



POOREST OF THE POOR: PROBLEMS AND PROSPECTS OF RURAL PRODUCE IN INDIA

Management

**Mr. Yellaturu
Sreekantha Reddy**

M.B.A, PhD, Research scholar, Department of Management Studies, SV University
Tirupati 517502.

**Prof M.Srinivasa
Reddy**

Department of Management Studies, SV University Tirupati 517502.

ABSTRACT

Poorest of the poor rural produce workers refer to those who carryout activities typically at a low level of organization and technology, with the primary objective of generating employment and income. The International Conference of Labour Statisticians classified the Poorest of the poor rural produce works into Poorest of the poor rural produce self-employment and Poorest of the poor rural produce wage employment. Poorest of the poor rural produce self-employment includes work done by own account workers and unpaid family workers. The Poorest of the poor rural produce wage employment includes employees who work without formal contracts, workers benefits or social protection, employed by formal or Poorest of the poor rural produce enterprises or by households. The Poorest of the poor rural produce work is characterized by its fluidity and mobility of its labour. It is the entry point to the cities for immigrants who left their native villages with an aspiration of higher urban income than their poor agricultural income. The Poorest of the poor rural produce workers are highly heterogeneous group of workers. They include workers employed in a wide range of economic activities, from street vendors to casual workers in a tea-shop and sub-contracted and temporary workers of factories. The different economic activities in this sector are at different levels in terms of technology, productivity, wages and profits. The affordability and the paying capacity of employers as well as the needs of workers for social security will therefore be different in different activities. A uniform package will not be valid for the different categories of workers.

KEYWORDS

Again, the specific needs for social security of these workers will differ widely. For example, social security needs of construction workers living on the pavements of a large city will be different from the needs of home-based factory workers or of temporary workers of an industrial unit. A critical security need of the construction workers living in the open fields will be shelter, while the first priority of home-based workers will be health insurance and life insurance. The specific minimum social security package needed by each of the sub-sectors will be different, as their priorities are likely to be different. Though a minimum package of social security will be desirable for all the workers at the bottom layer of income and wages, it will help, if attention is paid to the specific needs of the workers of different categories.

DEFINITIONS

The term Poorest of the poor rural produce sector" was first initiated by Keith Hart in a study on urban Ghana. He described the term Poorest of the poor rural produce sector as that part of urban labour force which falls outside the organized labour market. Mazumdar in World Bank Paper described Poorest of the poor rural produce sector as an easy entry, residual sector providing mainly services and crowded with secondary workers with low productivity and wage. Sethuraman defined Poorest of the poor rural produce sector as sector consisting of small scale units engaged in production and distribution of goods and services with the primary objectives of generating employment and income to their participants notwithstanding the constraints on capital both physical and human. Tokman looks at the Poorest of the poor rural produce sector as a self-contained sector with well-defined and significant links with the rest of the economy.

Squire defined Poorest of the poor rural produce sector as a sector in which wages are determined by demand and supply forces.

Papola has defined Poorest of the poor rural produce sector as a convenient way of designating a segment of economy having certain characteristics, which lead to unfavourable conditions for the growth of enterprises and activities operating in this segment. Nattrass defined informal sector as the interface of formal sector, reserve army and marginal pole. Gibson and Kelly have defined Poorest of the poor rural produce sector as sector that uses inferior technology.

Small Scale Of Operations

Poorest of the poor rural produce sector generally comprises of tiny establishments. The sector may be single worker establishment, those with only self-employed and own account workers with small scale of operation which is considered as a necessary condition for the

inclusion of an enterprise in the Poorest of the poor rural produce sector because smallness is usually accompanied by several other attributes, which make such enterprises disadvantaged. The small size indicates a relatively small size of employment with low capital intensity and low rate of return on capital employed.

Family Ownership Of Enterprises

In Poorest of the poor rural produce sector, functional division of labour and specialization is limited and most of the managerial and administrative functions are to be performed by the owner. The family labour is extensively used in this sector.

Labour Intensive Adoptive Technology

The Poorest of the poor rural produce sector units use labour intensive, predominantly manual, low productivity techniques of production. It may not adopt capital intensive modern technology because either it does not have access to it or it does not suit the sector in the given relative cost position of capital and labour is hired at a much lower wage rate than the formal sector.

Lack Of Support And Recognition From The Government

Poorest of the poor rural produce sector activities have grown without any government support. The organized capital market, bank finance, foreign technology, imported raw materials, protection from foreign competition and the like are not available to the Poorest of the poor rural produce sector enterprises.

