CHAPTER-VII

MAIN FINDINGS AND SUGGESTIONS

To keep the summary of the thesis within reasonable limits, main findings and suggestions based on field investigation are presented in this chapter.

A. Main Findings

A.1 Social and Managerial Aspects:

1. About 81 percent of the workers in shops and establishments and small scale industries in Gudur town are in the age group of 20-40 years. No worker is above 60 years of age.

2. About 56 percent of the workers in the informal sector in Gudur town belongs to other categories of castes (excluding Backward Castes, Scheduled Castes and Scheduled Tribes). Workers belonging to Scheduled Tribes are totally absent in small scale industries.

3. Hindu Religion is the leading religion with a share of 81 percent in total workers followed by Muslim Religion with 18 percent and Christian Religion with 1 percent.

4. Out of the total workers, 12 percent of the workers are illiterates. Most of the workers are having high school level education.

5. Telugu is the mother tongue for about 89 percent of the total work force. The inflow of the workers from other states is almost negligible.
6. Nearly 65 percent of the workers are married and the rest are unmarried. About 60 percent of the workers in shops and establishments are married compared to 78 percent in the case of small scale industrial units.

7. Out of the total 186 workers, only 40 workers are the immigrants. Out of 40 immigrants 5 are from outside the Nellore district. The major reasons for immigration are paucity of employment in native place, scope to earn more income in Gudur town, not interested to work in native place, attraction of urban environment and assured employment.

8. The major occupation of fathers of workers in the informal sector in Gudur town is agriculture.

9. The average size of the household of the workers in the informal sector in Gudur town is five members per household. The male-female ratio in the households of workers is 54:46.

10. Distribution of family members of the workers is favourable to take up income earning economic activities.

11. About 41 percent of the family members of the workers are illiterates.

12. The members of the households of workers are having different occupations or employment. Agriculture is the major occupation followed by employment in the private sector and business.

13. The most important source of spending leisure time is watching Radio and T.V. programmes. The popular source of entertainment for the workers is cinema.
14. Out of 186 workers, only 18 are suffering from diseases. The important diseases are stomach pain, headache and heart complaints.

15. Formal training after recruitment is almost absent in informal sector in Gudur town.

16. No worker in the informal sector in Gudur town is having an opportunity of working normal hours per day i.e. 8 hours.

17. Nearly 24 percent of the workers do not have the fixed holiday in a week.

18. About 91 percent of the workers felt that their work is recognised by their employers. This will motivate the workers to work more.

19. Eighty Nine (89) percent of the workers reported that their employers give weightage to their suggestions. This improves job satisfaction among workers and gives an opportunity to participate in the process of decision making and forward planning at the enterprise level.

20. Out of 186 workers, 139 reported that their job possess a better social status.

21. Most of the workers felt that their job is not difficult to do. Almost all workers opined that their abilities (knowledge and skills) are suitable to do their jobs. Almost all workers except 6 have the opinion that their employers interested in them and their problems and their developments. 74 percent of the workers expressed that they have job security. Most of the workers have friendly relationship with co-workers. 95 percent of the workers have felt that the existing working conditions are conducive for higher efficiency in their work. No worker in the informal sector in Gudur town is a member of trade union.
22. The main reasons for working hard by workers are survival, to enjoy life, to provide good future for children and to look after the dependants.

23. Nearly 65 percent of the workers are living in their own houses. On an average each worker living in the rented house is paying Rs.300 towards the house rent. Out of 186 workers, 152 are living in electrified houses. Most of the houses are properly ventilated. The housing accommodation is totally inadequate compared to their family sizes. Many of the workers are facing water problem. Some of the workers are managing with common bath rooms and toilet rooms.

24. Only 4 percent of the workers do not have job satisfaction. The important reasons for having job satisfaction as reported by the workers are:

(a) Good relationship with the employer

(b) Timely payment of remuneration

(c) Nearness to living place

(d) Suitability to the job and

(e) Able guidance by the supervisor.

The reasons for job dissatisfaction among some workers are a) low remuneration b) poor working conditions and c) harassment by the superiors.

25. Out of 186 workers, 25 workers worked in the past in other establishments. The causes for the change of previous employment as reported by the workers are: a) scope to earn more b) bad relationship with the past employer c) closure of shops and d) insecurity of employment in the present job.
26. Most of the workers prefer to change their present jobs, if the remuneration in the new job is greater than present remuneration in the present job.

27. There is greater mobility among workers in the informal sector in the Gudur town. Mobility is more in the case of shops and establishments compared to small scale industries.

