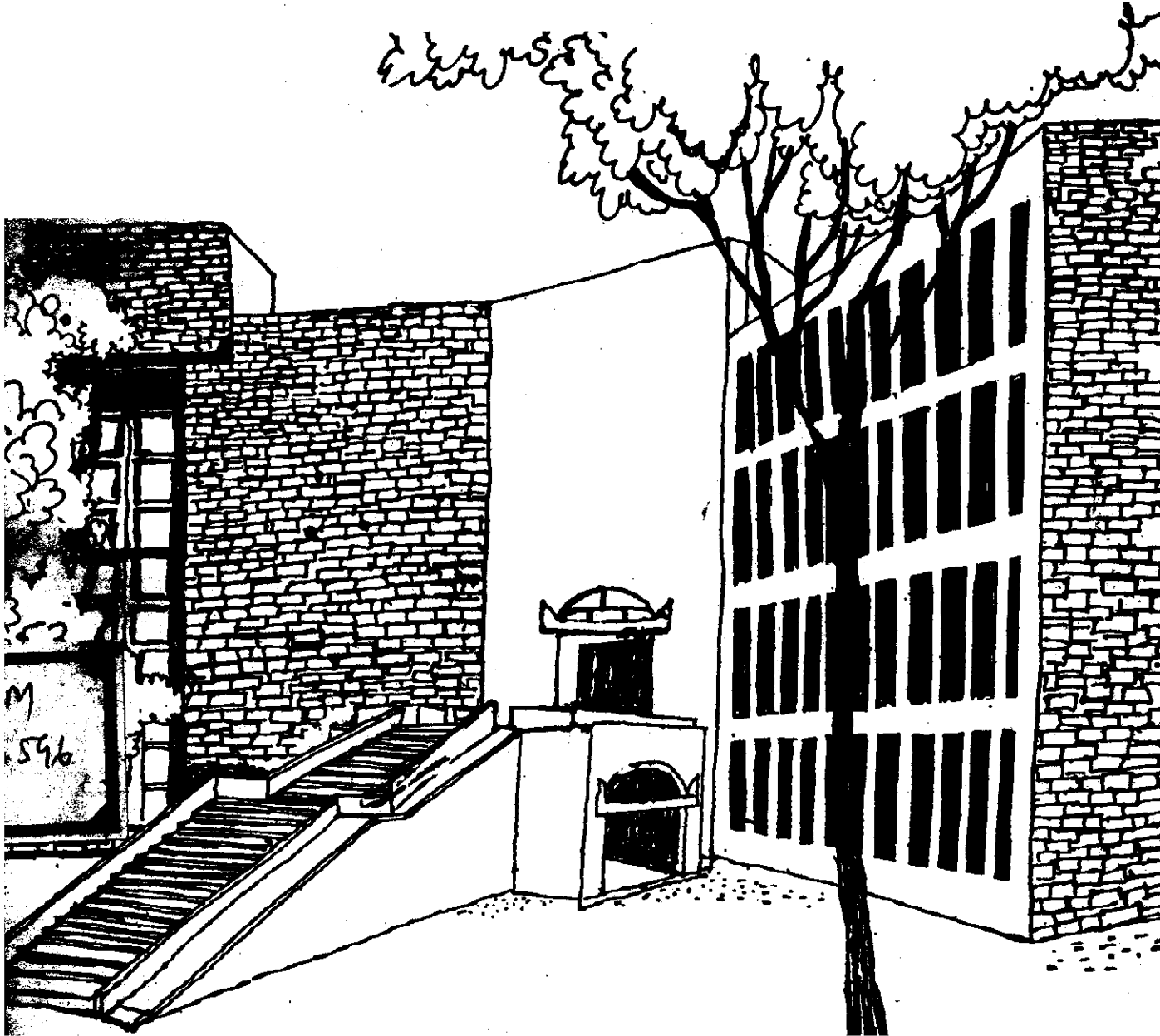


Working Paper



WAGE SHARE IN INDIAN MANUFACTURING
INDUSTRIES: 1961 to 1978-79

By

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WAGE SHARE IN INDIAN MANUFACTURING INDUSTRIES:
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The classical economists had considered the distribution of income as a major problem for an economy. Several hypotheses had been advanced to explain the behaviour of income shares. For the developed countries, it was hypothesized that the share of wages in national income will remain constant in the long run. Based on his review of existing models of income distribution, Kaldor¹ reached the conclusion that increase in investment to output ratio will result in increasing share of profits and declining share of wages in national income. In a developing economy, the investment output ratio is expected to increase in the initial stages of economic development. Consequently, it may be suggested that the share of wages will tend to decline with the increase in the ratio of investment to output.