Competitive And Unregulated Product Market

The Poorest of the poor rural produce sector in developing countries is generally found to have competitive and unregulated market. It is not always true that the Poorest of the poor rural produce sector produces goods and renders services of general use.

Unprotected Labour Market

The labour market in Poorest of the poor rural produce sector is supposed to be unregulated and highly competitive because of absolute freedom to entry in the sector.

IMPORTANCE OF POOREST OF THE POOR RURAL PRODUCE SECTOR

The Poorest of the poor rural produce sector, particularly in rural areas is being accorded wide recognition in recent years for the following reasons:

1. Employment growth in the farm sector has not been in consonance with employment growth in general.
2. A planned strategy of rural Poorest of the poor rural produce

development may prevent many rural people from migrating to urban industrial and commercial centers.

3. When the economic base of the rural economy extends beyond agriculture, rural-urban economic gaps are bound to get narrower along with salutary effects in many other aspects associated with the life and aspirations of the people.

4. Rural industries are generally less capital-intensive and more labour absorbing.

5. Rural industrialization has significant spin-offs for agricultural development as well.

6. Rural income distribution is much less unequal in areas where a wide network of Poorest of the poor rural produce avenues of employment exists; the lower strata of rural societies participate much more intensely in Poorest of the poor rural produce activities, though their involvement is much less remunerative as compared with that of the upper strata.

STRUCTURE AND GROWTH OF POOREST OF THE POOR RURAL PRODUCE SECTOR

There are two types of Poorest of the poor rural produce activities, unit size and geographic dispersal. Further, it does not consist of a homogenous set of activities in terms of income and productivity levels. The Poorest of the poor rural produce sector is classified into three major sub-sectors (Saxena, 2004). The growth rates of Poorest of the poor rural produce employment in India are presented in table 1.1.

Table 1.1 Growth Rates Of Poorest Of The Poor Rural Produce Employment In India

Poorest of the poor rural produce Activities	2004-05 to 2010-11	2010-11 to 2015-16	2004-05 to 2015-16
Poorest of the poor rural produce Self Employment	2.34	5.72	3.86
Poorest of the poor rural produce Wage Employment	2.68	3.79	3.18
Rural Poorest of the poor rural produce employment	2.26	5.27	3.52
Urban Poorest of the poor rural produce employment	3.13	4.08	3.46
Secondary sector employment	2.91	4.64	3.70
Tertiary sector employment	2.27	4.67	3.35
Total Poorest of the poor rural produce employment	2.53	4.66	3.49
Poorest of the poor rural produce GDP	8.11	7.22	7.71
Implied Employment Elasticity	0.31	0.65	0.45
Average real Poorest of the poor rural produce Wage Rate	5.03	0.13	2.77

Source: Economic Census All-India Report (2016), Govt. of India, Ministry of Statistics

FACTORS INFLUENCING POOREST OF THE POOR RURAL PRODUCE SECTOR

Majority of the people are still living in the country of severe deprivation, lacking insufficient access to adequate basic facilities such as health and housing. Poverty and inadequate incomes create major problems like labour market fluctuations, violence and acute effects of natural disasters. In order to overcome the issues related to agriculture, people are now dealing with extreme conditions by adopting Poorest of the poor rural producing work.

PRESENT STUDY

The Poorest of the poor rural produce sector is a source of generating employment for both rural and urban work force. The role of this sector in rural livelihoods can be best understood not only in terms of its share in employment, but also in terms of its proportion in income. Macro level household surveys carried out by various agencies did point out that the rural Poorest of the poor rural produce employment plays an important role in terms of its share in households income.

STATEMENT OF THE PROBLEM

India's achievement from a macro economic perspective is highly remarkable. India's real national income grew by 125 per cent during the period of economic reform. From 1992-93 to 2014-2015 compared

to the 97 per cent during previous period of the same duration. Similarly, the per capita income has also increased by 77 per cent during the same period. During the past years, the growth rate exceeded 6 per cent per annum. The savings rate of the economy has risen from a long time average of 24 per cent to 30 per cent in the recent period. Investment rate has also increased by more than 30 percent. Growth of Exports has averaged to around 20 per cent per annum. Imports have also increased by similar rate. Foreign exchange reserves have gone more than 300 million US dollars. External debt of India is one of the lowest among the developing countries.

