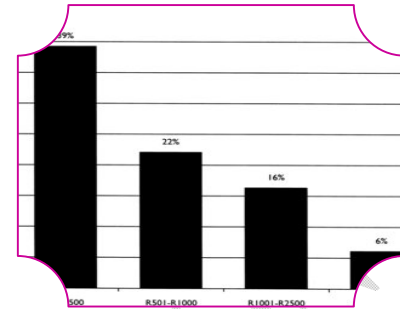




## MYTH AND REALITY OF INFORMAL EMPLOYMENT IN KALABURGI DISTRICT OF KARNATAKA: AN EMPIRICAL ANALYSIS

Dr. Sharanappa Saidapur

Asst. Professor of Economics, Govt. First Grade College, Chittapur, permanently affiliated to Gulbarga University, Kalaburagi. Karnataka.



### ABSTRACT

The present paper analyzes the different dimensions of the informal sector in Karnataka. Further, it focuses on the trends and growth of informal employment in State. Employment is pipeline of the economic development. It decides the strength and status of person. It also plays a key role in the progress and prosperity of any state. When employment increases, income increases, when income increases purchasing power of workers increases and ultimately the standard of living increases. Therefore, employment is correlation between well-being and happiness of workers. It increases the status of workers and also curtails the anti social activities. There is a famous proverb in this regard the 'empty mind is devil's workshop'. Informal sector is a part of Indian economy. It plays a crucial role in the growth of economic development and augment of employment opportunities. The workers of a country are its most valuable assets. The strength and prosperity of the Nation lies in its workers who are healthy, education and economically self-reliant. Workers are pillars and future of every country and also backbone of the economy. The development of the country depends upon ability and capabilities of workers. There is no restriction for entry and exit of this sector. This paper based on primary and secondary resources. Primary data collected from the workers through interviews and secondary data collected from published journals, articles, Government reports, census report and books etc. Present paper discusses about the trends, growth, problems and policy issues. It focuses the constraints of workers in getting even the minimum wages. . Gulbarga is a feudal oriented district in the Karnataka State. There was no land reform policy implemented. And present reforms of the State are concentrated on acquiring land for Airport, establishing the Electrical Power Generation Company, High Court Bench etc in Gulbarga. Due to these developmental programmes the farmers had sold their land to Government. So, people have become landless. These landless farmers have become workers in informal sector. Therefore, the Government must stop the land acquisition from the farmers instead of work for land reforms.

**KEYWORDS:** Informal, employment, income, wage, labour, issues, challenges, growth, myth, reality.

### INTRODUCTION

Informal sector is a part of Indian economy. It plays a crucial role in the growth of economic development and augment of employment opportunities. It also increases the income of workers. It is livelihood for majority of workers in this sector. Unorganized (informal) workers, in both self-employed and wage employed categories, remain, by and large, legally unrecognized as workers, which implies that the existing laws related to minimum wages or social security are not applied to them. Besides the lack of legal recognition, lack of a designated business place also works to increase their vulnerability and exposes them

to exploitation by the authorities. Further, the dispersed nature of workplace makes organization of these workers and enterprises more difficult, further adding to their invisibility.

The workers of a country are its most valuable assets. The strength and prosperity of the Nation lies in its workers who are healthy, education and economically self-reliant. Workers are pillars and future of every country and also backbone of the economy. The development of the country depends upon ability and capabilities of workers. There is no restriction for entry and exit of this sector. The government rules and regulations are not applicable for this sector. According to 2011 census, Gulbarga district is population 10,954.00 lakh, 8, 44,237 lakh main workers, 2, 42,791 lakh marginal workers and 1,087,028 lakh total workers in Gulbarga district. It has 25.28 percent SC/STs population and work participation rate 42.36 percent. Gulbarga is 'Tur bowl' of the state and also called as capital city of Cement Industry. The majority of workers are working in these industries on contract basis due to lack of land reforms policy in this backward region of Karnataka State.

#### **OBJECTIVES:**

Some of the important objectives of the paper are as follows:

- 1) To analyses the trends and growth of informal sector.
- 2) To understand the problems of informal sector.
- 3) To make the suggestions for improving the status of workers

#### **METHODOLOGY:**

This paper based on primary and secondary resources. Primary data collected from the workers through interviews and secondary data collected from published journals, articles, Government reports, census report and books etc.

#### **DISCUSSION AND ANALYSIS:**

Present paper discusses about the trends, growth, problems and policy issues. It focuses the constraints of workers in getting even the minimum wages.