In so far as the manufacturing sector is concerned, the Kaldor hypothesis may be reformulated to show that the share of wages in net value added will have a tendency to decline in the early phases of industrial development². The explanatory variable may then be identified as fixed capital per worker and the ratio of salaried staff to total employees which reflect increasing investment to output ratio. It is expected that these two variables will have a negative influence on the share of wages in value added. Thus, the model to be tested will be as follows:

$$W/V = \alpha - \beta_1 K/N - \beta_2 S/E \quad (1)$$

Where,

- W/V = Share of wages in value added
- K/N = Fixed capital per worker
- S/E = Ratio of salaried staff to total employees
- α = Constant
- β = Regression coefficients

The data for this study are drawn from the Annual Survey of Industries. This survey had covered large industries during the earlier years on the census basis. However, from 1973, a sample survey of small industries has also been included in the data reported for the factory sector as a whole. Thus the cross section data for 1961 and 1971 relate to the census sector while the data for 1978-79 relate to the factory sector as a whole.

The objective of this study is to test the above hypothesis for Indian manufacturing industries over the period 1961 to 1978-79. Both time series as well as cross-section studies will be attempted. A few conclusions will be drawn in the final section of this paper.

TREND ANALYSIS

Based on the data contained in Table 1, an attempt was made to assess the trends in wage share (W/V) capital per worker (K/N) and the ratio of salaried staff to total employees (S/E).

The share of wages in value added has tended to decline over the period 1961 to 1978-79. However, there have been fluctuations in this trend from year to year. For eight years, the share of wages has improved but for other years the share has declined. The highest increase was recorded for the year 1975, whereas the decline was most noticeable during 1974. On the whole, the coefficient of regression for time trend was found to be $-0.0864 \log t$, which is statistically significant. Thus by 1978-79 the index of wages in value added had declined to 80.24 (1961 = 100).

The fixed capital per worker had increased from Rs:5041 in 1961 to Rs:40,388 in 1978-79 (1961 = 100). The highest increase was recorded for the year 1962 followed by 1964, 1965 and 1966. In recent years, however, the increase have been relatively moderate. The computed trend rate was $0.624 \log t$ which is again statistically significant.

The ratio of salaried staff to total employees has also increased from 10.61 in 1961 to 21.83 in 1978-79. Thus the index had reached the figure of 205.75 in 1978-79 (1961 = 100). Except for the years 1976 and 1978-79 there has been continuous increase in the ratio over the period under consideration. On the whole the time trend

was positive (0.236 log t), and statistically significant.

The data thus indicate a declining trend for share of wages in value added, while at the same time the trends in fixed capital per worker and in the ratio of salaried staff to total employees were positively inclined (Table 2A). An attempt was made to assess the impact of capital intensity and growth of salaried staff on the share of wages in value added (Table 2B). The regression results suggest that taken together, the two variables, capital intensity and growth of salaried staff explain 71% of the variations in the share of wages in value added. However, while both these variables have the correct signs, their regression coefficients are statistically insignificant. Nevertheless, when the two variables are taken separately their regression coefficients are not only statistically significant but had the correct signs also.

CROSS-SECTION STUDIES

An attempt was also made to test the hypothesis for the years 1961, 1971 and 1978-79. Inter-industry data for the variables were used for cross-section studies.

It may be seen from Table 3 that the share of wages in value added differed considerably from one industry to another in 1961. Out of 20 industry groups considered, the share of wages was higher than the mean value for all industries in 8 industry groups and lower for the rest. The highest share (53.44%) was in manufacture of textiles. On the contrary the lowest was (10.39%) in manufacture of products of petroleum and coal. Similarly capital intensity also differed widely across the industry groups. It was found that seven industry groups out of 20 exhibited higher capital intensity than the average for all industry groups. Similarly the ratio of salaried staff to total employees was found to be higher than the average for 15 out of 20 industry groups.

