

Emerging Challenges of Labour in Small and Medium Towns in India A Case Study of Betamcherla, Andhra Pradesh

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ABSTRACT

Small and Medium towns play a critical role in the complex process of urbanisation in India. At present about 40% of the total urban population resides in these towns. Also the towns are self-sustained in nature. In view of it, this paper focuses on the economic scenario in terms of the labour market in a small census town, Betamcherla in the state of Andhra Pradesh. The study intends to identify the various types of engines of economic growth and the structure of the labour market through the types of workforces, their socio-economic scenarios and also the initiatives taken by the government for support of their livelihoods. The paper further focuses on the impact of migration which needs to bring limelight on such settlements. Disparity of the income measured through Lorenz curves which results in less than 20% of income concentrated with few sections of the people. The study also identifies a shift in the sourcing of labours, which previously shows people from local areas, whereas in the present scenario labours are being outsourced from other states. These fluctuations in the labour sector are analysed to understand the character of these settlements which act autonomous.

The paper suggests these settlements should focus on the labour incentives in the manufacturing sector apart from the primary sector unlike typical Gram Panchayats and the recognition of these as transition centres should be done for required utility and services provisions for the labour and industry.

KEY WORDS: Subaltern, Location Quotient, Employment Multiplier, Lorenz Curve

In most developing nations, small and medium towns are crucial to the growth of the local economy where India is no different. It is regrettable that, in the backdrop of India's economic progress, particularly within the perspective of globalisation, these towns have not received the attention they merit. (Eric Denis, 2012).

1. SMALL AND MEDIUM-SIZED TOWNS OF INDIA

India is a key participant in the urban change that the entire globe is seeing, although it is transitioning from "rural" to "urban" at a much slower rate than other industrialised countries, mostly because of the "low base" impact in terms of urbanisation levels. (Towns of India, 2016)

1.1.Role of small towns in local economy

Small Towns especially, Census towns in India are the growth engines of urbanisation as they are in the transition state and tend to have more of secondary and tertiary activities unlike remaining villages, which needs to be concentrated.

2. AUTONOMOUS GROWTH OF SMALL & MEDIUM TOWNS IN INDIA

In India most of the settlements show a pattern of autonomous growth whether denoted urban by the Census of India or not, and these settlements are independent of the metropolis and they are autonomously interacting with other settlements, either at local or global level. (Eric Denis, 2012).

2.1.Subaltern Settlements

The term “Subaltern” comes from sociology which means “low rank” person or group of people in a particular society suffering under hegemonic domination of a ruling elite class that denies them the basic rights of participation. (Louai, 2012)

Implying the concept into urban settlements, the subaltern settlement should have the following characters like it should be independent from the metropolis and should have autonomous character.

3. JUSTIFICATION FOR SELECTION OF CASE AREA

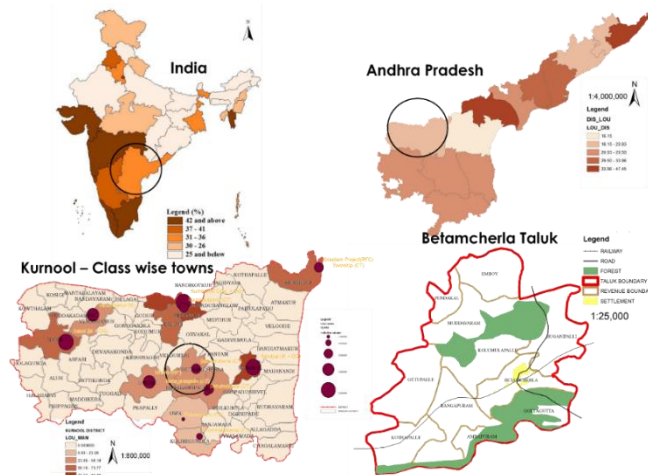


Figure 1 Level of Urbanization

The case area has been selected depending on two baseline studies; Level of Urbanisation and Composite Index.