#### **STATUS OF INFORMAL WORKERS:**

The workers in the informal economy are clearly the overwhelming proportion of the workforce and most of these suffer from various forms of insecurity and vulnerabilities. Limited access to human and physical capital among workers acts as a major constraint on access to employment, quality of employment or growth of self-employment activities. A substantial proportion of wage workers in agriculture and non-agriculture are either landless or land poor.

Self-employed in agriculture has better access to land ownership. In modern times, education is important to obtain gainful, productive and remunerative employment. Unorganized workers have the lowest level of education and literacy. Especially, Scheduled Castes (SCs), Scheduled Tribes (STs) and Muslims are overwhelmingly concentrated in the unorganized sector and in self-employed activities to meet their livelihood needs.

Broadly, unorganized workers have concentrated in a small number of activity groups. Among men, most of the wage workers are engaged either in some kind of manufacturing, construction, trading of transport activities. Among women, most of the informal workers are engaged in some kind of manufacturing construction activities or just domestic service.

#### **WORK PARTICIPATION RATE IN GULBARGA**

Work participation rate play very important role in economy when work participation is higher, growth is also higher. Work participation rate is defined as the number of workers per 100 populations. There is positive co-relation between economic growth and work participation. Size of workers is not

important but productivity and work participation of workers is important. Work participation rate in Gulbarga district is noted in the table below:

**Table-1**  
**Work participation Rate in Gulbarga District**

Sl. No	Talukas	Total Workers			Male			Female		
		1991	2001	2011	1991	2001	2011	1991	2001	2011
1	Afzalpur	43.83	42.68	43.27	51.61	51.50	52.19	35.60	33.40	33.87
2	Aland	45.98	51.36	46.46	47.00	56.10	46.41	38.45	46.40	38.51
3	Chincholi	48.60	50.08	47.62	53.26	53.80	54.35	43.82	46.20	40.82
4	Chittapur	40.20	38.50	41.75	39.61	48.80	52.19	27.23	27.90	31.28
5	Kalaburgi	32.49	32.95	37.05	40.70	45.50	50.39	16.16	19.50	23.18
6	Jewargi	48.30	46.28	45.66	52.92	51.30	52.17	43.60	41.10	38.93
7	Sedam	47.57	46.58	45.66	48.51	53.20	54.32	37.55	40.00	37.01
8	Total	43.07	43.12	43.35	51.22	51.10	52.23	34.60	33.21	32.18
9	State	<b>42.00</b>	<b>44.60</b>	<b>45.62</b>	<b>54.01</b>	<b>56.09</b>	<b>51.00</b>	<b>29.30</b>	<b>44.60</b>	<b>31.87</b>

Source: Census of India –1991-2011

The above table reveals the work participation rates in Gulbarga district. The overall work participation rate has increased very marginally from 43.07 to 43.12 during 1991-2001. It has further increased to 43.35 in 2011. The work participation rate is stagnant since last two decades. The work participation rate for male laborers has increased from 51.1 percent to 52.23 percent. But for the female workers it has declined from 33.21 percent to 32.18 percent.

#### Main and Marginal Workers in Gulbarga:

The structure of the local economy determines the nature of work patterns and participation of the people as workers. It is possible that living conditions might have deteriorated for the people as large proportion of workers are now participating in prod chon process as mankind workers. The proportion of main worriers to the total workers has come down from 89.2 precut to 77.67 percent during this period 2001-2011 as seen Table.2.

**Table-2**  
**Taluka-wise Main Workers (Rural and Urban)**

Sl. no	Talukas	Total Workers		Male		Female	
		2001	2011	2001	2011	2001	2011
1	Afzalpur	87.8	74.89	93.00	88.96	82.30	63.08
2	Aland	84.4	75.44	90.90	83.84	77.60	62.98
3	Chincholi	86.1	78.46	93.23	85.04	78.80	69.63
4	Chittapur	92.5	75.89	94.60	81.85	90.30	65.93
5	Kalaburgi	94.0	78.90	95.20	84.33	92.70	66.64
6	Jewargi	87.2	81.18	93.40	87.99	80.80	71.77
7	Sedam	87.3	77.31	93.50	85.66	81.00	65.22
8	Total	<b>89.2</b>	<b>77.67</b>	<b>93.70</b>	<b>84.30</b>	<b>84.50</b>	<b>66.69</b>

Source: Census of India-2001-2011

The above table depicts the taluka-wise distribution of main workers. The decline in proportion of main workers is observed at both the state as well as district level. While, the proportion of main male

workers has decreased from 93.7 percent to 84.3 percent, the proportion of female workers has come down significantly from 84.5 percent to 66.69 percent. The decline is significant in Kalaburagi taluka from 92.7 to 66.64 percent. It is significant in all the talukas. This shows increasing participation of women as marginal workers. In case of male workers also there is significant decline in the proportion of main workers in the talukas like chincholi, chittapur, Jewargi, etc, the trend is observed in all the talukas. Though a declining trend is also observed at the state level but its magnitude is less when compared to the district. In case of female workers the decline in participation role as main workers is a serious cause of concern.