The regression results for 1961 are quoted in Table 4. The explanatory value of the model is relatively low ($R^2 = 0.475$). Nevertheless, the regression coefficients for capital per worker and salaried staff to total employees have the correct signs and are also statistically significant. At the same time, when these

variables are taken separately their coefficients exhibit the correct signs and are statistically significant. These results generally confirm the hypothesis.

The data for 1971 are presented in Table 5. The share of wages has differed widely from 55.58 per cent in textiles to 12.65 per cent in manufacture of products of petroleum and coal. There are seven industry groups in which the share of wages is higher than the average for all industries. On the other hand, there are 13 industry groups which had share of wages less than the average for all industries. The capital intensity also varied widely, with 7 industry groups having capital intensity higher than the average for all industries and 13 industry groups having less than the average. The ratio of salaried staff to total employees varied from 29.89 per cent in manufacture of products of petroleum and coal to 7.19 per cent in tobacco manufactures. It is interesting to note that 13 out of 20 industry groups had this ratio higher than the average for all industries.

The regression results for the cross section study for 1971 (Table 6) indicate the influence of explanatory variables on the share of wages in value added. The results suggest that capital intensity and the ratio of salaried staff to total employees have a negative relationship with the share of wages in value added. However, the regression coefficients for capital intensity alone is found statistically significant but the multiple correlation coefficient is rather low ($R^2 = 0.223$).

The share of wages in value added for the year 1978-79 is again spread over various industry groups, with 31.76 per cent as the average for all the industries (Table 7). As many as 12 industry groups out of 23 industry groups had the wage share higher than the average for all industries. On the other hand, only 8 industry groups had capital intensity higher than the average for all industries. At the same time, 16 industry groups had higher ratio of salaried staff to total employees than the average for all industries.

Both capital intensity and the ratio of salaried staff to total employees had negative influence on share of wages in value added. (Table 8). However, the multiple

correlation coefficient is again relatively low ($R^2 = 0.406$). The regression coefficients for the two variables had the expected signs, but the regression coefficient for ratio of salaried staff to total employees was alone statistically significant. When however, the two variables were taken separately, the regression coefficients for both these variables became statistically significant.

An attempt was also made to assess the change in share of wages in value added over the period 1961 to 1978 to 1979 (Table 9). For this purpose 14 industry groups which were common to both years were considered. This analysis showed that all the industry groups, except food products etc. and rubber products and manufacture of petroleum and coal products, exhibited a decline in share of wages in value added. The percent change for all industries came to 19.26. Five industry groups had a decline more than the decline for all industries. The rest (7 industry groups) had a decline which was less than the industry average. On the contrary, the increase in capital intensity has ranged from 162 per cent to 825 per cent. The average for all industries was estimated to be 429 per cent. This percentage was exceeded in case of five industry groups. Similarly, the ratio of salaried staff to total employees was higher in five industry groups in comparison with the industry average.

The correlation analysis for the change in wage share for the 14 industry groups over the period 1961 to 1978-79 did not yield satisfactory results (Table 10). However, the signs of regression coefficients for capital intensity and ratio of salaried staff to total employees were in the negative. This finding suggested the negative influence of these two variables on wage share. However, the values of regression coefficients were statistically insignificant and the multiple correlation coefficient was also extremely low.

CONCLUSION

In this study we attempted to examine the trend in share of wages in value added over the period 1961 to 1978-79. We also tried to assess the likely impact of capital intensity and ratio of salaried staff to total

employees on the wage share. The following conclusions may be drawn from the study:

- (a) The time series analysis over the period indicates a declining trend for wage share;
- (b) The cross section studies for the years 1961, 1971 and 1978-79 reveal substantial inter-industry differentials in the share of wages;
- (c) A comparative study for the years 1961 and 1978-79 also suggests a negative change in the share of wages for 12 out of 14 industry groups.

