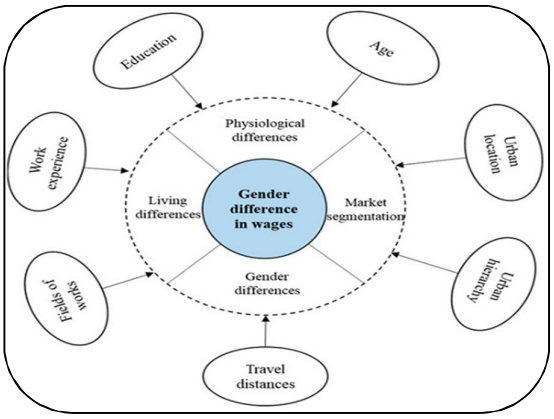
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Review Of Research

SOCIO-ECONOMIC DETERMINANTS AND GENDER WAGE DIFFERENTIALS IN THE AGRO-BASED MANUFACTURING SECTOR: A CASE STUDY OF KALABURAGI DISTRICT

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ABSTRACT

Gender-based wage disparity remains a persistent challenge in developing economies' labor markets. This research investigates the socio-economic determinants of wages and gender wage differentials in the agro-based manufacturing sector of Kalaburagi district, Karnataka, using primary data collected during the period of 2016-17. Employing a descriptive research design, primary data was gathered from 40 workers employed at Shri Gajanan Industries and Mirchi Gudam through structured questionnaires. The findings reveal that male workers constitute 60% of the workforce while females account for 40%, reflecting a significant participation gap. Ethnicity emerged as the dominant perceived cause of wage disparity (50%), followed by discrimination (32.5%) and marital status (10%). A majority of workers (42.5%) are illiterate, with 77.5% being married. Working condition dissatisfaction stands at 45%, particularly regarding inadequate sanitation facilities. The study reveals that labor oversupply (45%) and weak policy enforcement (30%) suppress wages, especially for women. Notably, 70% of respondents believe stronger government policy is the most effective solution to bridging the wage divide. The study concludes that illiteracy, labor market oversupply, and ethnicity-based bias cumulatively suppress wages, particularly affecting female workers, and calls for targeted skill development, infrastructural reform, and enhanced policy enforcement.

KEYWORDS: *developing economies, labor markets, weak policy enforcement.*

1. INTRODUCTION

Wages represent the monetary compensation rendered in exchange for labor services, encompassing salary, fees, commissions, and piece-rate payments across diverse industries and contractual structures. In developing nations like India, wages have historically remained low, a situation successive governments have attempted to address through legislative interventions such as the Minimum Wages Act (1948) and the Equal Remuneration Act (1976). Yet despite these legal frameworks, wage disparities—particularly those rooted in gender—persist across nearly every state and industrial classification, even as economic structures evolve.

The agro-based manufacturing sector represents a critical pillar of the Indian economy, functioning as the bridge between the agricultural and industrial sectors. By processing raw agricultural materials into

marketable products, these industries support rural employment, minimize distress migration, and contribute meaningfully to district income bases. However, the labor force within these units is especially vulnerable. Working conditions are often poor, labor regulations are inconsistently enforced, and the demographic profile of the workforce is typically disadvantaged in terms of education, social class, and gender.

Kalaburagi district, historically known as Gulbarga, presents a particularly compelling site for this investigation. The district is widely recognized as the "Tur Bowl of Karnataka," hosting an estimated 500 or more dal-processing mills. This concentration of agro-based units makes the region a primary employer of unskilled and semi-skilled labor from both within and beyond its administrative limits. However, the district is simultaneously classified as an industrially and educationally backward zone—a paradox that generates a unique labor market dynamic characterized by high labor supply, limited alternative employment, and significant informality in wage determination.

This study, therefore, aims to empirically investigate the working and socio-economic conditions of workers in Kalaburagi's agro-based manufacturing sector, with a specific emphasis on understanding the determinants of the gender wage gap, using data collected between 2015 and 2016. By collecting and interpreting primary data from 40 workers from this period, the study seeks to contribute to the growing body of literature on labor economics in backward regions of India while providing actionable policy insights.

2. LITERATURE REVIEW

The theoretical foundation for understanding gender wage differentials draws primarily from the human capital hypothesis and labor market discrimination literature. The human capital hypothesis posits that wage differences between men and women are largely self-selected outcomes—women voluntarily choose lower-wage occupations because of lifestyle preferences or household responsibilities. However, empirical studies have consistently challenged this assumption.

Madheshwaran and Lakshmanasamy (1996) demonstrated that wage segregation itself—systematic discrimination within occupational categories—accounts for the majority of female pay disadvantage, rather than occupational distribution. Their work established that most of the earnings gap is not due to the distribution of women across jobs, but because women receive lower remuneration for performing equivalent tasks.

Duraisamy and Duraisamy (1998) found that approximately 63.5% of India's observed gender wage gap can be attributed to workplace discrimination. Crucially, this gap expands significantly with experience, suggesting that seniority does not yield equivalent returns for female workers as it does for their male counterparts.