The level of urbanisation is done using the ratio of total urban population of an administrative unit and total population of the administrative unit. (Bhagat, 2011) Figure 1 in the state of Andhra Pradesh shows that Betamcherla Taluk has 51% of urbanisation levels and Kurnool District has 30% of urbanisation levels, with only Betamcherla Census Town contributing to this percentage.

Table 1 Yearly emergence of urban areas in Kurnool District

Year	Class I	Class II	Class III	Class IV	Class V	Class VI	Year	Class I	Class II	Class III	Class IV	Class V	Class VI
1991	3	1	5	0	2	1	1991	492095	65089	117149	0	11448	2467
2001	3	2	2	3	2	0	2001	583547	150262	54246	39409	12577	0
2011	3	2	4	2	1	0	2011	1283896	154421	107889	26680	6614	0

Source: Generated from Primary Census Abstract (1991,2001,2011) and Census Definitions

The composite index for the urban centres in Kurnool district is done considering the parameters, Work Force Participation Rate (WFPR), Percentage of Other Workers, Literacy Rate, Growth Rate and Ownership Status.

Table 2 Parameters for composite Index

Weight	Parameters	Rank 1	Rank 2	Rank 3
3	WFPR	<36.75	36.75-50.06	>50.06
4	% of other workers	<30.56	30.56-36.84	>36.84
2	Literacy rate	<52.47	52.47-62.66	>62.66
5	Growth rate	<3.49	3.49-14.84	>14.84
1	Ownership Status	<56	56-81	>81

Source: Generated from Primary Census Abstract (2011) and District Census Handbook

Table 3 Composite Index

Name	Index
Bethamcherla (CT)	28
Yemmiganur (M)	26
Thummalamenta (CT)	26
Ramapuram (CT)	25
Banumukkala (CT)	25
Adoni (M + OG)	25
Nandyal (M + OG)	24
Kurnool (M Corp. + OG)	24
Dhone (NP)	24
Mamidalapadu (CT)	20
Banaganapalle (CT)	20
Srisailam (CT)	19

Source: Author, 2018

The composite index has been calculated considering 3 ranks shown in Table 2 with respect to nation and state’s average, and the weights are given according to the parameter that contribute more to the economic development of the town. From Table 3, Bethamcherla (C.T) has stood first due to high value of Work Force

Participation Rate and in spite of being a Census Town with only 38994 population due to the high contribution of workforce in mineral industries in the form of migration led this town to have autonomous character. The entire district has only 1 municipal corporation (Kurnool), which is 50kms away from Betamcherla, and acts as a marketplace for this town. (census digital library, 2011)

4. PROFILE OF THE CASE AREA

Betamcherla Census Town has an area of 5.6 Sq. Kms has 23 election wards for 38994 population. Betamcherla town has a major road and a railway station existing, the entire town is dependent on groundwater for domestic, agriculture and industrial purposes.