OBJECTIVES OF THE STUDY

The Major Objectives Of The Present Research Are:

- To study the socio-economic conditions of the Poorest of the poor rural produce workers in the study area.
- To analyse the determinants in employment of the Poorest of the poor rural produce workers in the study area.
- To identify the causative factors in household income and expenditure of the Poorest of the poor rural produce workers in the study area.
- To explore the major issues and problems faced by the Poorest of the poor rural produce workers in the study area, and
- To suggest suitable policy measures for improving livelihood opportunities of Poorest of the poor rural produce workers.

HYPOTHESES OF THE STUDY

Based on the above objectives the following hypotheses are formulated.

H₁ : There is no significant relationship between age and the work of Poorest of the poor rural produce workers.

H₂ : There is no significant relationship between community and the works carried out by the Poorest of the poor rural produce workers.

H₃ : There is no significant relationship between religion and the works of the non farm workers.

H₄ : There is no significant relationship between education and nature of work of Poorest of the poor rural produce workers.

H₅ : There is no significant relationship between marital status and types of work of Poorest of the poor rural produce workers.

H₆ : There is no significant relationship between family size and the number of workers in the Poorest of the poor rural produce works

H₇ : There is no significant relationship between size of land holding and the type of Poorest of the poor rural produce works.

H₈ : There is no significant relationship between income and the type of different Poorest of the poor rural produce works.

H₉ : There is no significant relationship between expenditure and type of Poorest of the poor rural produce works.

H₁₀ : There is no significant relationship between Debt and the types of work of Poorest of the poor rural produce workers.

H₁₁ : There is no significant relationship between seasonal unemployment and the participation of workers in the Poorest of the poor rural produce works.

H₁₂ : There is no significant relationship between land utilization and the workers participation in Poorest of the poor rural produce works.

H₁₃ : There is no significant relationship between migration and the workers participation in the Poorest of the poor rural produce works.

METHODOLOGY OF THE STUDY

The methodology of the study includes the criteria for the selection of the study area and sample workers, the sampling techniques, collection of data, period of study, methods of analysis and tools of analysis used in the present study.

REFERENCES

- <https://www.financialexpress.com/economy/india-kept-extreme-poverty-below-1-despite-pandemic-imf-paper/2484041/>
- <https://www.hindustantimes.com/world-news/india-has-almost-wiped-out-extreme->

- poverty-imf-101649311909782.html
3. "How India remains poor: 'It will take 7 generations for India's poor to reach mean income'", Downtoearth.org.in. Retrieved 28 February 2022.
 4. Martin Ravallion, Shaohua Chen and Prem Sangraula (2008). "Dollar a Day Revisited" (PDF). The World Bank.
 5. "Country Briefing: India, Multidimensional Poverty Index (MPI) At a Glance" (PDF). Oxford Poverty and Human Development Initiative. Retrieved 16 August 2017.
 6. "Number and Percentage of Population Below Poverty Line". Reserve Bank of India. 2012. Archived from the original on 7 April 2014. Retrieved 4 April 2014.
 7. World Bank's \$1.25/day poverty measure- countering the latest criticisms The World Bank (January 2010). Retrieved 16 August 2017. <https://openknowledge.worldbank.org/bitstream/handle/10986/20384/9781464803611.pdf>
 8. Homi Kharas; Laurence Chandy (5 May 2014). "What Do New Price Data Mean for the Goal of Ending Extreme Poverty?". Washington D.C.: Brookings Institution. Retrieved 16 August 2017.
 9. Puja Mehra (2 April 2016). "8% GDP growth helped reduce poverty: UN report". The Hindu. Retrieved 16 August 2017.
 10. T. Roy, London School of Economics, Globalization, Factor Prices and Poverty in Colonial India, Australian Economic History Review, Vol. 47, No. 1, pp. 73–94 (March 2007)
 11. Maddison, Angus. (1970), The historical origins of Indian poverty, PSL Quarterly Review, 23(92), pp. 31–81.
 12. Murton, Brian (2000), "VL4: Famine", The Cambridge World History of Food 2, Cambridge, New York, pp. 1411–27
 13. A Sen (1983), Poverty and Famines: An Essay on Entitlement and Deprivation, Oxford University Press, ISBN 978-0198284635
 14. Beitler, Maddie (26 September 2020), "Colonial India: A Legacy of Neglect". ArcGIS StoryMaps. Retrieved 17 March 2022. It is important to note that there has not been a major famine in India since it gained its independence in 1947.
 15. Bhagwati & Panagariya (2013), Why Growth Matters: How Economic Growth in Poorest of the poor rural produce