

**Socio-Economic conditions of unorganized labours****Reference to Ananthapuramu District in A.P**

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**ABSTRACT**

Unorganised sector plays a essential role in creating earning opportunities, income generation, poverty mitigation etc. The present study focussed on to find the income levels of sample household in order to disclose socioeconomic conditions in selected area. The income levels range to Rs.40 thousand more than 110 thousands. The average income in the sample respondents is Rs. 83.5 thousand. The Standard deviation reflects that there are income disparities among the respondents. It is confirmed by Chi-Square test. Hence, the socio-economic conditions workers in the unorganised sector should be made better.

Key words: unorganised sector, organised sector, wage rate, Construction, paint.

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**1. Introduction:**

Unorganised sector is a vital contributor to the Indian Economy in terms of employment generation, income generation, alleviation of poverty, income disparities in addition to GDP. The sector has been catering earning opportunities for large scale of people that's why large section of people has been working still in unorganised sector in India. The nature of work in organised sector has been tuned up by literacy or technology, but, illiteracy is reigning India especially rural area. In addition to this organised sector is generating less earning opportunities compare to unorganised sector.

**1.1. Definition of unorganised sector:**

As per the National Commission for Enterprises in Unorganised Sector (NCEUS) 2007, defined unorganised sector as “ the unorganised sector consists of unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers”.

The Commission classified informal workers that “informal workers consists of those workers in the unorganised enterprises or households excluding regular workers with social security benefits and the workers in formal sector without any social security employment benefit by the employer”.

The National Commission for Enterprises in Unorganised Sector (NCEUS) 2007, ascertains that the workers in unorganised sector are socially unsecured. Despite they are socially unsecured the sector serves a lot in many grounds.

### 1.2. Contribution of unorganised sector in Indian Economy:

**Table No.01**

**Sector wise employment from 2017-18 to 2019-20**

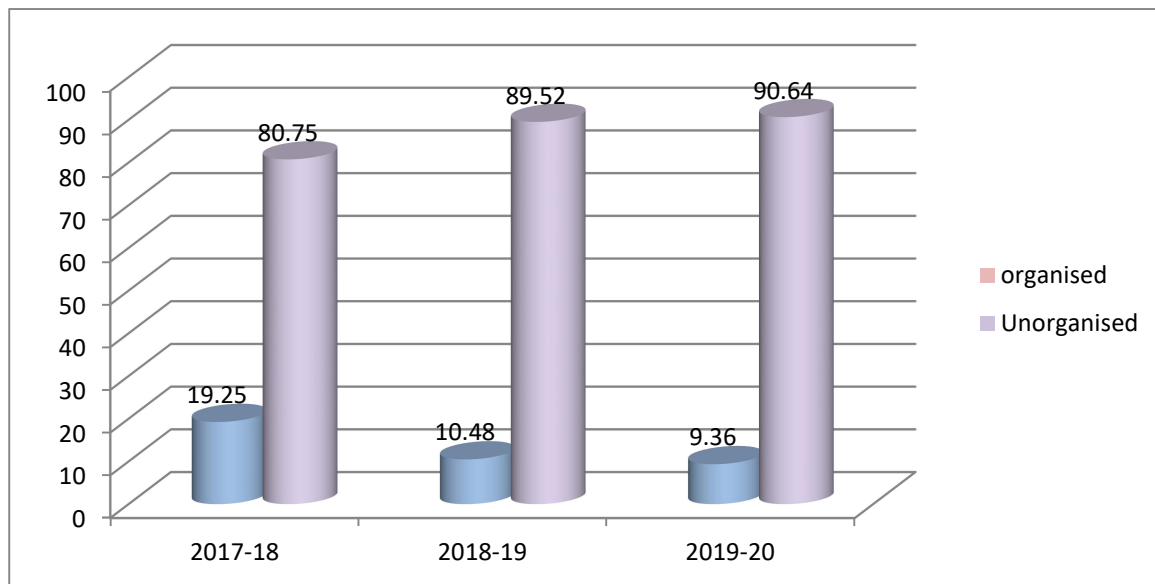
(In Crores)

Sl.No.	Year	category	Sector		
			organised	Unorganised	Total
1	2017-18	Formal	4.43	0.28	04.71
		Informal	4.62	37.79	42.43
		Total	9.05	38.07	47.14
2	2018-19	Formal	4.91	0.45	05.36
		Informal	4.55	38.87	43.42
		Total	9.46	39.12	48.78
3	2019-20	Formal	5.09	0.80	05.89
		Informal	4.46	43.19	47.65
		Total	9.55	43.99	53.54

Source: Economic Survey, 2021-22, GoI.

**Figure No.01**  
**Sector wise employment from 2017-18 to 2019-20**

(In Percentile)



Source: Table No.01

The table and the figure reveal together that the contribution of unorganised sector in generating employment is increasing. At the same time the contribution of organised sector in employment creation is contrary to the unorganised sector. The unorganised sector generated 38.07 crores of earning opportunities in 2017-18, it occupied 80.75 percentile in total employment. In the subsequent year the contribution of the sector increased in a sizeable level. It accounted for 89.52 per cent. The contribution of the sector increased further to 90.64 per cent in the total employment.