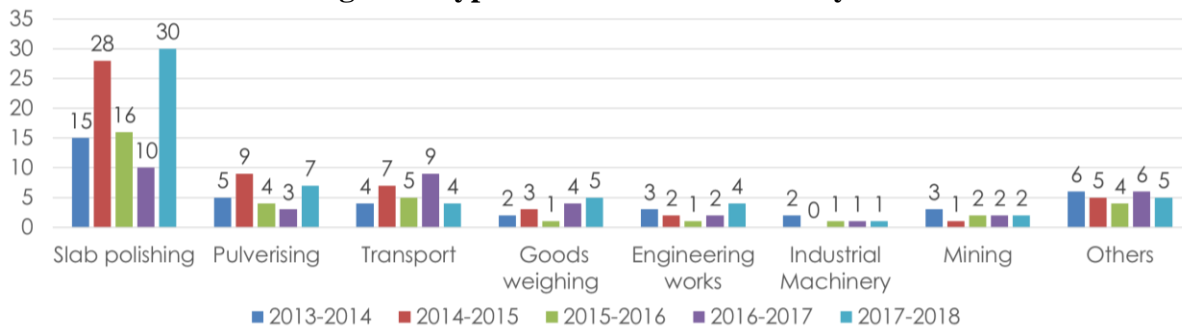
Demographic scenario

The growth rate is 16% from 2001-2011, when compared to the district and state it is observed to be relatively high. The sex ratio is at 1008 females per 1000 males according to 2011 census. The WFPR is increasing chronologically and it is slightly low compared to the district and states WFPR. The literacy rate is also increasing with 57.39% for the year 2011 and which is almost similar to the districts and state average, unlike other villages.

5. SCENARIO OF THE INDUSTRY

The industrial situation in the town is observed by considering the types of industries prevailing in the town and their categorisation based on scale and the yearly emergence of the new industries.

Figure 2 Types of new industries each year



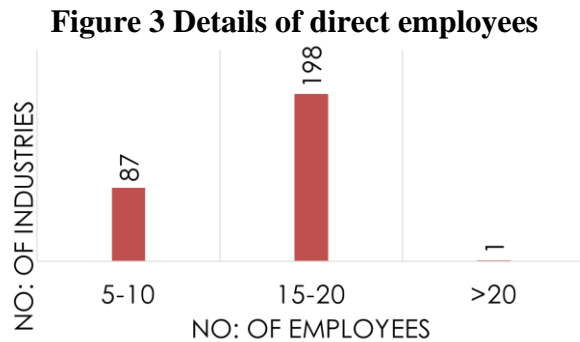
Source: District industries centre, Kurnool

In Betamcherla it is observed that the major predominant industry is the Lime Stone Processing Industry, with a total of 220 and the remaining 12 lime stone pulverising industries and remaining includes goods weighing, freight transport, installation of machinery, mining and general engineering works industries, which majorly act as the supporting industries to the slab polishing industries (Figure 2). The industries are owned by private entrepreneurs who are the local population of Betamcherla and also similar case with the ancillary industries.

6. LABOUR CONDITIONS

Betamcherla is observed to have most of the population under other workers as per the classification of census, which includes the secondary and tertiary workers almost 42% of the population is involved in the stone processing industries. The labour in the town is classified into two major categories direct and indirect employees, the direct employees are those working under as polishing labourers and people in

managerial and technical positions directly linked and working in the industrial premises under the processing unit owners. Indirect workers are considered as the workers linked through transport and machinery installation, working by supporting the limestone processing industry. The town generates about 6604 direct employment and 7379 indirect employment. In each industry from Figure 3 the unskilled labour is observed to be 15-20 members and skilled labour, which includes managers and operators are observed to be 3-8 and 4-10 respectively.



Source: District industries centre, Kurnool

The indirect employees from Table 4 are observed to be 4-15 workers in motorised road freight transport industry and 4-10 in goods weighing industries and 5 workers are observed in general engineering works and industry machinery installation industries.

Table 4 Details of indirect employees

Type of Industry	No: per unit	Total
Motorised road freight transport	4-15	350
Weighing of goods	4-10	287
General Engineering works	5	85
Installation of Industrial Machinery	5	53
		775

Source: District industries centre, Kurnool

Scenario of wages/salary

The wages for the unskilled labourers starts from 5000/- per month and the maximum observed is 20,000/- for the managers, all of the workers work under contract basis.

The indirect employee’s wages vary depending on the number of trips required for the industries in the case of motorised freight transport industries. The number of labours has been decreasing over time due to less pay for the workers and also the inclination towards modernised machinery made the decrease in the number of workers in slab polishing industries.

