

Socio-Economic Status of Inter-State Migrants Engaged In the Informal Sector – A Case Study of District Kathua, J&K

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Abstract: *The informal sector and migration are inter-related, most of the migrants engaged in the informal sector for their livelihood. The informal sector plays an important role in economic development as well as in the job creation of India. The present study analysis the socio-economic status of inter-state migrants engaged in the informal sector. This study is based on primary data which is collected by the interview method through proper questionnaire. This study shows, people are migrates from one state to another state for the sake of employment. 47% of the respondents find in the study area were illiterate, they didn't find a job in the formal sector and they have no work for the livelihood in his resident area so they were forcefully migrated in the study area for the betterment of their family. This study also indicates that migrants workers surveyed are predominately young.*

Keywords: *Informal sector, socio-economic, Inter-state, Migrants, livelihood.*

I. Introduction

The informal sector, as well as the job creation sector in all countries, plays a key role in economic growth of the countries. In fact, one third of the national income of developing countries comes only from the informal sector. The informal sector is reducing the unemployment problems they face. Entrepreneurs are in this field for their livelihood, not to make profit. Some informal entrepreneurs have received more than our country's formal employees, such as vegetable vendors, brokers, agents, foot-path traders, etc. Most entrepreneurs are a sector-based group. Each group has its own business in India. There are also more community-based entrepreneurs in rural, urban and city areas. The informal sector invisibly grows the Indian economy, for example, vegetable vendors and beauty salons etc. owing to the lack of job opportunities, in India most of the family businesses are in the informal sector, most of the rural and urban people continue their family business. The earned income from this sector has utilized for the purpose of their children education, family commitments, personal savings, etc. so the government should take necessary steps to convert this sector into formal. "Enterprise typically operating on a small scale with a low level of organization, low and uncertain wages, and no social welfare and security" (NSSO).

Migration is a universal phenomenon. Internal migration in India, especially inter-state and rural-urban streams have increased in volume and importance over time. Migration and informal sector are correlated because million of rural migrants engaged in informal sector for their livelihood. In a developing country like India with exploding population, increasing urbanization rate & regional disparities in development, the availability of adequate housing has been of great concern in the past few decades. This study shows that most of the respondents were migrated due to lack of job opportunities in their local destination. They have lack of education so they didn't find job in formal sector. Then they were engaged in informal sector.

• Informal sector in India

Informal sector play central role in Indian economy. About 370 million workers constituting 92 percent of the total workforce in a country were employed in the unorganized sector, as per NSS survey, (1999-2000). It plays a significant role in the terms of providing employment opportunities to a large segment of the working force in the country and contributes to the national product significantly. The contribution of the unorganized sector to the net domestic product and its share in the total NDP at current prices has been over 60%, In the matter of savings. The share of household sector in the total gross domestic saving mainly unorganized sector in about three fourth. The Informal sector constitutes largest portion of the economy in terms of value addition, savings, Investment etc. the share of the formal sector is around 12-14 percent in our national income while that of informal sector is more than 30 percent.

II. Review of Literature

Naresh kumar and A. A. Sidhu (2005) in their study identify the push and pull factors which influence workers inter – state migration on the basis of perceptions of workers. Their study found that economic factors have emerged more important as compared to non- economic factors in the process of migration.

Das (2004) Stated in his study that the migrant labours in Punjab are subjected to bondage payments of less than the minimum wages and are left totally unprotected. He has also advocated for a fundamental change in the existing labour legislation to provide protection to migrant workers.

Sanjay kumar (2004) has highlighted the role of Punjab Government in extending welfare measures to mitigate migrant labour problems. The two significant steps taken by the Government of Punjab to holding of Lok Adalat to expedite the decisions of pending labour problems and holding health camps to tackle their health problems.

Subash C. Bajaj (2004) has analyses the effectiveness of legislation in tacking the problems of an inter-state migrant labour. He also refers to various central labour laws applicable to inter – state migrant workers and has come to the conclusion that inter-state migrants law has by and large remained on paper.

III. Objectives of the study

- To study the socio economic status of migrant workers.
- To simulate push and pull factors of migrant workers.
- To study the problems faced by the migrant workers.

IV. Hypothesis

Null Hypothesis- H_0 : There is no significant increase in the income of migrant laborers.

Alternative Hypothesis- H_a : There is significant increase in the income of migrant laborers.