**Table-3**  
**Taluka-wise Distribution of Marginal Workers.**

Sl. No.	Talukas	Total			Male			Female		
		1991	2001	2011	1991	2001	2011	1991	2001	2011
1	Afzalpur	2.83	12.20	25.11	0.25	7.00	11.04	5.54	17.70	36.92
2	Aland	2.45	15.60	24.56	0.34	9.10	16.16	4.65	22.40	37.02
3	Chincholi	3.27	13.90	21.56	0.47	6.80	14.96	6.14	21.20	30.37
4	Chittapur	0.06	7.50	24.11	0.01	5.40	18.15	0.12	9.70	34.07
5	Kalaburgi	1.07	6.00	21.10	0.07	4.80	15.67	2.14	7.30	33.36
6	Jewargi	2.77	12.80	18.81	0.17	6.60	12.01	5.42	19.20	28.23
7	Sedam	0.22	12.70	22.68	0.04	6.50	14.34	0.40	19.00	34.78
8	<b>Total</b>	<b>2.80</b>	<b>10.80</b>	<b>22.33</b>	<b>0.30</b>	<b>6.30</b>	<b>15.70</b>	<b>5.40</b>	<b>15.50</b>	<b>33.31</b>

Source: Census of India, 1991-2011

The above table shows the taluka-wise distribution of marginal workers. The significant increase in number of marginal workers from 2.8 percent of total workers to 22.33 percentage between 1991-2011 indicates the strengthening of marginalization trend in the district. The trend is very rapid in the case of women workers. The proportion of women marginal workers has increased from 15.5 percent to 33.3 percent. There is feminization of marginalization. This has significant impact on their empowerment.

#### Occupational Pattern of the Workforce:

Change in occupation pattern is a significant indicator of development. The shift of population out of agriculture and its distribution in secondary and tertiary sector is an outcome of structural transformation in development process. In the districts, the impact of sectoral changes in income is not observed on occupational structure as 58 percent of population for their livelihood. The total number of main workers has increased from 6, 62,166 in 1960-61 to 13, and 50,072 in 2001 recording 104 percent increase in it over the forty years. But there is decline in absolute number of main workers to 8.44,237 in 2011. There has been concentration of workers in agricultural sector and no significant shift in employment pattern was observed till 2001 as 67 percent of population was still dependent on agriculture. However, between 2001-2011 there is a decline in proportion of population engaged in agriculture by 7 percentage points. Thus, some change is observed during the last decade.

**Table-4**  
**Occupational Structure of Workforce (Main Workers)**

Sl. NO	Censes year	Cultivators	Agricultural labourers	Household industry	Other workers	Total
1	1961	45.55	26.44	9.21	18.80	100.0
2	1971	34.13	36.55	4.40	24.92	100.0
3	1981	36.78	43.95	2.66	16.61	100.0
4	1991	35.19	50.15	2.06	12.60	100.0

5	2001	27.10	40.00	2.50	30.40	100.0
6	2011	20.26	38.20	2.58	38.96	100.0

Source: Census of India, 1961-2011

The above table shows the occupational structure of workers in various census. The proportion of population engaged in agriculture has declined from 85 percent to 58 percent and has increased in tertiary sector of the economy. The percent of workers in other workers increased from 12.6 to 39 during 2011. The percentage of agricultural labourers continues to be high. It has come down to 40 percent in 2001 and to 38.20 in 2011.