28. Friends, personal contacts, relatives and direct approach are the helping hands in getting jobs by the workers. Friends played a major role in getting jobs in the case of shops and establishments. Personal contacts played a major role in getting jobs in small scale industries.

29. The distance between residence and work place of workers is reasonably low.

30. Majority of the workers are reaching their work places from their residences by walk. The second important mode of transport is bicycle.

A.2 Economic Conditions:

1. Earning members are less in number compared to non-earning members (dependants) in the households of workers in informal sector in Gudur town. The share of earners is 49 percent.

2. Average earnings of the workers per annum per worker is Rs.19,104. Small industrial units are paying more to their workers compared to shops and establishments. The most important income group is Rs.10000-Rs.20000. Nearly 68 percent of the sample workers fell in this group.
3. On an average, other members of the families of the sample workers are able to earn a monthly income of Rs.1,550 per family per annum. The most important source of income for them is agriculture followed by self-employment, work in small establishments and casual labour.

4. Out of 186 workers, 29 workers like that their children should take up the same line of activity. Most of the sample workers like that their children are to be employed in government services.

5. The average income per household per annum works out to Rs.37,764. The share of the income of the other family members in the total income is nearly 42 percent.

6. Out of 186 workers, 95(51 percent) are not paid minimum wages as per minimum wages act.

7. Nearly 20 percent of the workers are paid bonus on different occasions. The important occasions for the payment of bonus are Dasara, Deevali and Sankranti.

8. There is a negative correlation between family size and the income per household.

9. There is a positive correlation between literacy level of the workers and their incomes.

10. The major item of expenditure by the workers is food. It accounts for about 40 percent of the total expenditure. The second important item of expenditure of workers is clothing. It accounts for about 20 percent in the total expenditure.
11. There is positive correlation between income and expenditure of workers. There is a high degree of positive correlation between savings and incomes. Size of the family influences the level of savings positively. The savings ranges in between Rs. 1,857 and Rs. 6,952 per household per annum.

12. Out of 186 workers, only 21 (11 percent) workers are in debts. The average debt per household is worked out to Rs. 1,038. The average debt per indebted households is Rs. 9,190. There are four sources of debt. They are: 1) Present employer 2) Friends 3) Relatives and 4) Local money lenders. The main purposes for which the workers have borrowed money are medical expenses, construction of houses, marriages of daughters, education of the children and petty personal expenses. The share of medical expenses in total debt outstanding is 34 percent. The cost of credit is at high level because the entire credit is provided by non-institutional sources. The level of indebtedness is at very low level i.e., nearly 3 percent of income.

13. The average value of assets per household works out to Rs. 55,543. The share of houses in the total value of assets is nearly 70 percent. The next important asset is land. Out of 186 workers, 126 workers have assets excluding household furniture, utensils and ornaments. Out of 126 workers who are having assets, 57 workers fall in the asset range of Rs. 0 – Rs. 75,000.

14. In total, 74 households of workers are below poverty line. It is nearly 40 percent of the sample households. This percentage is on higher side compared to the percentage of households below poverty line in India.
B. MAIN SUGGESTIONS

1. The owners of Shops and Establishments and Small Scale Industries have to give importance to persons belonging to Scheduled Castes and Scheduled Tribes in recruitment.

2. The owners of the enterprises and the government agencies have to take necessary steps to educate the illiterate workers through adult literacy programme. This programme should include reading and writing skills and legal environment of informal sector in India.

3. Since many of the workers in the informal sector are hailing from agriculture, it is essential to take necessary steps to make agriculture economically and financially viable activity. Wage rates in agriculture sector should be maintained at a reasonably high level to arrest the mobility of people from agriculture to urban informal sector.

4. The distribution of family members of workers by the level of education in informal sector of Gudur town suggest that, there is an urgent need to take adequate measures by the government authorities to reduce and ultimately remove illiteracy among households of the workers in the informal sector in Gudur town. For this purpose night schools may be promoted by the government authorities.

5. The owners of the enterprises in the informal sector in Gudur town should develop the habit of giving formal training to the newly recruited persons to develop knowledge and skill to do the job most efficiently and effectively. During the period of training, a reasonably good amount of remuneration is to be paid to the worker under training.
6. The owners or managers of the enterprises in the informal sector in Gudur town have to take necessary steps to reduce the working hours per day. They have to adopt the provisions in the concerned Acts. The government officials who are concerned with the supervision of working hours of the worker should enforce strictly the provisions of the concerned Acts. They should direct the owners or managers of the enterprises not to engage the workers beyond the normal hours per day.