Table 5 Wages/Salaries

Type	Status	No: per unit	Salary/person	Total Employment
Management (Skilled)	Managers	3-8	20,000	1268
	Operators	4-10	16,000	1865
Industry (Unskilled)	Labours	10-15	400 per day	3,471
TOTAL				6604

Source: Focussed group discussion

Employment Multiplier

The Employment Multipliers are useful to understand the interdependency of the industries through direct and indirect employees; these input-output multipliers are based upon the Leontief inverse. (Adja A. Sissoko, 2009)

$$\text{Multiplier}(M) = \frac{\text{Total}}{\text{Basic jobs}} = \frac{7379}{6604} = 1.1$$

For loss in every 100 jobs in basic sector

Non-basic sector loses 110 jobs

The total employment generating in the industry and the related activities came up to 7379 workers and the basic jobs are considered as those who are direct employees in the industry and the employment multiplier came up to 1.1.

It can be understood that the impact of the industry on the town is relatively high as almost 42% of the population is involved in the industry or industry related activities. As the multiplier is greater than 1 in Betamcherla, the limestone processing industry is desirable in the town. Though the town being under gram panchayat, shows a major portion of population working under the secondary sector.

Location Quotient

The location quotient has been calculated by considering the employment from the town in the particular industry and the employment existing in the same industry at state or national level. The LQ ratios which are greater than one indicate the local economy is much higher than the nations/state average, ratios greater than two suggest the presence of industry specialisation. (Roberts, 2011)

The outcomes from the location quotient from Table 6 for the manufacturing industry is 2.21 which is greater than 1 and implies that the industry is specialised in terms of the amount of employment generated compared to the state. It is also be observed that the proportional strength of the limestone processing industries in the town is relatively high and the town is recognised in the international market as the supplier, which makes the town to be categorised under special provisions

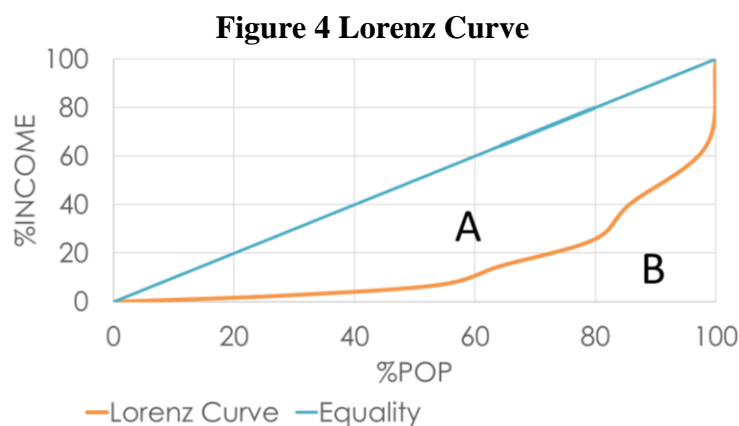
Table 6 Location quotient

	Betamcherla		State	
TYPE	NO:	%	No:	%
Manufacturing	6742	17.29	4396213	7.8
Mining	83	0.21	450894	0.8
Transport	236	0.61	1972660	3.5
TYPE	Location Quotient			
Manufacturing	2.21			
Mining	0.26			
Transport	1.74			

Source: Author

Income Distribution

The Lorenz curve is plotted by classifying the total income generated from the town in twenty intervals and similar with the percentage of population earning that particular percentage of income. The Lorenz curve is understood by comparing it with the line of equality.



Source: Focussed group discussion

In Betamcherla from Figure 4 it can be observed that till 60% of population the income bearing is only below 20% and there is a swift rise in the income levels, which is only bared by the rest of the 40% of the

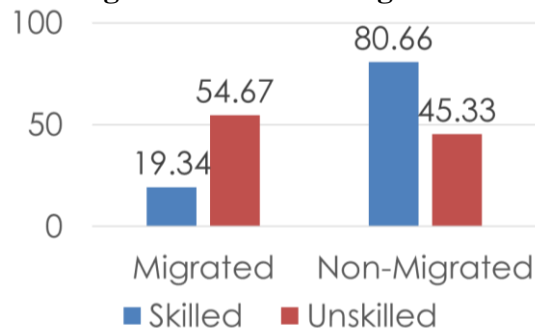
population, this can be further scrutinised that most of the higher income bearing section of population are the processing unit owners.