Sengupta and Das (2014) introduced intersectional dimensions to this discourse, showing that women from socially marginalized communities—particularly Scheduled Castes, Scheduled Tribes, and religious minorities—face compounded discrimination combining gender, caste, and religion-based disadvantage in the labor market.

Paul and Paul (2013) observed a dual trend at the national level: while the overall gender wage gap in India exhibited a declining trajectory, this improvement was confined predominantly to urban labor markets. In rural and backward regions, the gap either stagnated or widened, reinforcing the argument that macro-level improvements do not automatically percolate to district and village levels.

Chakraborty (2016) encapsulated this perspective in the concept of the "Price of Prejudice," arguing that wage discrimination reflects broader socio-cultural prejudices embedded in household expectations, employer perceptions, and institutional norms rather than market failures alone. These findings form the theoretical scaffolding upon which the current study is built.

3. RESEARCH METHODOLOGY

3.1 Statement of Problem and Objectives

Wage determination in developing industrial clusters involves a complex matrix of variables including human capital endowments, sectoral labor demand, government policy enforcement, and socio-cultural norms. In industrially backward districts like Kalaburagi, this complexity is compounded by structural factors such as high illiteracy, caste-based social hierarchies, and religious heterogeneity. Despite the agro-based sector's economic significance in the region, localized evidence on wage determinants—particularly as they relate to gender—remains sparse. This study addresses this gap directly using data collected from the period.

The study's objectives were: (1) to analyze the prevailing working conditions of labourers in agro-based manufacturing units; (2) to study the socio-economic profile of workers, including age, gender, caste, religion, and education; (3) to critically assess the causes and consequences of the gender wage gap; and (4) to identify actionable policy solutions to bridge the gender pay divide, based on the data and findings from the 2015-2016 period.

3.2 Study Design and Data Collection

The study employed a descriptive research design suited to systematically describing population characteristics without experimental manipulation. A convenience sampling method was used to select 40 respondents across two manufacturing establishments: Shri Gajanan Industries (Shivaji Nagar) and Mirchi Gudam. These units are representative of the broader agro-based industrial landscape, being engaged in the processing of agricultural commodities—specifically pulses and spices. Data collection was completed between 2015 and 2016 in alignment with the primary data sources.

Primary data was collected using a structured questionnaire consisting of two parts: personal and demographic information, and work-related questions pertaining to wages, working conditions, awareness, and perceptions. The questionnaire was administered in person, and responses were supplemented by direct field observations conducted under the 2015-16 research timeline.

4. DATA ANALYSIS AND FINDINGS

4.1 Demographic Profile

Gender and Age Distribution: Of the 40 respondents, 24 (60%) were male and 16 (40%) were female, reflecting a structural gender imbalance in the sector attributable to the physically demanding nature of manufacturing operations and socio-cultural norms restricting female mobility. Regarding age, 50% of the workforce belonged to the 30–40 age group, indicating concentration of the most economically productive segment. Only 15% were below 30 years of age, suggesting limited entry of younger workers, particularly during the data collection period.

Social Composition: The social composition reveals significant stratification. OBC (Other Backward Classes) workers constituted the largest group at 37.5% (15 workers), followed by SC/ST (Scheduled Castes/Scheduled Tribes) at 32.5% (13 workers), and General category at 30% (12 workers). The dominance of OBC and SC/ST categories reflects the historical concentration of marginalized communities in physical and low-wage labor. In terms of religion, Muslim workers formed the majority at 45% (18 workers), followed by Hindus at 40% (16 workers) and Christians at 15% (6 workers), reflecting Kalaburagi's historically significant Muslim population.

Educational Attainment: Educational attainment is strikingly low. A total of 42.5% of workers (17 individuals) are illiterate, having received no formal schooling. A further 33% (13 workers) completed primary education, while only 25% (10 workers) reached secondary level. High illiteracy is both a cause and consequence of the wage trap: illiterate workers cannot read labor contracts, are unaware of legal wage entitlements, and cannot demand fair compensation.

Marital Status: An overwhelming 77.5% (31 workers) were married, with only 22.5% (9 workers) unmarried. This underscores the economic pressure workers faced as primary household earners—married workers, especially married women, are locked into exploitative wage agreements because they cannot risk unemployment, reinforcing employer bargaining advantage.

Characteristic	Count	Percentage (%)
Male Workers	24	60%
Female Workers	16	40%
Age 30–40	20	50%
OBC Category	15	37.5%
Illiterate	17	42.5%
Married	31	77.5%

4.2 Perceived Causes of the Gender Wage Gap

Respondents identified ethnicity as the dominant cause (50%, 20 workers), followed by direct discrimination (32.5%, 13 workers), marital status (10%, 4 workers), and mindset/prejudice (7.5%, 3 workers). Notably, 70% of workers aware of the gender wage gap were female, indicating that women possessed direct lived experience of inequitable pay despite generally lower formal education levels based on the data.

4.3 Causes of Low Wages

Beyond the gender-specific dimension, respondents attributed general low wages to heavy labor supply (45%, 18 workers), weak or poorly enforced government policy (30%, 12 workers), and worker unawareness of legal entitlements (25%, 10 workers).