7. Labour Inspector should see that the workers should be given at least one holiday per week.

8. Since some of the workers felt that their working conditions are very poor, it is the responsibility of the enterprises to improve the working conditions of the workers. Betterment of the working conditions of the workers is beneficial to both owners of the enterprises and the workers. Better working conditions improve the productivity of the workers, quality of the output and reduces the cost of production and selling price. The reduction in selling price with an improved quality is beneficially to the consumers.

9. Since no worker is a member of a trade union, it is essential to form trade unions, one for the workers in shops and establishments and the second for the workers in small scale industrial units in Gudur town. Promotion of trade unions improves the bargaining capacity of the workers with their employers with regard to remuneration, working conditions, fringe benefits, social security, participative management and settlement of industrial disputes.
10. Since 35 percent of the workers are living in rented houses, it is desirable to give importance to the workers in the informal sector in Gudur town in the allotment of pakka houses by the government. Most of these workers are belonging to economically poor sections of the society.

11. High rate of labour turnover is not desirable in the interest of enterprises in the informal sector. Enterprises should try to keep the workers for a long time with financial and non-financial benefits. Loss of an experienced and skilled person hampers the efficiency and effectiveness of the enterprises.

12. Since the mode of transport in the case of majority of workers is walk, it is desirable to arrange loans to the workers to buy bicycles and mopeds. The loans may be given with the reasonably low rate of interest and payable on installment basis. The amount of installment may be deducted from the monthly salary of the worker.

13. Since many of the workers are not paid minimum wages, the government authorities should see that minimum wages will be paid to the workers in informal sector in Gudur town.

14. There is an urgent need to institutionalise the credit structure of workers in the informal sector in Gudur town. It is essential to advice the workers to borrow at lower rates of interest from the organised institutionalise sources of credit to reduce the cost of credit.

15. Since 40 percent of the households of workers in informal sector in Gudur town are below the poverty line, steps should be taken to increase the remuneration at least on par with minimum wages as per minimum wages.
Act and to provide economic occupations to the family members of the workers. They should be given an opportunity to benefit from poverty alleviation programmes. The households of workers in the informal sector in Gudur town which are below poverty line should be given an opportunity to benefit from public distribution system. The children of the workers in the informal sector should be brought under free education system.

16. There is an urgent need to promote two Multipurpose Co-operative Societies in Gudur town – One for the workers in the shops and establishments and the second for workers in small scale industrial units. These societies should be in a position to supply credit required and all essential commodities.

17. The Government of India may formulate an Act incorporating the measures suggested by the National Commission for Enterprises in the Unorganised Sector which are incorporated in the Unorganised Sector Workers’ Social Security Bill, 2005.

The social security package for the workers should comprise of a National Minimum Social Security Cover comprising of (a) old age pension for workers above the age of 60 years. (b) health insurance for self, spouse and children below the age of 18 years. (c) maternity benefits for women workers or spouse of men workers and (d) insurance to cover death and disability arising out of accidents. The Central Government should create a National Social Security Fund for these purposes. It should also create an elaborate institutional setup for the purpose of its implementation. The
government should also give attention to the heterogeneous social security needs of workers in the unorganised sector or informal sector.

C. **Hypotheses that are Rejected:**

1. Immigrants are more in number in the case of workers in the informal sector in Gudur town.

2. Majority of the workers in the informal sector in Gudur town do not have job satisfaction.

3. Earning members are more in number compared to non-earning members (dependants) in the household of workers in informal sector in Gudur town.

4. There is no correlation between family size and household income.

5. There is no correlation between literacy level and household income of the workers.

6. There is no correlation between the level of income and the level of expenditure.

7. Majority of the households of workers in informal sector in Gudur town are below the poverty line.

D. **Hypotheses that are Accepted:**

1. The share of non-institutional sources (unorganised sector) in the debt outstanding of the workers is greater than the share of institutional sources of debt.
E. Scope for further Research:

It is rather hazardous on the basis of a limited investigation such as the present one to arrive at a set of policy implications. More and more empirical investigations with a greater measure of sophistication of concept and tools are needed to establish the database of the informal sector on the firm footing. There are many more to be explored, analysed and tested to provide a solid base for the urban informal sector policy formulation in meeting the urgent needs of growth with social justice in India. The future study may include unregistered establishments under shops and establishments Act 1988 and unregistered small scale industrial units with District Industries Centre. A comparison may be made between registered and unregistered units in the informal sector.