It was hypothesized that the declining trend in wage share could be explained by the increasing trends in capital intensity and the ratio of salaried staff to total employees. The statistical analysis presented here generally validates this hypothesis. Thus,

- (d) Capital intensity and the ratio of salaried staff to total employees could explain 71 per cent of decline in wage share;
- (e) The inter-industry differentials in wage share was explainable by the two variables to the extent of 48 per cent, 22 per cent and 41 per cent for the years 1961, 1971 and 1978-79 respectively;
- (f) The comparative static study for 14 comparable industries showed that the change in wage share could not be explained by the changes in the two independent variables.

The results of this study imply that the workers in the Indian manufacturing sector have not had the benefit of a proportional share of value added. To some extent increased investment and capital intensive technology could explain the declining trend in share of wages in value added. The findings of this study thus confirm the validity of Kaldor hypothesis for the manufacturing sector. Over a period of time it is possible that capital intensity and the ratio of salaried staff to total employees may stabilize and consequently the share of wages may also achieve stability. At the same time the growth of unionism and collective bargaining may have a positive impact on the share of wages. Thus, rapidly changing technology and increasing capital intensity may have to be balanced by the institutional factors such as the State Policy and trade unionism to achieve stability in the wage share. In the meantime industrial conflict may continue due to the conflicting claims of wage earners and non-wage earners on the distribution of income generated in the manufacturing sector.

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Table 1 : Trends in Share of Wages, Capital per worker and rate of salaried staff to total employees

Sl. No.	Year	Share of wages in Value added (W/V)		Rate of Change	Capital per worker (K/N)		Rate of Change	Ratio of salaried staff to total employees (S/E)		Rate of Change
		%	Index		Rs:	Index		%	Index	
1	1961	38.20	100.00	-	5,041	100.00	-	10.61	100.00	-
2	1962	38.99	100.19	+0.19	7,057	139.72	+39.72	12.02	113.29	+13.29
3	1963	37.15	95.01	-5.17	8,025	158.90	+13.73	12.49	117.72	+ 3.91
4	1964	36.07	92.12	-3.04	10,261	203.17	+27.86	14.70	138.55	+17.69
5	1965	36.16	92.56	+0.48	12,345	244.43	+20.31	16.40	154.57	+11.56
6	1966	36.26	93.03	+0.51	14,951	296.03	+21.11	17.58	165.69	+ 7.19
7	1967	38.43	98.27	+5.63	16,597	328.62	+11.01	17.66	166.45	+ 0.46
8	1968	38.13	97.09	-1.20	18,570	367.69	+11.89	18.09	170.50	+2.43
9	1969	34.85	87.96	-9.40	19,349	383.11	+ 4.19	18.45	173.89	+ 1.99
10	1970	34.30	86.67	-1.47	20,685	409.56	+ 6.90	18.88	177.95	+ 2.33
11	1971	35.33	89.16	+2.87	20,784	411.52	+ 0.49	19.19	180.87	+ 1.64
12	1973	34.07	85.52	-4.08	23,067	456.73	+10.99	19.93	187.84	+ 3.85
13	1974	29.97	75.74	-11.44	25,004	495.08	+ 8.40	21.31	200.85	+ 6.93
14	1975	33.64	85.02	+12.25	28,037	555.13	+12.13	21.69	204.43	+ 1.78
15	1976	31.11	78.46	- 7.72	31,016	614.12	+10.63	21.64	203.96	- 0.23
16	1977	31.12	78.59	+ 0.17	35,122	696.73	+13.45	21.88	206.22	+ 1.11
17	1978-79	31.77	80.24	+ 2.10	40,388	801.19	+14.99	21.83	205.75	- 0.23

Table 2A: Regression Analysis (Time Trend), 1961 to 1978-79

Regression No.	Dependant Variable	Independent Variables	R ²	F-Statistics with D.F	Durbin-Watson Statistic
Log 1	log W/V	4.645 - 0.0864 log t (4.821)*	0.624	(1, 14) 23.243	1.212
2	log K/N	4.71+0.624 log t (16.256)*	0.950	(1, 14) 264.247	0.663
3	log S/E	4.685+0.236 log t (21.572)*	0.971	(1, 14) 465.339	1.736

