CHAPTER - VII

DETERMINATION OF INCOME OF SELF EMPLOYED WOMEN IN THE URBAN INFORMAL SECTOR
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7.1 INTRODUCTION :

In general earnings are determined by the quality and quantity of labour. It is however, not uncommon to find that women workers are paid comparatively lower wages for the same. The quantum of labour can be easily measured in terms of the work time while it is more difficult to assess its quantity. Skill is the most common parameter for judging quality of labour. Thus, labour earnings, as observed earlier have shown divergence across labour markets. Various explanations have been provided in the literature for such divergence. The model of earnings by MINCER based on the human capital approach has been widely used in the literature\(^{(1)}\). Human capital theory has developed an elaborate supply side economic theory. That is, it assumes demand side to be stable, and hence differences in worker productivities on the supply side will be the main source of difference in earnings. The concept of Human Capital was adapted from Physical Capital Investment theory by Becker\(^{(2)}\) and Theodore W Schultz\(^{(3)}\) during the late 1950's and 1960's. According to human capital theory, an individual can make an investment in himself or herself by devoting time for education, acquiring skills and work experience. The predictions of this theory is that it would bring a higher return to the forthcoming from making a larger investment. Jobs requiring considerable educational equalification or long training would be expected
to pay much more over a long time than those which can be done without either of them.

The application of human capital theory to the problem of women earnings undertaken, first by Mincer\(^4\) and Polachek\(^6\) suggest that women in general have different exploitations from men and therefore, women make different investment decisions since women are all assumed to plan to abstain themselves from work for child bearing they are expected to choose the low depreciation occupations and hence in most cases they accumulate less human capital and have lower life time earnings as a result. Polachek\(^6\) is also of the view that it is women's preference for different occupation within large part explain both their lower earnings and their occupational segregation.

As explained earlier, women in the urban IFS witnessed variations in income earnings. It would be worthwhile to explore the casuative factors which determine this divergence. Based on these earlier studies, the present study also makes use of the human capital approach as the basis for analysing determinants of earnings. The results are analysed at aggregate and disaggregate levels.

7.2 THE MODEL:

The basic model is generally specified as

\[ Y = f(S, X, A) \] ..........(1)

where

\begin{align*}
Y &= \text{Earnings}; \\
S &= \text{Schooling} \\
X &= \text{Length of experience and} \\
A &= \text{Ability}
\end{align*}
Regarding the measurement of the variables schooling is measured in terms of years of education, years of experience are taken to indicate length of experience while ability is measured by proxies for origin or family background. However this model is criticised on the following grounds. Susan Lansdale has criticised with an example that equation between earnings and the levels of skill, thus have proved to be misleading and it therefore suggests that differences in earnings need to be attributed to factors other than education and training. The other factors could easily be traced out from socially based ones such as class, racial and sexual discrimination and economists have stated attributing discrimination to be one of the important causes for earning differences.

Thus, discrimination is usually defined by economists as a situation when workers of the same productivity receive different pay or when workers of dissimilar productivity are paid equally.

But Gary Becker played a founding role in formulating a theory of discrimination. He analysed the economic discrimination against women and black workers in the USA. His approach was innovative as he introduced non-pecuniary motives into economic theory and it was criticised by many. Later it paves a chance to develop alternative concepts of discrimination given by Alexis Krueger, Thurow, Stiglitz and Madden. But Bergmann her work treats discrimination in a different way. Bergman links earning to "occupational segregation" or "Occupational crowding".

Secondly the human capital theory was criticised in terms of schooling as a determinant of earnings. This could be so when schooling
is measured in terms of years of education. Such measurement underlines quality aspect of schooling while taking care of quantity in terms of years of schooling. Students receiving same years of schooling may differ in their efficiency as firstly, given the same schooling, receiving ability of students may differ in secondly the quality of education offered across schools may vary. As such, students receiving same years of schooling may show differing levels of efficiency. However, proxies for social background are expected to take care of this problem.

Thirdly the model assumes that higher the experience greater will be creation of human wealth. This positive association is assumed to be true based on learning by doing and on the job training. However, the quality of training offered and the possible divergence of its reception across labour would pose similar problems as that of the first criticism.

Lastly, this model is criticised for ignoring demand side aspects. As evidenced, labour market has a high probability of segmentation. This may be because "difference in earnings can be attributed to institutional factors after we have allowed for variations in measurable human capital". This may indicate that income variations apart, there may be a shift in the function itself depending upon the sectoral location of workers. This may also imply that segmentation given rise to differential returns to the human capital variables leading to change in the scope of earnings function for different sectors of the market. "This may be result of an invertable valuation in different sectors of the differential requirements of different activities in different sectors.".