**Table-5**  
**Taluka-wise Occupational Pattern**

Sl. No	Talukas	Cultivators	Agricultural Labourers	Households Industry	Other workers	Total
1	Afzalpur	25.82	49.40	2.03	22.75	100.0
2	Aland	23.48	50.98	2.18	23.36	100.0
3	Chincholi	22.33	52.61	1.62	23.44	100.0
4	Chittapur	19.21	33.35	2.74	44.70	100.0
5	Kalaburgi	11.41	19.13	2.93	66.23	100.0
6	Jewargi	29.88	18.20	1.53	20.39	100.0
7	Sedam	23.26	42.08	2.78	31.88	100.0
8	District	20.23	38.20	2.58	38.96	100.0

Source: Ibid

The above table highlights the taluka-wise distribution of occupational pattern. When the occupational pattern is observed across the talukas it is observed that all the talukas except Kalaburagi and Chittapur continue to be dominated by agricultural sector and the share of agricultural workers is about 75 percent in all the talukas. The proportion of other workers is maximum in Kalaburagi taluka (66.23%). There is stagnation in secondary sector and the shift is from primary to tertiary sector as against the historical trend from primary to secondary and to tertiary sectors.

#### PROBLEMS OF INFORMAL WORKERS

Most of the developing States faced the problems of higher rate unemployment due to the rate of growth of labour force than the growth of the employment creation by economy. The major issues of informal sector are as follows.

- 1) The problems of definition and recognition of informal sector activities.
- 2) Inadequacy of laws and legislations.
- 3) Lack of employability and low productivity.
- 4) Non-availability of social security measures.
- 5) Lack of employment and income security for the large majority of the workforce.

#### SUGGESTIONS:

Some of the important suggestions are as follows.

1. To provide the minimum wages for informal work.
2. To provide the 'equal wage for equal work'.
3. Women workers to be paid at par with men.
4. Right of unorganized workers to organize..
5. Provision of Childcare and basic amenities at the work place.

**CONCLUSIONS:**

The above analysis indicates that the standard of living is very low in all the talukas except Kalaburgi taluka. The focus should be on access to toilets, drinking water, fuel and diversification of the work pattern for the workers. Gulbarga is a feudal oriented district in the Karnataka State. Recently the Government of India had declared the Gulbarga renamed as Kalaburagi. Therefore, Gulbarga and Kalaburagi have been used interchangeably. There was no land reform policy implemented. And present reforms of the State are concentrated on acquiring land for Airport, establishing the Electrical Power Generation Company, High Court Bench etc in Gulbarga. Due to these developmental programmes the farmers had sold their land to Government. So, people have become landless. These landless farmers have become workers in informal sector. Therefore, the Government must stop the forcible land acquisition from the farmers instead work for land reforms. Hence, the Government should be providing the institutional and infrastructural facilities to farmers and peasantry community in the backward region of Karnataka State.

**REFERENCES:**

- 1) Anup Chatterjee, Mani. N (2013) "Economic Survey of India and its States", New century publications, New Delhi, pp-135-136.
- 2) Kalaburagi District, Human Development Report –(2014) Zilla Panchayati, planning , Programme, Monitoring & Statistical Department, Government of Karnataka, Bangalore, pp.141-147.
- 3) Census of India-2001-2011, Govt. of India, New Delhi.
- 4) Radhakrishna and Shripathi Kalluraya .P (2015) "Employment opportunities in Informal Sector", Southern Economist, Vol.53, No.18, pp.13-16.
- 5) Dr. Sharanappa Saidapur (2013) "Growth of Urban Informal Sector: Problems and Prospects", Serial Publications, New Delhi, pp. 109-128.
- 6) Economic Survey of Karnataka, 2012-13, pp. 412-412.
- 7) Harjit S. Anand (2001) "Labour Policy and Employment in the Informal Economy India: Labour and Employment Scenario in the 21<sup>st</sup> Century", New Century Publication, Delhi, pp. 123-185.
- 8) Hart, Keith, (1973) "Informal Income Opportunities and Urban employment in Ghana" Journal of Modern Africa Studies, pp. 61-89.
- 9) ILO,(1972) "Employment, Income and Inequality, a Strategy for Increasing Productive Employment in Kenya, ILO, Geneva, pp. 5-8.
- 10) Abdul Aziz (1984). "Urban poor and Urban Informal Sector" Ashish Publishing House, New Delhi, pp. 60-76.
- 11) Papola T.S,(1981) "Urban Informal Sector in a Developing Economy", Vikas Publishing House Pvt. Ltd., New Delhi, pp.1-22.
- 12) Datta and Sundaram (2011) "Indian Economy" Published by Chand & Company New Delhi pp.739-740.
- 13) Arjun Sengupta(2005) National Commission for Enterprises in the Unorganized Sector(NCEUS), Ministry of Small Scale Industry, New Delhi, pp.1-125.