* Significant at 1% level

Table 2B: Regression Analysis - (Time Series) 1961 to 1978-79

Regression No.	Dependent Variable	Independent Variables	R ²	F-Statistics with D.F.	Durbin-Watson Statistic
1	W/V	113.89 - 0.02 K/N - 0.10 S/E (1.19) (1.11)	0.71	(2.13) 16.2430	1.534
2	W/V	102.04 - 0.033 K/N (5.54)*	0.68	(1, 14) 30.735	1.539
3	W/V	124.48 - 0.208 S/E (5.48)*	0.683	(1, 14) 30.107	1.309

* Significant at 1% level

Table 3: Share of Wages, Capital Intensity and Salaried Staff for 1961

Industry Code	Name of the industry	Share of Wages in Value added (W/V)		Capital per worker (K/N)		Ratio of salaried staff to total employees (S/E)	
		%	Index	Rs:	Index	%	Index
20	Food Mfg. Industries except Beverages Industries	25.66	64.42	4226	88.97	12.37	123.7
21	Beverages Industries	17.65	44.31	7458	157.01	15.76	157.6
22	Tobacco Manufacturers	37.21	93.42	653	13.75	3.02	30.2
23	Manufacture of Textiles, except Manufacture of Textiles elsewhere classified and Manufacture of Textiles not elsewhere classified	53.44	134.17	2271	47.81	5.93	59.3
24	Manufacture of Footwear, other wearing apparel and made-up textile goods	42.94	107.81	1212	25.52	6.79	67.9
25	Manufacture of wood & Cork except manufacture of Furniture	38.43	96.47	2619	55.14	12.17	121.7
26	Manufacture of Furniture and Fixtures	50.77	127.47	2809	59.14	9.18	91.8
27	Manufacture of paper and paper products	31.82	79.89	12333	259.64	13.21	132.1
28	Printing, publishing and allied industries	42.52	106.75	3589	75.56	18.13	181.3
29	Manufacture of leather and Fur. Products except footwear & other wearing apparel.	47.83	120.09	1495	31.47	9.50	95.0
30	Manufacture of Rubber Products	23.09	57.97	4387	92.36	12.59	125.9
31	Manufacture of Chemicals & Chemical Products	21.73	54.56	17127	360.57	17.43	174.3
32	Manufacture of products of petroleum and coal	10.39	26.09	63902	1345.31	19.24	192.4
33	Manufacture of non-metallic mineral products except products of petroleum & coal	36.23	90.96	6068	127.75	10.31	103.1
34	Basic metal industries	35.71	89.66	14791	311.39	15.91	159.1
35	Manufacture of metal products except machinery & transport equipments						
36	Manufacture of machinery except electrical machinery	40.01	102.96	4707	99.09	14.61	146.1
37	Manufacture of electrical machinery, apparatus, appliances & supplies	31.17	78.26	5117	107.73	14.63	146.3
38	Manufacture of transport equipment	50.97	127.97	4525	95.26	12.34	123.4
39	Miscellaneous manufacturing industries	43.82	110.02	3120	65.68	11.34	113.4
	All Industries	39.83	100.00	4750	100.00	10.00	100.0

Table 4: Regression Analysis (70)

Regression No.	Dependent Variable	Independent Variables	R ²	F-Statistic with D.F.	Durbin-Watson Statistic
1	W/V	127.101-0.0449 K/N - 0.235 S/E (2.102)** (1.568)***	0.475	(2,17) 7.698	1.567
2	W/V	101.406-0.0636 K/N (3.459)*	0.399	(1,18) 11.966	1.612
3	W/V	140.978-0.412 S/E (3.0371)*	0.339	(1,18) 9.224	1.427
Log 1	W/V	5.122-0.354 K/N +0.197 S/E (3.310)* (0.792)	0.528	(2,17) 9.519	1.450
2	W/V	5.752-0.288 K/N (4.336)*	0.511	(1,18) 18.799	1.375
3	W/V	6.535-0.443 S/E (2.281)*	0.224	(1,18) 5.201	1.246

* Significant at 1% level
 ** Significant at 5% level
 *** Significant at 10% level