4.4 Working Conditions and Satisfaction

Regarding wage satisfaction, 60% (24 workers) reported satisfaction while 40% (16 workers) were not. However, the picture on working conditions is considerably bleaker—45% (18 workers) expressed dissatisfaction, particularly regarding inadequate sanitation facilities, 30% (12 workers) were neutral, and only 25% (10 workers) reported satisfaction. The inadequacy of hygienic sanitation functions as a particular deterrent for female workforce participation and retention.

4.5 Worker Perceptions on Solutions

An overwhelming 70% (28 workers) identified effective government policies as the primary solution to bridging the gender wage gap, while 22.5% (9 workers) emphasized removing active discrimination, and only 7.5% believed worker training or changing mindsets would suffice. Similarly, 70% (28 workers) affirmed that the Minimum Wage Act remains beneficial despite inconsistent enforcement. Regarding future prospects, 70% (28 workers) believe wages will increase, 12.5% disagree, and 17.5% remain uncertain, reflecting cautious optimism about improvements based on the labor market conditions observed.

5. DISCUSSION

The data reveals a multi-layered wage equity crisis rooted in structural labor market imbalance. With hundreds of mills competing in a region lacking formal employment alternatives, employers possess monopsonistic power that suppresses wages—particularly affecting women.

Ethnicity as the dominant perceived cause (50%) extends beyond simple racial categories in the Kalaburagi context. Workers understand it as an amalgamation of caste identity, community affiliation, and social standing. SC/ST workers (32.5% of the sample) routinely face invisible yet impenetrable wage ceilings, aligning with Sengupta and Das's (2014) intersectional analysis showing compounded disadvantage for women from marginalized communities.

The 42.5% illiteracy rate is perhaps the single most damaging factor. Illiterate workers cannot independently verify minimum wage compliance, relying entirely on employer representations, making them

uniquely susceptible to exploitation. For women, this vulnerability is magnified by relative social powerlessness and dependence on informal word-of-mouth employment channels.

Importantly, female workers' greater awareness of the gender wage gap (70% versus 30% for males) demonstrates experiential knowledge of injustice yet lacks institutional power for action. The absence of active labor unions or worker collectives in the sector means individual awareness does not translate into collective bargaining leverage.

Karnataka's broader gender wage gap context—where the male median hourly wage stands at Rs. 334.87 compared to a female median of Rs. 205.29, representing a gap of 63.13% (WageIndicator data)—places Kalaburagi workers' experiences within a troubling state-level pattern, among the widest in the country.

6. KEY FINDINGS AND RECOMMENDATIONS

Critical Findings: Workforce participation shows significant gender imbalance (60% male, 40% female); ethnicity-based discrimination is the primary perceived cause of wage gaps; illiteracy (42.5%) creates systemic vulnerability to exploitation; labor oversupply (45%) is the chief reason for depressed wages; 45% are dissatisfied with working conditions, especially sanitation; and 70% believe government policy is the primary solution.

Policy Recommendations:

1. **Strict Enforcement:** Conduct regular unannounced wage audits of all dal mills, imposing escalating penalties for Equal Remuneration Act violations, to ensure better compliance with labor laws.
2. **Literacy and Awareness:** Launch intensive literacy drives with wage law awareness in local languages (Kannada and Urdu), focusing on the practical implications of labor protections for workers.
3. **Infrastructure Mandates:** Make separate, hygienic sanitation facilities non-negotiable licensing conditions for agro-based units, particularly in settings where female labor participates.
4. **Skill Upgrading:** Introduce government-sponsored vocational programs to transition workers—particularly women—from manual to semi-skilled machine operations, enhancing productivity and earning potential.
5. **Labor Union Strengthening:** Facilitate and legally protect sector-specific labor union formation to enable collective bargaining and better representation of worker interests.
6. **Economic Diversification:** Encourage service sector investment, micro-enterprise clusters, and women-led self-help groups as alternative income sources in industrially backward districts like Kalaburagi.

7. CONCLUSION

Kalaburagi's agro-based manufacturing sector provides livelihoods for thousands, many from historically marginalized communities. Yet employment conditions are frequently inadequate, with women's wages falling short of legal mandates and basic dignity standards, as evidenced by the 2015-16 data. This study demonstrates that the gender wage gap is not an isolated market phenomenon but the product of structural forces converging: chronically oversupplied labor markets, pervasive illiteracy, ethnicity-based stratification, and institutional failure in enforcing labor protections.

Married women particularly face economic necessity compelling acceptance of unjust terms—evidenced by the finding that 70% of those aware of the gender wage gap are women. Bridging this gap requires sustained, multi-pronged effort. Evidence supports a framework where government policy serves as the primary lever, supplemented by education investments, workplace infrastructure improvements, and worker organization strengthening.

Progress on these fronts transcends gender justice; it is an economic imperative for a region whose development trajectory depends on full, equitable participation of its entire labor force. The cautious optimism of workers—70% believing wages will rise—places responsibility on policymakers, industry, and civil society to ensure this optimism translates into reality, building on the groundwork of awareness reflected in the 2015-16 data.

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