Socio Economic Analysis

To understand the scenario of the labour, caste and per capita income and their living conditions are studied.

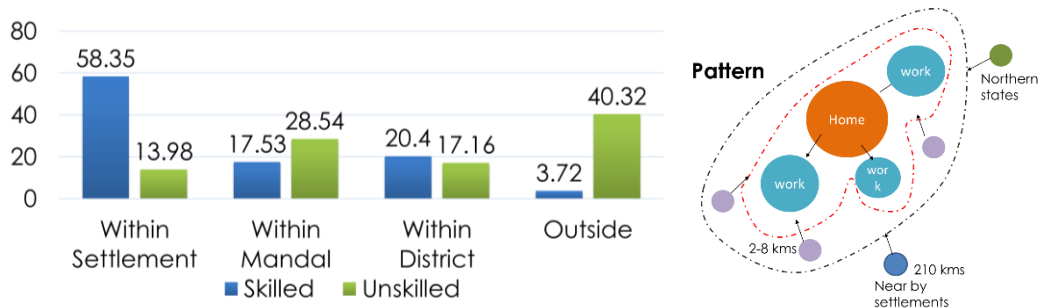
Home-work

Figure 5 Details on migration



Source: Focussed group discussion

Figure 6 Home-work scenario

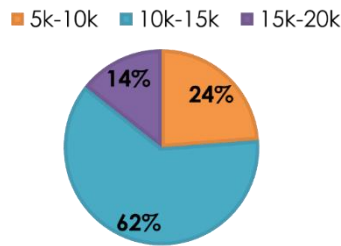


Source: Focussed group discussion

Migrated population consists most of the unskilled labour, the distance travelled by the migrated workers can be analysed, in which most of the skilled labour are from the settlement with 58.35% and the higher percentage of the unskilled labour is observed from outside the district and through the focussed group discussions made most of these labours are from Bihar State, this section of workers was not observed till 2004, where there was no housing provided for the labour as there were no resident labours. This scenario has started due to decrease in the availability of local people, even these migrated workers are not guaranteed of work. This shift in the labour sector is mainly due to lack of provisions to them in terms of incentives and facilities.

Per Capita Income,

Figure 7 Per capita income of workers



Source: Focussed group discussion

The income levels of the labours vary depending on the skill levels. In Betamcherla it can be observed that there are 3 major classes of income groups existing, the higher share of population earns 10 to 15 thousand rupees per month, and most of them are the unskilled labours residing in the industrial premises. 24% of the workers earns less than ten thousand rupees per month according to Lorenz curve. The unskilled labour needs to be concentrated in order to improve their number in the industry and improve their living conditions.

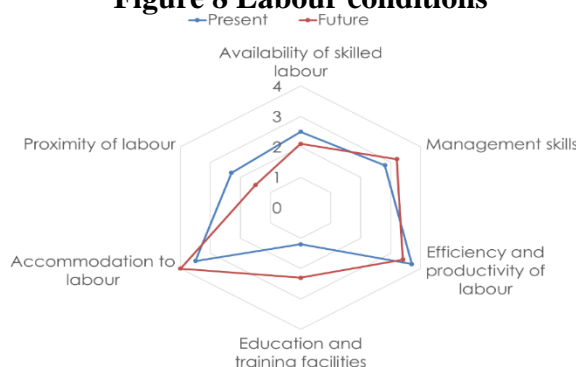
Labour Conditions and Government Provisions

Through focussed group discussions made for the section of working population in the industry and the availability of labour, proximity to labour, accommodation, efficiency and production, education facilities and management skills are quoted. The labour conditions are understood by the ranking provided by the labour out of 5 on the above said parameters (Figure 8).