Table 5: Share of Wages, Capital Intensity and Salaried Staff for 1971

Industry Code	Name of the Industry	Share of Wages in value added (W/V)		Capital per worker (K/N)		Ratio of salaried staff to total employees (S/E)	
		%	Index	Rs.	Index	%	Index
20	Food Manufacturing industries except Beverages Industries	30.99	83.26	8360	58.07	17.02	97.42
21	Beverages Industries	18.39	49.41	19134	132.90	25.53	146.14
22	Tobacco Manufacturers	14.82	39.82	1429	9.93	7.19	41.16
23	Manufacture of Textiles, except manufacture of Textiles classified elsewhere and	55.58	149.33	5055	35.11	10.09	57.76
24	Manufacture of Textiles not elsewhere classified	34.45	92.56	3901	27.10	14.94	85.52
24	Manufacture of Footwear, other wearing apparel and made up textile goods						
25	Manufacture of wood and cork except manufacture of furniture	43.09	115.77	4919	34.17	15.86	90.78
26	Manufacture of furniture and fixtures	40.69	109.32	6210	43.13	18.39	105.27
27	Manufacture of paper & paper products	27.12	72.86	25314	175.83	20.78	118.95
28	Printing, publishing and allied indus.	48.70	130.84	6843	47.53	23.61	135.15
29	Manufacture of leather and fur products except footwear and other wearing apparel	41.75	112.17	4639	32.22	15.55	89.01
30	Manufacture of rubber products	28.45	76.44	13389	93.00	18.22	104.29
31	Manufacture of chemical products	17.38	46.69	51236	355.88	26.50	151.69
32	Manufacture of products of petroleum & coal	12.65	33.99	169475	1177.15	29.89	171.09
33	Manufacture of non-metallic mineral products except products of petroleum & coal	33.85	90.94	13167	91.46	14.55	83.29
34	Basic metal industries	49.85	133.93	39393	273.62	22.45	128.51
35	Manufacture of metal products except machinery & transport equipments	31.01	83.31	10843	75.31	19.90	113.91
36	Manufacture of machinery except electrical machinery	32.40	87.05	17164	119.22	25.94	148.48
37	Manufacture of electrical machinery, apparatus, appliances & supplies	27.76	74.58	21570	149.82	27.67	158.39
38	Manufacture of transport equipment	49.03	131.73	8502	59.05	20.41	116.83
39	Miscellaneous manufacturing industries	37.16	99.84	9883	68.65	21.98	125.82
	All Industries	37.22	100.00	14397	100.00	17.47	100.00

Table 6: Regression Analysis: 1971

Regression No.	Dependent Variable	Independent Variables	R ²	F-Statistic with D.F.	Durbin-Watson Statistic
1	W/V	103.054 - 0.0582 K/N - 0.0305 S/E (1.74)*** (0.120)	0.223	(2, 17) 2.445	2.162
2	W/V	99.942 - 0.0605 K/N (2.271)	0.223	(1, 18) 5.158	2.159
3	W/V	122.966 - 0.284 S/E (1.294)	0.085	(1, 18) 1.673	1.902
Log					
1	W/V	3.186 - 0.299 K/N + 0.548 S/E (2.197)** (1.332)***	0.236	(2, 17) 2.624	1.97
2	W/V	5.121 - 0.156 K/N (1.825)**	0.156	(1, 18) 3.33	1.775
3	W/V	5.202 - 0.164 S/E (0.589)	0.0189	(1, 18) 0.347	1.562

* Significant at 1% level.