Table No. 02

**Share of organised and unorganised sectors to GVA**

Sl. No.	Year	Sector	
		Organised	unorganised
1	2011-12	46.1	53.9
2	2016-17	47.3	52.7
3	2017-18	47.6	52.4

Source: NSS 68<sup>th</sup> unit level data on employment unemployment, 2011 and Periodical Labour free Survey, 202017-18.

The contribution of organised and unorganised sectors to gross value added (GVA) in 2011-12 and from 2016 to 2017-18 is shown in the table. The table has established that the contribution of organised sector is less than unorganised sector. The table divulges that even though the contribution of unorganised sector to GVA during the mentioned periods was more than organised sector the total scenario is the contribution is gradually decreasing. A notable thing in that table is despite the contribution of unorganised sector is decreasing the share of the sector to GVA is more than 50 per cent.

It is established from the table No.01 and table No. 02 that as per table No.01 earning opportunities are increasing in unorganised sector, but table No.02 confirms that the share to GVA is decreasing. The relation between these variables actually is positive. But, data has made out negative relation. Let us find the reason or reasons.

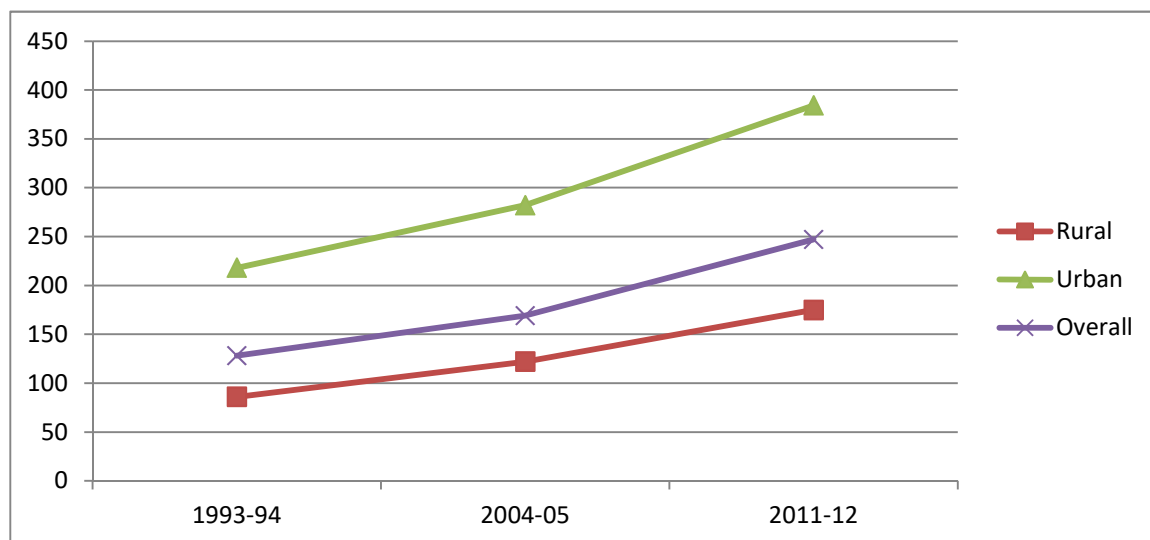
Table No.03  
Real daily average wage (INR)

(Wages in 2011-12 constant prices)

Sl. No.	Year	Area		Overall
		Rural	Urban	
1	1993-94	86	218	128
2	2004-05	122	282	169
3	2011-12	175	384	247

Source: Indian wage Report, w.w.w.ilo.org>asia

Figure No.02  
Real daily average wage (INR)



Source: Table No.03

The average real wage rates in urban are more than rural in the given period. It is clearly shown in the figure No.02. The overall real daily wage rate is over than rural wage rate because of different wages rates in different areas are included in the overall wage rate. The table and the figure have expressed the same conclusion that the share of the sector does not depend on earning opportunities alone; wage rates are also influence the share of the sector.

## **2. Literature review:**

Akula Joshna Rani and Yerramsetty Lavany studied about the status of unorganised labour in India. They observed that though the unorganised sector playing crucial role in Indian economy, it has been encountering many challenges like lack of minimum wages, more working hours, no social security, high poverty etc. they recommended some measures for mitigation of the severity.

Babitha rohit and Prakash Pinto observed that the poor economic conditions pressuris the workers to choose hotel and restaurant employment. Though they do not have Job security, social security, and more wages they satisfied with that job. They expected the reason behind their satisfaction that their education levels are low.

### **2.1.Need for the study:**

Akula Joshna rani and Yerram setty Lavanya in spite of observed challenges which are facing by unorganised workers in India, they do not study the income generation specifically. Babitha Rohit and prakash Pinto observed social security in security and some other issues of unorganised workers in which income generation has missed from their observation. Anantapur district encompasses rural area, illiteracy and it has been encountering the shocks of poverty. Most of the workers in the district have been accommodated in unorganised sector. It is therefore, needed to conduct a study particularly on income levels in order to study the socio economic conditions of unorganised labours in the district.