Despite the limitations, "human capital model is quite robust in explaining individual variations in earnings". Thus Human Capital Model
would be helpful after taking care of the limitations to explain differential earnings in the labour market.

The present study makes use of the basic elements of the human capital model. It is modified with suitable attributed factors like occupation, others help in economic as well as domestic activities and time spent on the domestic as well as economic households by the self-employed women for the present study. The basic form of the model is specified as -

\[ Y = f(O, C, A, SB, L, Exp, HEO, TDAs, TEAs, HSEt) \] ....(2)

Where

\[ Y = \text{Earnings of the self-employed women per month in Rupees only} \]
\[ O = \text{Occupation} \]
\[ C = \text{Investment in Rupees} \]
\[ A = \text{Age in years} \]
\[ SB = \text{Social Background} \]
\[ L = \text{Literacy Level} \]
\[ Exp = \text{Work experience in years} \]
\[ HEO = \text{Help in Economic Activity by others} \]
\[ TDAs = \text{Time spent on Domestic Activity by the self-employed women} \]
TEAs = Time spent on Economic Activity by the self-employed women

HSEt = Help shared by others in economic activity in hours per a day.

7.2.1 FUNCTIONAL FORM OF THE MODEL

Assuming that the variables bear additive influence linear form of the model is used in the present study. Accordingly the model may be specified as:

\[ Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + \beta_6 x_6 + \beta_7 x_7 + \beta_8 x_8 + \beta_9 x_9 + \beta_{10} x_{10} + U \]

Where

\( Y \) = Earnings of the self-employed women per month in Rupees.

\( x_1 \) = Occupation

\( x_2 \) = Investment in Rupees

\( x_3 \) = Age in years

\( x_4 \) = Social Background

\( x_5 \) = Literacy

\( x_7 \) = Help in economic activity by others

\( x_8 \) = Time spent on domestic activity by the self-employed women

\( x_9 \) = Time spent on economic activity by the self-employed women

\( x_{10} \) = Help shared by others in economic activity in hours per a day.

\( \beta_1, \ldots, \beta_{10} \) are the estimated parameters of the variable while \( U \) is the error term.
7.2.2 MEASUREMENT OF THE VARIABLES:

a) Occupation (O) :

This is measured under the nature of job such (i) activities at home, (ii) activities outside home and (iii) activities both at home and outside. The study briefly sketched out 35 activities under Manufacture, Trade and Service categories (See Table 4.2). The occupation determines the time and distance of the workspot in relation to the activity for a self-employed women in the urban IFS and it is inversely depends on earnings.

b) Investment (C) :

The variable of investment may be accumulated by own or borrowed or both. They may take from the banks, funding agencies, government agencies or private agencies like money-lenders on basis of the security. But more number of self-employed women are depend on the money lenders. Hence investment is measured in rupees per a rate of interest and has a positive impact on the income of the self-employed women.

c) Age in Years (A) :

Age is measured in the conventional, assuming that higher the age, higher the productivity and thereby earnings. Age is measured in number of years.

d) Social Background (SB) :

To capture the effect of quality differences in education and experience, the variable social background is used. The assumption is
that the more forward the caste of the worker, is the higher will be their quality, which positively influences earnings. The castes are divided according to the census of India, as OC's, BC's, SC's and ST's as follows:

- OC - Open Category
- BCs - Backward Class
- SCs - Scheduled Caste
- STs - Scheduled Tribe

e) Literacy (L):

This is measured in number of years of education completed and measured in the conventional way. For the illiterates, the variable takes '0' value. More literate is represented as value 1 and primary education is valued as 2, secondary education is valued as 3, high school education is valued as 4, under graduate education is valued as 5, post graduation is valued as 6 and diploma holder valued as 7, which the values are assigned to the literacy variable.

f) Work Experience (Exp):

Experience is also measured in number of years of work. The association is assumed to be positive as higher the experience higher will be the productivity and it has direct impact on earnings.

g) Help in Economic Activity by Others (HEP):

This is also measured by assigning values to the help extended by the family members of the self-employed women. The assumption is that the more help shared by the family members is the higher will be
their quality, which positively influences earnings. The help shared by others are classified under 5 groups. The first group, husband is represented as value 1, the parents/parents-in-law is 2, children is 3 other like grand children is 4 and no assistance is represented as value '5'.

h) Time spent on domestic-activity by the self-employed women (TDAs) :

The variable is measured in hours per day. The assumption is that if the household chores by the respondents is more, the lower will be their quality, which inversely influences earnings.

i) Time spent on economic activity by the self-employed women (TEAs) :