** Significant at 5% level

*** Significant at 10% level

Table 7: Share of Wages, Capital Intensity and Supervisory Staff for 1978-79

Indus- try code	Industry	Share of Wages in value added (W/V)		Capital per worker (K/N)		Ratio of non worker to total employees (S/E)	
		%	Index	Rs:	Index	%	Index
20-21	Food Products	31.38	96.80	11403	28.23	21.13	97.08
22	Beverages, tobacco & tobacco products	27.93	87.94	3141	7.78	10.25	46.98
23	Cotton Textiles	49.03	154.38	8430	20.87	11.96	54.81
24	Wool, silk and synthetic fibre textiles	29.82	93.89	18395	45.55	17.82	81.67
25	Jute, hemp and mesta textiles	74.27	233.65	3498	8.66	9.30	42.62
26	Textile products (inclu. wearing apparel other than Footwear)	29.89	94.11	8593	21.28	18.58	85.15
27	Wood & wood products, furniture & fixtures	32.28	101.64	7488	18.54	22.32	102.29
28	Paper & paper products & printing, publishing & Allied industries	35.14	113.79	25148	62.27	23.23	106.46
29	Leather & leather & Fur Products (except repair)	41.12	129.47	11040	27.33	23.29	106.74
30	Rubber, plastic, petroleum & coal products	18.36	57.81	91947	227.66	29.75	136.34
31	Chemical & chemical products	16.51	52.24	84959	210.36	30.88	141.52
32	Non-metallic mineral products	35.70	112.41	18015	44.60	28.05	105.64
33	Basic metal & alloys industries	33.12	104.28	76315	188.95	27.33	125.25
34	Metal products & parts except machine & transport	31.78	100.06	12445	30.81	23.03	105.55
35	Machinery, machinery tools & parts except ele. m/c	27.15	85.48	23867	59.09	30.32	138.96
36	Ele m/c, App. Appl & supplies & parts	26.60	83.75	27639	68.43	32.28	147.94
37	Transport equipment and parts	39.22	123.49	41882	103.70	25.01	114.62
38	Other manufacturing industries	31.16	98.11	16934	41.93	28.68	131.44
40	Electricity	23.91	75.28	216823	535.85	28.14	128.97
41	Gas & Steam	41.35	130.19	53211	131.75	29.60	135.66
42	Water works and supply	38.23	120.37	54033	133.78	23.77	108.94
741	Cold storage	19.49	61.37	41478	102.70	34.11	156.33
97	Repairs services	63.80	200.88	8687	21.51	18.73	85.84
	Total	31.76	100.00	40388	100.00	21.82	100.00

Table 8: Regression Analysis: 1978-79

Regression No.	Dependent Variable	Independent Variables	R ²	F-Statistic with D.F.	Durbin-Watson Statistic
1	W/V	195.844-0.047 K/N - 0.76 S/E (0.667) (2.898)*	0.406	(2,20) 6.828	2.033
2	W/V	122.586-0.143 K/N (1.971)**	0.156	(1,21) 3.887	2.306
3	W/V	200.328-0.842 S/E (3.684)*	0.394	(1,21) 13.569	2.067
Log					
1	W/V	6.911-0.071 K/N - 0.431 S/E (0.783) (1.559)***	0.374	(2,20) 5.979	2.032
2	W/V	5.346-0.179 K/N (2.987)*	0.298	(1,21) 8.923	2.222
3	W/V	7.398-0.597 S/E (3.40)*	0.355	(1,21) 11.558	2.047

* Significant at 1% level
 ** Significant at 5% level
 *** Significant at 10% level

Table 9: Comparative Analysis: Inter Industry 1961 to 1978-79

Sl. No.	Name of the industry	Share of wages in value added (W/V)				%age change
		1961		1978-79		
		%	Index	%	Index	
1	Food products, beverages, tobacco & tobacco products	27.15	68.16	30.41	94.56	+12.01
2	Cotton textiles and other textiles	53.43	134.15	47.03	146.24	-11.98
3	Manufacture of footwear, other wearing apparel, and made-up textile goods, and manufacture of leather & fur products	46.02	115.54	41.12	127.86	-10.65
4	Manufacture of wood and cork except manufacture of furniture, and fixtures	45.06	113.13	32.28	100.37	-28.36
5	Manufacture of paper and paper products & printing, publishing and allied industries	37.94	95.25	36.14	112.38	- 4.74
6	Rubber products & manufacture of petroleum and coal	17.73	44.51	18.36	57.09	+ 3.55
7	Manufacture of chemical & chemical products	21.74	54.58	16.59	51.59	-23.69
8	Manufacture of non-metallic mineral products	36.23	90.96	35.70	111.01	- 1.46
9	Basic Metal industries	35.71	89.66	33.12	102.99	- 7.25
10	Metal products except machinery	36.55	91.77	31.78	98.82	-13.05
11	Manufacture of machinery except electrical machinery	40.02	100.48	27.15	84.42	-32.16
12	Manufacture of ele. machinery, apparatus, appliances & supplies	31.17	78.26	26.60	82.71	-14.66
13	Manufacture of transport equipment	50.98	127.99	39.22	121.95	-23.07
14	Miscellaneous manufacturing industries	43.84	110.07	31.16	96.89	-28.92
	All industries	39.83	100.00	32.16	100.00	-19.26

Table 9 Contd.