V. Study area

The sample data of this study is obtained from the district kathua of Jammu and Kashmir. The Kathua district is the gateway of Jammu and Kashmir. It is bounded by the state of Punjab and Himachal Pradesh. The district kathua has special significance owing to its industrial and accordingly overall economic development in the region. There is a lot of construction works were running in the district, so many migrants were engaged in these works. There is a well-developed industrial estate, SICOP (state industrial cooperation), Chenab Textile Mill (CTM). A unit of the Birla group was established in the 1970s, contributing in the employment and development of kathua. There are several other factories, cement plant, iron plant, and food products are manufactured there.

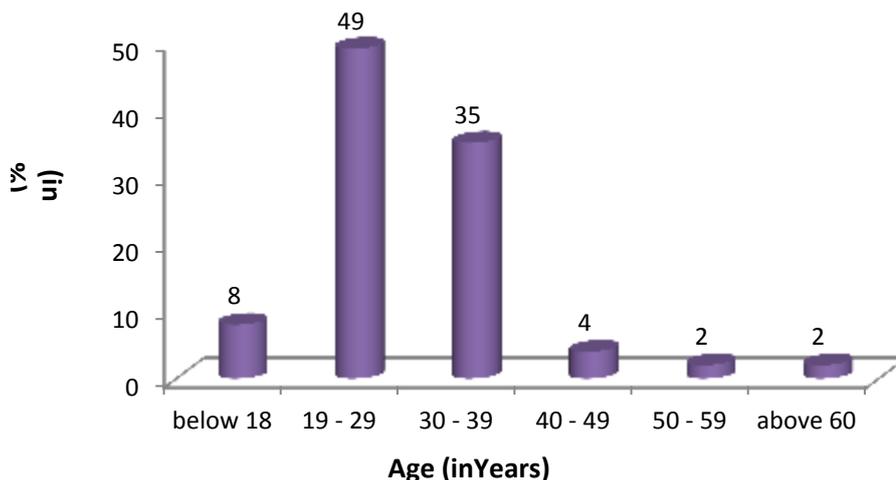
VI. Research Methodology

The methodology adopted for the study is based on primary and secondary data. The primary data is collected from 100 migrants. Respondents are selected from different parts of kathua district of Jammu and Kashmir through an appropriate questionnaire to collect information regarding their socio-economic status. Data is also collected from secondary sources such as District labour office, books, websites etc. The present study is used graphical analysis by Microsoft excel and statistical package for social sciences (SPSS).

VII. Result and Discussion

- **Socio-economic status of inter-state migrants engaged in the informal sector.**
 - **Age composition**