This variable is measured in hours per a day. The assumption is that the more time spending on the activity is the higher will be their quality which positively influence earnings.

j) Help shared by others in the economic activity (HSEt) :

This variable also measured in hours per a day, which shared by others in economic activity of the self-employed women. The assumption is that if the help shared by others is more, the higher will be their work which positively influences earnings. This is measured in hours per a day and classified under spouse of the respondent, married son/daughter, spouse of married son/daughter, unmarried son/daughter, grand children, parents/in-law, brother, sister and other like servants or employees.
7.3 ANALYSIS OF DETERMINANTS OF INCOME OF THE SELF-EMPLOYED WOMEN IN THE URBAN IFS: GUNTUR-CITY - EMPERICAL RESULTS:

From the estimated values of the parameters of the determinants of income of the self-employed income function along with the values of 't', $R^2$ and F, it is found that the linear form gives a better fit than the log linear form. Therefore, the linear forms of determinants of income of self employed functions are chosen for analysis.

The present study has observed the correlation between variable of the sample which determines the income of the self employed women as a whole. It is observed that there is difference between illiterate self employed women by the chi-square test with the income levels. Thus the present report has calculated multiple regression analysis for the self employed women (182) as a whole, and then based on occupational categories like manufacture, (61) trade (61) and service (60) and further it is based on literate and illiterate self employed women.

The results relating to the determinants of income are present in Table 7.1. The income of the self-employed women measured in rupees per month ($Y$) is dependent on the following variables $X_1$ .....$X_{10}$.

It is evident from Table 7.1 that we have considered all independent variables viz., occupation (O), investment (C) age (A), social background (SB), literacy (L), work experience (EXP), help in economic activity by others (HEO), time spent on domestic activity by self-employed women (TDAs) time spent on economic activity by the self-employed women (TEAs) and help shared in economic activity by others.
TABLE 7.1
DETERMINANTS OF INCOME OF THE SELF-EMPLOYED WOMEN

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Occupation ($X_1$)</th>
<th>Investment ($X_2$)</th>
<th>Age ($X_3$)</th>
<th>Social background ($X_4$)</th>
<th>Literacy ($X_5$)</th>
<th>Work Experience ($X_6$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income ($Y$)</td>
<td>$-5.6473$ (-0.763)</td>
<td>$6.4500^*$ (10.156)</td>
<td>$1.0989$ (-0.122)</td>
<td>$-44.2185$ (0/307)</td>
<td>$135.2548^*$ (2.610)</td>
<td>$-3.0473$ (-0.270)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Help in economic activity by others ($X_7$)</th>
<th>Time spent on domestic activity by the S.E.W ($X_8$)</th>
<th>Time spent on Economic activity by the S.E.W ($X_9$)</th>
<th>Help shared in Economic activity by other in hours per day ($X_{10}$)</th>
<th>R-Value</th>
<th>F-Value</th>
<th>constant</th>
</tr>
</thead>
<tbody>
<tr>
<td>$96.5795$ (1.149)</td>
<td>$17.6891$ (0.566)</td>
<td>$97.8603^*$ (1.988)</td>
<td>$17.8845$ (0.517)</td>
<td>$0.6921$</td>
<td>$15.63$</td>
<td>$-303.0583$</td>
</tr>
</tbody>
</table>

Note: * Indicates statistically significant at 1 per cent level.
in hours per a day (HSEt). All these variables together explained 69 per cent of the variation in the income of the self-employed women. As the F-value is 15.53, this equation is statistically significant at one per cent level. Among these, the co-efficient of the variables investment in rupees (C) is found to be statistically significant at 1% level with the expected sign.

The coefficient of variables literacy (L) and time spent on economic activity by the self-employed women (TEAs) are also found to be statistically significant.

However, the coefficient of other variables like occupation (0), social background (SB) work experience in years (EXP) are not found to be statistically significant.

It could be summarised that for the self employed women in the urban IFS in Guntur city, the cofficients of the variables investment in rupees (C), Literacy (L) and time spent on economic activity by the respondents (TEAs) per day could be considered as significant variables explaining income variation. However, the determinants of income may not be the same across the three groups of the self employed women considered in the present study. The regression results pertaining to the determinants are presented in the Table 7.2 for manufacture, 7.3 for trade women and 7.4 for service self employed women. It also interesting to mention that the determinants of income for the literate and illiterate self employed women are also calculated separately and presented in Table 7.5 and 7.6
### TABLE 7.2