It can be observed that the proximity of labour is really less due to the increase in the migrated population to Betamcherla and also due to the inclination of industries towards modernisation of the machinery which reduces the requirement of manpower ultimately. There is also no research and development happening and no training institutes for the labour existing and availability of skilled labour is observed to decrease as the number of managers and operators are not being increased over time and only with the availability of less man power the industries are working. The accommodation provided to the labour is observed to be sufficient and this reduces the travel cost as the proximity increases.

The existing Government Schemes for the industry is only the Udyog Aadhar Memorandum, where the processing unit owners get registered in order to acquire the provisions and incentives provided for the labour and industry.

Figure 8 Labour conditions

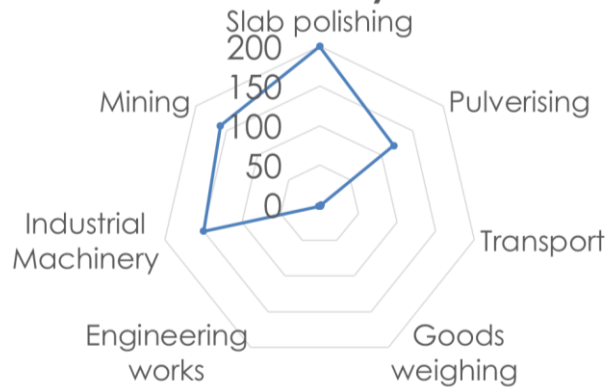


Source: Focussed group discussion

Comparative Analysis

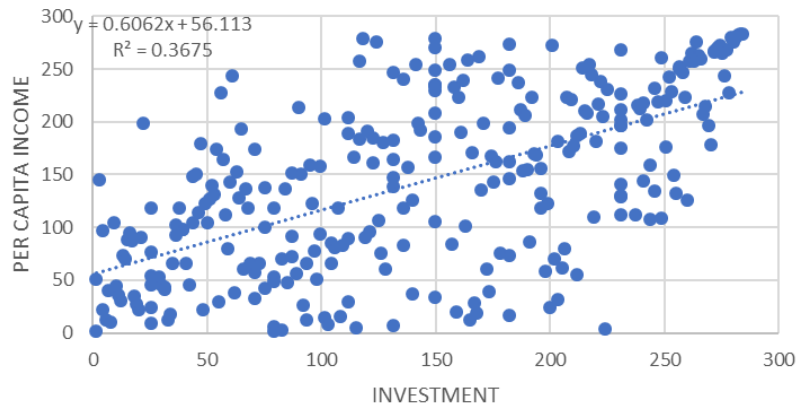
The workers in various industries are plotted based on their average distance travelled. From the Figure 9 it can be observed that only in the slab polishing industry the workers are observed to be migrated, as it is the predominant one and in all the ancillary industries are observed to have local population employed.

Figure 9 Distance travelled by workers in varied industries



Source: Focussed group discussions

Figure 10 Investment vs Per capita income



Source: District industries centre

Source: District industries centre, Kurnool

The correlation coefficient between the investment and the per capita income for the 286 industries (Figure 10) is observed to be strongly correlated with an R value of 0.60 and the deviations from the trend line is seen in most of the industries is due to the huge differences in the payment scale of the unskilled and skilled labours is creating the economic disparities in labour and this is also leading to the decrease in the number of people getting involved into the industry.

7. Conclusions

The small and medium towns with subaltern character are observed to have a dominant economic activity, which made it, to tend towards urbanisation more than compared to its administrative recognition the

industry is majorly lacking due to the lack of supporting infrastructure and also the government support through, schemes and incentives for the labour in the industry.

The introduction of new policies and schemes apart from rural schemes modification of existing schemes like under MGNREGA the inclusion of employment in local industries can be done apart from poultry, cattle sheds and construction to encourage local employment and reduce migration by focussing on the necessary requirements for the industry and the labour and the level of efficiency of the policies and programmes for rural areas in India in order to support the industry and the small towns

The research can be further extended to governance, economic development and to improve the standard of living in these small and medium towns which have subaltern character.

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