Figure 1: Classification of the age structure of the respondents



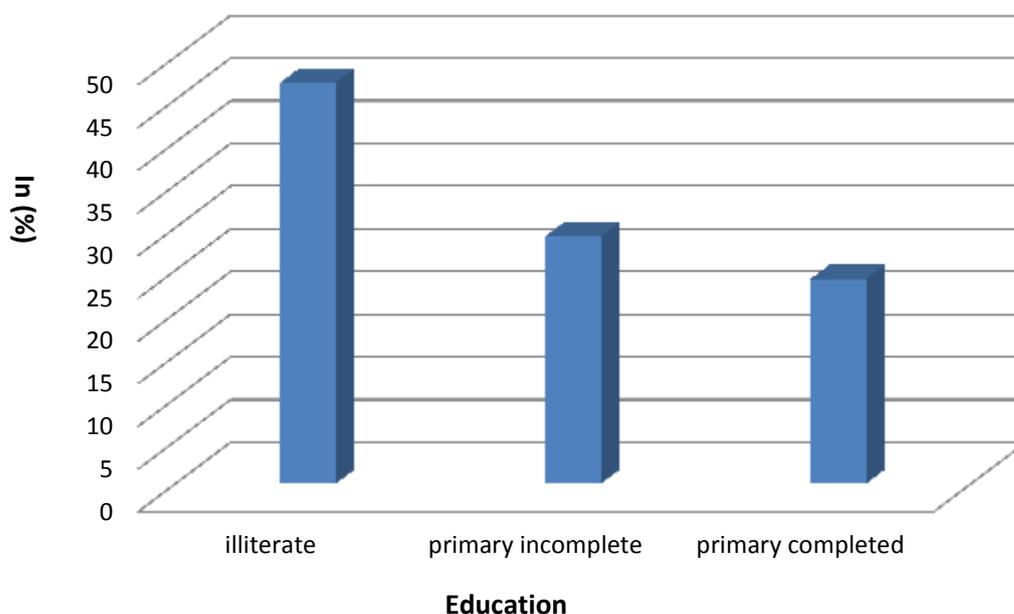
Sources: Primary Data

The age distribution of respondents shows that the majority i.e. 49.0 % of the respondents were in between 19-29 years of age group (Fig.1). 35.0 % of respondents were in between the age group of 30-39 years. 8.0 % of the respondents were fall under the category of below 18 years. A figure shows that 2.0 percent of the workers are 50-59 and above 60 year’s respectively, while the respondents between age group 40 – 49 are 4%.

• **Education level**

The Figure shows the distribution of educational status of males and females of inter-state migrants’ workers (Fig. 2). The study indicates that, the majority of the people about 49% not taken any education. 29.0% are fall in that category those complete his/her primary education. 24.0% of the respondents are not completed primary education which is necessary for everyone. There is no respondent found whose education level is above that. If we look at the figure we will find that maximum respondents are illiterate.

Figure 2: Classification of the education level of the respondents.

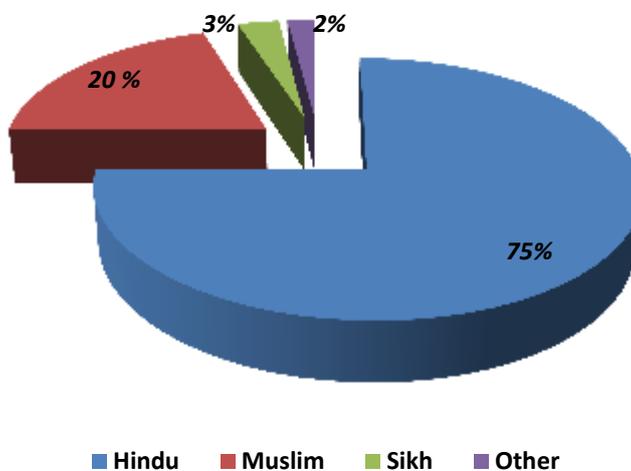


Sources: Primary Data

• **Religion:**

A religion is an organization where followers developed a sense of beliefs, culture and value of life. Hence it is an important to study the religion of the respondents. (Fig.3) shows that the out of total samples there is Hindu are 75%, Muslims 20% and Sikh are 3%, and other religion were only 2% found in the study area.

Figure 3: Classification of the respondents according to the religion.

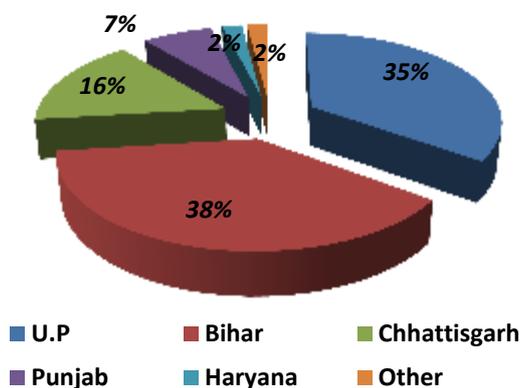


Sources: Primary Data

• **Native state**

The distance covers the destination place, pull and push factors play an important role in the decision of the migration. This (fig.4) shows that maximum migrants in Jammu and Kashmir are from Uttar Pradesh and Bihar. The table show that Bihar is top of the list constitute 38.0%, U.P 35.0%, Chhattisgarh with 16.0%, Punjab 7.0% and Haryana and other states 2.0% respectively.