**DETERMINANTS OF INCOME OF THE SELF-EMPLOYED WOMEN UNDER MANUFACTURE CATEGORY**

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Occupation ($X_1$)</th>
<th>Investment ($X_2$)</th>
<th>Age ($X_3$)</th>
<th>Social background ($X_4$)</th>
<th>Literacy ($X_5$)</th>
<th>Work Experience ($X_6$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income ($Y$)</td>
<td>-46.8563 (-1.82)</td>
<td>0.1124* (8.08)</td>
<td>-37.2700* (-1.98)</td>
<td>-101.4497* (-2.97)</td>
<td>93.5880 (1.14)</td>
<td>11.1184 (0.48)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Help in economic activity by others</th>
<th>Time spent on domestic activity by the S.E.W</th>
<th>Time spent on economic activity by the S.E.W</th>
<th>Help shared in economic activity by other in hours per day</th>
<th>R-Value</th>
<th>F-Value</th>
<th>constant</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($X_7$)</td>
<td>($X_8$)</td>
<td>($X_9$)</td>
<td>($X_{10}$)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-42.7182 (-0.29)</td>
<td>66.2090 (1.10)</td>
<td>21.0817 (0.20)</td>
<td>78.1697 (1.16)</td>
<td>0.8264</td>
<td>10.77</td>
<td>1481.1050</td>
</tr>
</tbody>
</table>

Note: * Indicates statistically significant at 1 per cent level.
The regression relating to self employed women under the category of manufacture (61) indicate that the coefficient of R value is 0.82, which explains 82 per cent income variation and F-value is 10.77 which is significant at 1 percent level. In this regression equation we have considered the independent variables viz., occupation (O) investment (C), age in years (A) social background (SB) literacy (L), work experience (EXP), other help in economic activity (HEO), time spent on domestic activity by self employed women (TDAS) time spent on economic activity by self employed women (TEAs) and other help shared in economic activity in hours per a day (HSE) to explain the variation in the determinants of the income of the self employed women.

It is evident from the Table 7.2 that among these variable the coefficients of the variables, investment, age and social background are found to be statistically significant. The variables age (A) and social background (SB) has theoretical unexpected signus. The sign of the coefficient is negative indicating that higher the age lower will be the income as their physical stamina declines with age. Similarly, the higher the social background, the lower will be the income of the self employed women as they are facing social taboos and customs in their castes respectively. However, it indicates that the socially lower caste women is earning more than the other categories of women. Because their husbands are earning or sometimes somebody may have fixed and variable assets, so, these women may not concentrate on the occupation. Another significant proof is that the Government is encouraging the backward caste women in initiate self employment programmes.
### TABLE 7.3
DETERMINANTS OF INCOME OF THE SELF-EMPLOYED WOMEN UNDER TRADE CATEGORY

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Occupation ((X_1))</th>
<th>Investment ((X_2))</th>
<th>Age ((X_3))</th>
<th>Social background ((X_4))</th>
<th>Literacy ((X_5))</th>
<th>Work Experience ((X_6))</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income ((Y))</td>
<td>13.5622 (0.886)</td>
<td>0.0191* (3.82)</td>
<td>5.7843 (0.806)</td>
<td>-40.6894 (-0.367)</td>
<td>1.2875 (0.029)</td>
<td>-7.1689 (-0.860)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other help in Aco. Activity ((X_7))</th>
<th>Time spent on domestic activity by the S.E.W ((X_8))</th>
<th>Time spent on Economic activity by the S.E.W ((X_9))</th>
<th>Other help shared in Economic activity by other in hours per day ((X_{10}))</th>
<th>R-Value</th>
<th>F-Value</th>
<th>constant</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.6647 (1.49)</td>
<td>19.3463 (0.736)</td>
<td>-3.0398 (-0.66)</td>
<td>22.7624 (0.729)</td>
<td>0.6284</td>
<td>3.2</td>
<td>456.5021</td>
</tr>
</tbody>
</table>

Note: * Indicates statistically significant at 1 per cent level.
However, the coefficient of Variables, occupation, (0), others help in economic activity (HEA) have a negative effect on Y and they are not found to be significant. Literacy (L) work experience (EXP) and time spent on domestic activity by the self employed women (TDAs) and time spent on economic activity by the self employed women (TEAs), help shared by others in economic activities in hours per a day (HSEt) have positive effect on Y but they are not significant.

It could be observed from Table 7.3 that the variable considered in the model for self employed women under trade category (61) could explain 63 percent variation in income earnings as a reflected in the R value. The co-efficient of investment in rupees (C) found to statistically significant.

Though the co-efficients of the variables relating to occupation (0), age (A) literacy (L) others help in economic activity (OHE), time spent on domestic activity by the self employed women (TDAs) and others help in economic activity in hours per a day (HSEt) are positive and not to be found statistically significant.

