



AN ECONOMIC IMPACT OF UNORGANISED (CONSTRUCTION) WORKERS LIVELIHOOD SECURITY IN TIRUNELVELI DISTRICT

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Introduction:

Unorganised or informal sector constitutes a pivotal part of the Indian economy. More than 90 per cent of workforce and about 50 per cent of the national product are accounted for by the informal economy. A high proportion of socially and economically underprivileged sections of society are concentrated in the informal economic activities. The high levels of growth of the Indian economy during the past two decades are accompanied by increasing formalisation. There are indications of growing interlinguas between informal and formal economic activities. There has been new dynamism of the informal economy in terms of output, employment and earnings. Faster and inclusive growth needs special attention to informal economy. The rural non-farm economy (RNFE) may be viewed as all those activities associated with waged work or self-employment in income-generating activities that are not agricultural, but located in rural areas (Davis, 2006).

Problem Focus:

Construction Industry plays a major role in the economic growth of a nation and occupies a pivotal position in the development plan. India's construction industry employs a work force of nearly 32 million and its market size is worth about Rs. 2,48,000 crores. It is the second largest contributor to the GDP after the agricultural sector. Construction sector is viewed as a service industry. It generates substantial employment and provides growth impetus to other manufacturing sectors like cement, bitumen, iron and steel, chemicals, bricks, paints, tiles etc. whose combined value is Rs.1, 92,000 crores annually. The construction equipment market is valued at Rs.1, 05,000 crores. Risk in Construction needless to mention, with huge money, comes the company of big risks. Construction is a high-risk business. Or is it? This is a classic dilemma, which haunts every participant in the business. The Project owner, construction companies, consultants, bankers and financial institutions, vendors & suppliers and even the service providers, each has his own fears of facing risks in the conduct of business. The magnitude of the risks is indeterminate at times.

With this end in view, the present study is undertaken to investigate the contribution of non-farm activities such as building construction in addressing the poverty and providing livelihood security among the rural households in the Tirunelveli district of Tamil Nadu.

Objectives:

The overall objective of this study is to analyze socio economic status of rural non-farm unorganised construction households and strategies for ensuring livelihood security to non-farm rural households in Tirunelveli district

The specific objectives of the study are:

- ✓ To study the level of poverty of unorganized construction a twisting labour households and to evaluate their socio-economic status vis-a- vis the level of poverty ;
- ✓ To evaluate the standard of living of unorganized construction a twisting labour households and the factors influencing the standard of living;
- ✓ To study the level of employment and wages received by unorganized construction a twisting labour households;
- ✓ to attempt income functions and determine the nature of quantitative relationship between the level of income of unorganized construction and Beedi twisting labour households and the factors influencing it;

Scope of the Study:

The study would bring out the extent of contribution of non-farm sector activities to income and employment of rural households along with consumption pattern, inequality in income and level of poverty among non-farm rural households. The study would also explore the relationship between the income from non-farm activities and the level of poverty along with factors determining the level of income in the house holds.

Limitations:

It must not need any emphasis that a micro level study like the present one is limited by location specificity and generalisation of the findings of the study. Construction and beedi rolling activities were alone considered for the study by leaving the other non-farm activities existing in the region.

Sampling Design:

Tirunelveli district formed the universe of the study. The four blocks, where Trinelveli district, where the construction twisting activity was predominant such as Alangulam, Palayamkottai, Ambasamudram and Cheranmahadevi with maximum registered and unregistered companies were selected purposively to represent the twisting activity. Similarly, the urban and peri urban blocks such as Manur, Palayamkottai, Cheranmahadevi and Sankarankovil, where the construction household was predominant were purposively selected to represent the construction activity. A two stage random sampling method was adopted to select the sample households from the four blocks representing construction activities in Tirunelveli district.

Tools of Analysis:

Simple average and percentage analyses were employed to study the socio economic variables such as age, education, experience in non-farm activity, marital status, size and type of family, number of dependents and consumption pattern and non-farm oriented variables such as preference of non-farm activity, pattern of investment, inputs used, output realised, price of outputs, income and credit availability. Chi square test was employed to find out the relationship between the level of poverty and different socio economic characteristics in non-farm households.

Major Findings:

1. Middle aged group dominated both in non -farm twisting and construction households, followed by young aged. The old aged respondents were found to be very less in both categories.
2. Respondents with more than 20 years of experience in non- farm activities were found dominant both in twisting and construction households, followed by those with the experience between 10 to 20 years and those with an experience of less than 10 years. Apart, the share of respondents with more than 20 years of experience was found higher in twisting category, while the share of respondents with the experience between 10 to 20 years and less than 10 years were higher in construction worker category than their counter parts.
3. Primary education was found to dominate both in construction categories. Secondary education was higher in beedi twisting category than in construction category. The proportion of illiterates was higher among construction workers. The proportion of those with collegiate education was very less in households than in construction households..
4. Married were found dominant in both categories of nonfarm households, while the proportion of unmarried was very meagre in both categories.
5. The proportion of nuclear families was found higher in construction households than in beedi twisting households, while the proportion of joint families was greater in beedi twisting households than in construction households.
6. Adult male was found to dominate construction categories. Adult female was higher in construction category. The proportion of children was higher in construction households.
7. The proportion of food in consumption expenditure was high both in beedi twisting and construction households. Expenditure on housing, clothing, health, fuel and lighting were comparatively higher in beedi twisting households than in construction households. Expenditure on education and other miscellaneous items were high in construction households.

Level of Poverty:

The percentage of households lying below poverty line was very less with 13.33 per cent, while the households lying above poverty line was high with 86.67 per cent in construction twisting households with livestock activity based on poverty level of income. Similarly the percentage of households lying below poverty line was less with 16.67 per cent, while the households above poverty line were found high with 83.33 per cent in construction households with livestock activity.

Inequality in the Distribution of Household Income:

The inequality in the distribution of income among households based on total income was larger than inequality based on per capita household income both in beedi twisting and construction households.

Policy Implications:

The following broad policy implications emanate from the study:

- ✓ The presence of live stock activity in the construction households was found to enhance the household income, allocation of income on consumption expenditure pattern and reduced the level and intensity of poverty. Thus participating in livestock activities among the non-farm households should be encouraged to ensure stable income stream to the non-farm households who face off demand situation in the regular primary activity.
- ✓ As the incidence and intensity of poverty was more in households without live stock than in with livestock activity both in construction households, special support programmes on the part of government to supply the credit for undertaking the construction households
- ✓ Low wage rate was expressed as a constraint both in twisting and construction activities in the region and ensuring the fair wages by way of regular revision of minimum wage rate for construction on the

part of Government is the need of the hour to enhance the living conditions of non-farm families in the region.

- ✓ Health problem was expressed as a major constraint by construction twisting households. Provision of adequate insurance cover increasing the existing limit for insurance especially would help in enhancing the health status of construction.
- ✓ As the size of family is an important factor that decide the poverty, consumption and standard of living in the households of construction workers, extension efforts should be geared up to educate them about the benefits of small family and to encourage them to undertake family planning.

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