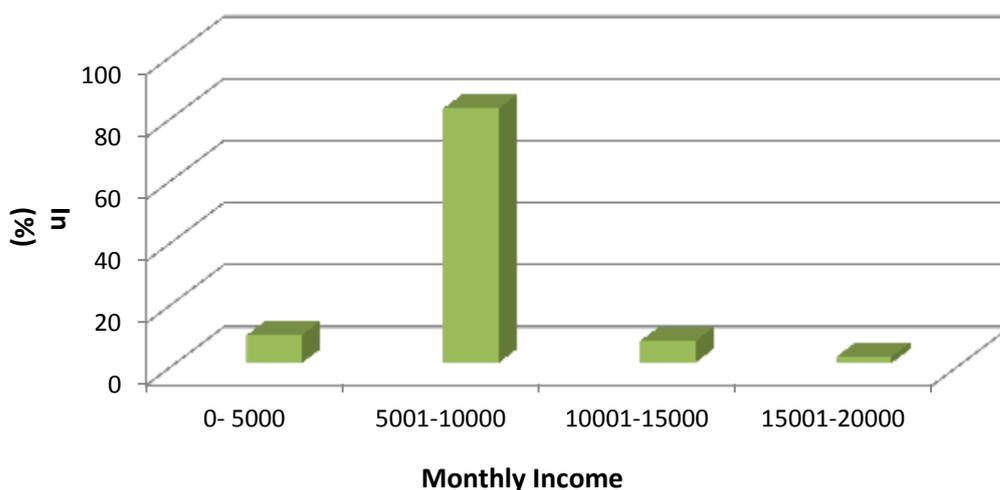
Figure 4: Classification of the respondents according to their native state.



Sources: Primary Data.

• **Monthly Income**

Figure 5: Classification of monthly income of the respondents.

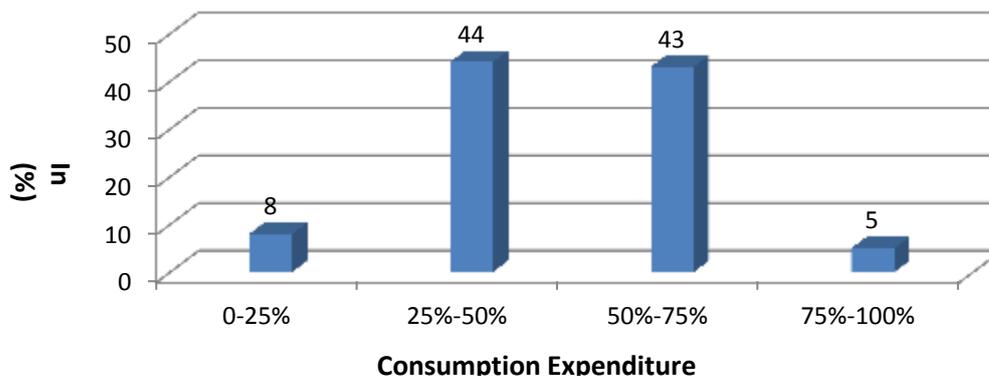


Sources: Primary Data

Income is the true reflection of economic status and social position of a worker. (Fig.5) depicts the level of income of the Migrants workers of the Informal sector. It can depict from the figure that 82% workers earned between 5000-10000 rupees while 7% earned between 10001-15000 and 9% workers earning below 5000, only 2% workers earned above 15001 rupees.

- Consumption Expenditure**

Figure: 6: The Classification of consumption expenditure from monthly income.



Sources: Primary Data.

This figure shows that how much they are consume from their respective monthly income. 44% were consuming half of the salary during a month (Fig.6). While 43.0% consume 75% part of income. 5% were consumed entire income and 8 percent were those respondents whose consumption expenditure is less than 25% of entire income.

- Push and Pull Factors**

The push and pull factors not only in the case of rural to urban migration but in the case of urban to urban and international migration as well (Bose, 1974). Table shows the detail about push and pulls factors for the migration (Table.1). The majority 60.0% of the respondents were leave their native place due to “poor economic condition of the family” or poverty. The only option is migrate, for a better life. Around 23.0% of them migrate due to lack of job opportunities in their native place. 4.0% of respondents migrate at a study area due to better opportunities at study area. About 2.0% were each come into the study area because of called by the friend in J&K, and because of high wage rate as compare to other state. 9.0% of the respondents not mention any factor for the migration. Hence, it is proved that from the above analysis that the majority of them were migrated into Jammu and Kashmir because of the poor economic condition of the family.

Table 1: Classification of the push and pull factors responsible for migration in respondents' view.

Push and pull factor	Percentage (%)
Lack of job opportunities at native place	23.0
Poor economic condition of the family	60.0
Better work opportunities	4.0
Through friend	2.0
Higher wages in J&K	2.0
Other	9.0
Total	100.0

Sources: Primary Data

• **Problems faced by Migrants**

The following table analyses the problem faced by the respondents during migration in the study area. (Table.2) shows that majority 38.0% of respondents didn't mention any specific problems during the migration. They feel the area is good for a work. Around 14.0% face the problem of insecurity at a study area due to disturbance in the state. They say the biggest cause of insecurity is militancy. The chart also shows that 15.0% of them faced the problems like shelter. The 19.0% respondents faced exploitation or harassment by the people or contractor at the work place. It also shows that 14.0% also face health problems.