Sl. No.	Name of industry	Fixed capital per worker (K/N)				
		1961 Rs:(lakh)	Index	1978-79 Rs:(lakh)	Index	%age change
1	Food products, beverages, tobacco & tobacco products	3448	72.59	9065	36.04	162.91
2	Cotton textiles & other textiles	2271	47.81	8712	34.64	283.62
3	Manufacture of footwear, other wearing apparel, & made-up textile goods & manufacture of leather & fur products	1378	29.01	11040	43.89	701.16
4	Manufacture of wood and cork except manufacture of furniture and fixtures	2721	57.28	7488	29.77	175.19
5	Manufacture of paper and paper products & printing publishing and allied industries	6925	145.79	25148	99.98	263.15
6	Rubber products and manufacture of petroleum & coal	15251	321.07	91947	365.55	502.89
7	Manufacture of chemical & chemical products	17128	360.59	84959	337.77	396.02
8	Manufacture of non-metallic mineral products	6068	127.75	18015	71.62	196.89
9	Basic metal industries	14791	311.39	76315	303.40	415.96
10	Metal products except machinery	4193	88.27	12445	49.48	196.80
11	Manufacture of machinery except electrical machinery	4708	99.12	23867	94.89	406.95
12	Manufacture of electrical machinery, apparatus, appliances, and supplies	5116	107.71	27639	109.88	440.25
13	Manufacture of transport equipment	4525	95.25	41882	166.51	825.57
14	Miscellaneous manufacturing industries	3119	65.66	16934	67.32	442.93
	All industries	4750	100.00	25153	100.00	429.54

Table 9 Contd.

Sl. No.	Name of industry	Ratio of salaried staff to total employees S/E				
		1961		1978-79		%age change
		%	Index	%	Index	
1	Food products, beverages, tobacco & tobacco products	10.44	104.4	18.36	86.36	75.86
2	Cotton textiles & other textiles	5.93	59.3	21.61	59.31	112.65
3	Manufacture of footwear, other wearing apparel, & made-up textile goods & manufacture of leather & fur products	8.38	83.8	23.29	109.55	177.92
4	Manufacture of wood & cork except manufacture of furniture and fixtures	10.65	106.5	22.32	104.99	109.58
5	Manufacture of paper and paper products & printing publishing and allied industries	16.32	163.2	23.23	109.27	42.34
6	Rubber products & manufacture of petroleum & coal	13.89	138.9	29.75	139.93	114.18
7	Manufacture of chemical & chemical products	17.43	174.3	30.88	145.25	77.17
8	Manufacture of non-metallic mineral products	10.31	103.1	23.05	108.42	123.57
9	Basic metal industries	15.91	159.1	27.33	128.55	71.78
10	Metal products except machinery	11.83	118.3	23.03	108.33	94.67
11	Manufacture of machinery except elect. machinery	14.61	146.1	30.32	142.62	107.53
12	Manufacture of electrical machinery, apparatus, appliances, and supplies	14.63	146.3	32.28	151.83	120.64
13	Manufacture of transport equipment	12.34	123.4	25.04	117.78	102.92
14	Miscellaneous manufacturing industries	11.34	113.4	28.68	134.90	152.91
	All industries	10.00	100.00	21.26	100.00	112.60

Table 10: Regression Analysis - inter industry (1961 to 1978-79)

Regression No.	Dependent Variable	Independent Variables	R ²	F-Statistic with D.F.	Durbin-Watson Statistic
1	W/V	-1.19-0.0124 (0.591) K/N -0.001 S/E (0.563)	0.094	(2,11) 0.571	2.13
2	W/V	-6.51-0.017 (0.935) K/N	0.068	(1,12) 0.874	1.97
3	W/V	-2.82-0.098 (0.92) S/E	0.065	(1,12) 0.837	2.01