### **2.2.Objective:**

1. To study the income levels of different unorganised labours in Anantapur district.

### **2.3.Hypothesis:**

1. There is same income level in different unorganised labours in the district.

### 3. Methodology:

For the study of objective I have adopted multi stage random sampling method with lottery system. In the first stage the district is divided into revenue divisions, later on each revenue division is divided into Mandals and then one Mandal is randomly selected from every revenue division. Thereafter, two villages are randomly selected and finally 10 respondents are randomly selected from different unorganised labours. The total sample is 100 respondents.

#### 3.1.Data collection:

The study is conducted based on primary as well as secondary data.

#### 3.2. Analysing tools: averages:

The collected data is analysed with average, standard Deviation and chi-square Test

### 4. Data analysis:

Wage rate plays an important role in determining income level of a household. Better wage rate causes better socioeconomic conditions. Let us examine the wage rate in the sample area.

Table No.04

Gender wise average wage rates in the sample area

(In Rs. Units/per day)

Sl. No.	Name of the Mandal	Construction work		Painting work		other works	
		Male	Female	Male	Female	Male	Female
1	Tadipatri	500	400	750	00	350	200
2	Kalyandurgam	550	450	500	00	300	200
3	Kadiri	400	350	400	00	300	200
4	Mudigubba	350	300	400	00	300	250
5	Hindupur	500	400	750	00	400	300

Source: Field Survey

We can find various wage rates for the same nature of work in both genders; at the same we can observe the gender discrimination also in wage rates. It is that no wage is shown

in the Colum under painting works as on one female worker is working as a painter. The table has revealed that least wage rate is paid for male under construction sector it is followed by Kadir, Tadipatri and Hindupur jointly and kaliandurgam with ascending wage rate. Highest wage rate is paid for female worker in the same sector is Rs.450 in Kalyandurgand lowest is Rs.300 that is paid in Mudigubba. The highest wage rate is being paid to painting workers. Accounts for Rs.750 and lowest payment is Rs.400. The table has shown the lowest wage rate also. It is recoded under other works, it includes workers in hotels (small hotels are there), tea shops etc which are available in the area.

The study of income wise households needs to understand the socioeconomic conditions of the respondents in the sample area.

Table No. 05

## Income wise households in the sample area

(in '000)

Sl. No.	Income level	No. of H.H	Mean	S.D
1	40-50	3	83.5	8.8317
2	50-60	8		
3	60-70	13		
4	70-80	18		
5	80-90	13		
6	90-100	29		
7	100-110	12		
8	>110	4		
Total		100		

Source: Field Survey

The above table ascertains that most of the households ears Rs.90-100 thousands per annum. It has accounted for 29. It is succeeded by 18which is recorded against Rs.70-80 thousands income level. The table has revealed that the same number of households is there in range of Rs.60-70 and Rs.80-90 thousand income level. The number is 13. The table exposed list income level. It is Rs. 40-50 thousand. This income level also contains households, but least number. It is just 03. The average income in the sample area is Rs.83.5 thousand. The standard Deviation (8.817) discloses that there is more deviation among the

households in the sample area. Actually the deviation has caused by the spread of income levels. The table has ascertained the income levels it ranges from Rs.40 to more than Rs.110.

### 5. Result:

The test of hypothesis is inevitable in order to arrive at final result. Let us test the hypothesis. The hypothesis is tested by Chi-Square. It is as follows.

$$\text{Chi-Square} = \sum (f_o - f_e)^2 / f_e$$

Table No.06

### Chi-Square – Test

Sl. No.	Income level	Construction	Painting	other works	Total
1	<40-60	8 (517)	1 (143)	2 (440)	11
2	60-90	10 (2068)	2 (572)	32 (1760)	44
3	90-110	28 (1927)	8 (533)	5 (1640)	41
4	>110	1 (188)	2 (52)	1 (160)	4
5	Total	47	13	40	100

Source: Field Survey

Note: figures in parentheses are expected values and others are observed values.

Degree of freedom = (n-1)

As per the above table the calculated value is 9801.408. It is greater than, the tabler value of Chi-square at degree of freedom 03. Hence the hypothesis is rejected. Therefore earning levels of different unorganised labour are different. It means income disparities are there in the sample area of the study.

### 6. Conclusion:

The conclusion is made based on the analysis of the primary, secondary and test of hypothesis that in spite of unorganised sector is contributing core role in generation of earning opportunities, poverty alleviation they are unable to sail up wards across the Below Poverty Line (BPL). The main and prime cause for the issue is lack of minimum wage rate.



They intended to retain or hang on in the same profession because do not have technical qualifications or higher educational qualifications. Some of the responded expressed that they are able to demand more wage rate or income due no job guarantee. Further they felt that this is their destiny.

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