Table 2: Classification of the problems faced by the respondents

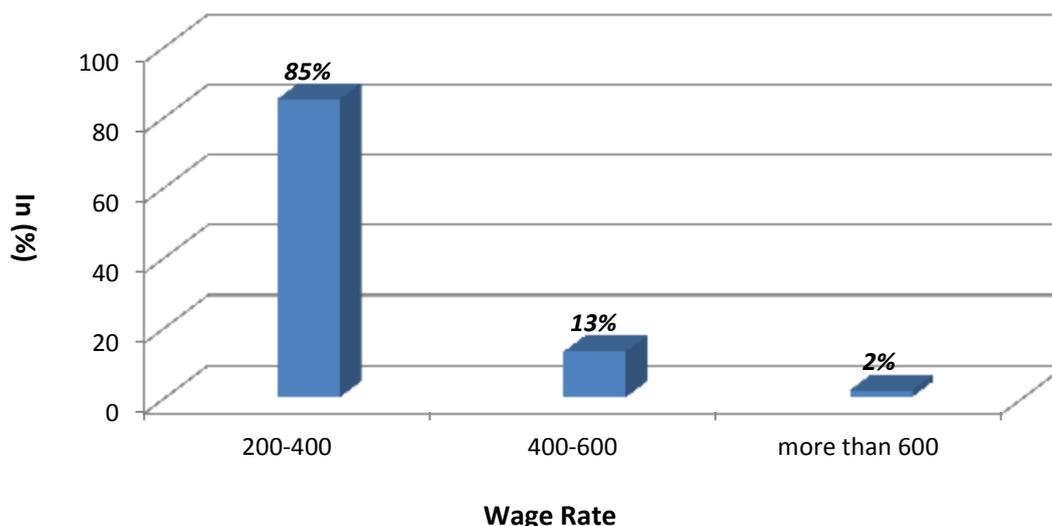
Problems	Percentage (%)
Insecurity	14.0
Shelter	15.0
Health Problems	14.0
Exploited by local people of Contractor	19.0
Others	38.0
Total	100.0

Sources: Primary Data.

• **Wage Rate Classification**

This figure shows that, the majority of male and female 85.0% inter-state migrants earn wages ₹200-400 per day (Fig.7). As 13.0% respondents are earn ₹400-600 per day, and only 2.0% respondents earn more than ₹600 per day.

Figure 7: Classification of the wage rate of the respondents.



Sources: Primary Data

VIII. Hypothesis Testing

- **Test Analysis**

On the basis of Kolmogorov-Smirnov test statistics, it is established that there is significant increase in the income of the migrant labour hence alternative hypothesis is selected.

Table 3: Test Statistics -One-Sample Kolmogorov-Smirnov test result

No of cases	Parameters		Differences		
	Mean	SD	Absolute	Positive	Negative
100	1.50	.732	.393	.393	- 0.247
Test Statistics - One-Sample Kolmogorov-Smirnov test statistics					0.393
Level of Significance					0.05

Sources: compiled by researcher

IX. Conclusion

The informal sector, the informal economy, or grey economy in the part of an economy that is neither taxed or nor monitored by any form of Government. The main attraction of the undeclared economy is financial. This type of activity allows employers, paid employees and the self-employed to increase their take-home earnings or reduce their costs by evading taxation and social contributions. On the other hand, the informal employment can provide a cushion for workers who cannot find a job in the formal sector. But, on the other hand, it entails a loss in budget revenues by reducing taxes and social security contributions paid and therefore the availability of funds to improve infrastructure and other public goods and services.

This study is conducted on inter-state migrant workers; those were engaged in informal sector for their livelihood. A large number of people migrate from one state to another state in India and they are considered as a floating population. Through a primary survey we realize that these workers face social and economic problems, and majority of the workers are coming from Bihar for their livelihood. Lack of education is the obstacle in their life, because education teaches us how we get our fundamental rights and not exploited by someone. Majority of the respondents earned below 400 per day wages. On the basis of kolmogorov-Smirnov test statistics, it is proved that there is increase in the income of inter-state migrants. But on other hand migration is still eradicate unemployment problem from the area where is the lot of population.

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