However, the co-efficients relating to social background (SB) work experience (EXP) time spent on economic activity by the self employed women (TEAs) have inverse relationship and they are not found to be statistically significant.

This could be observed from this regression equation that the investment in rupees is the determining factor of the income of the self-employed women under trade category.
### TABLE 7.4
DETERMINANTS OF INCOME OF THE SELF-EMPLOYED WOMEN UNDER SERVICE CATEGORY

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Occupation $(X_1)$</th>
<th>Investment $(X_2)$</th>
<th>Age $(X_3)$</th>
<th>Social background $(X_4)$</th>
<th>Literacy $(X_5)$</th>
<th>Work Experience $(X_6)$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income $(Y)$</td>
<td>2.7308 $(0.037)$</td>
<td>0.0705* $(5.240)$</td>
<td>-15.1836 $(0.918)$</td>
<td>-89.7102 $(0.321)$</td>
<td>19.1348 $(0.230)$</td>
<td>15.6904 $(0.730)$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other help in Economic Activity</th>
<th>Time spent on domestic activity by the S.E.W</th>
<th>Time spent on Economic activity by the S.E.W</th>
<th>Other help shared in Economic activity by other in hours per day</th>
<th>R-Value</th>
<th>F-Value</th>
<th>constant</th>
</tr>
</thead>
<tbody>
<tr>
<td>$(X_7)$</td>
<td>$(X_8)$</td>
<td>$(X_9)$</td>
<td>$(X_{10})$</td>
<td>0.7535</td>
<td>6.3</td>
<td>165.1736</td>
</tr>
<tr>
<td>-138.2465 $(0.749)$</td>
<td>-4.2202 $(0.080)$</td>
<td>113.4304 $(1.719)$</td>
<td>47.7577 $(0.988)$</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: * Indicates statistically significant at 1 per cent level.
The regression results pertaining to the determinants of income of the self employed women under service category (60) are represented in Table 7.4. It could be seen that the coefficient of multiple regression (R-value) is very high 0.75 which explains 75 per cent of variation on dependent variable (Y) and F-value is 6.3 the equation is highly significant at 1% level.

However, the coefficients of the variable s occupation (O), Literacy (L), work experience (ExP), time spent on economic activity by the self employed women, (TEAS ) and help shared by others in economic activity in hours per a day (HSE't) have positive effect on income, but they do not found to be statistically significant.

It could be summarised that investment in rupees alone is a significant determining factor explaining earning of self employed women under the service category. The regression results relating to literate self employed women as a whole (85) in the present study are represented in the Table 7.5. As the R-value is 0.75 which explains 75 per cent income variation. As F-value is 11.75 in this equation and it is significant at 1 per cent level. The coefficients relating to investment (C), others help in economic activity (HEO) and help shared by others in economic activity in hours per a day (HSE.t) have positive effect on income of the self employed women and are found to be statetically significant.

However, the coefficient of the variables relating to occupation (O) Age (A) and social background (SB) have inverse relation on the dependent variable (Y) and they do not statistically significant.
**TABLE 7.5**

DETERMINANTS OF INCOME OF THE LITERATE SELF-EMPLOYED WOMEN IN THE URBAN IFS

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Occupation ($X_1$)</th>
<th>Investment ($X_2$)</th>
<th>Age ($X_3$)</th>
<th>Social background ($X_4$)</th>
<th>Literacy ($X_5$)</th>
<th>Work Experience ($X_6$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income ($Y$)</td>
<td>-6.4390</td>
<td>0.0802*</td>
<td>-14.2258</td>
<td>-64.6653</td>
<td>54.7019</td>
<td>9.5198</td>
</tr>
<tr>
<td></td>
<td>(-6.09)</td>
<td>(7.217)</td>
<td>(-0.875)</td>
<td>(0.271)</td>
<td>(0.809)</td>
<td>(0.446)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other help in Economic Activity</th>
<th>Time spent on domestic activity by the S.E.W</th>
<th>Time spent on Economic activity by the S.E.W</th>
<th>Other help shared in Economic activity by other in hours per day</th>
<th>R-Value</th>
<th>F-Value</th>
<th>constant</th>
</tr>
</thead>
<tbody>
<tr>
<td>($X_7$)</td>
<td>($X_8$)</td>
<td>($X_9$)</td>
<td>($X_{10}$)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>211.6091*</td>
<td>87.8448</td>
<td>108.2048</td>
<td>174.5943*</td>
<td>0.7543</td>
<td>11.75</td>
<td>-1217.8750</td>
</tr>
<tr>
<td>(-2.015)</td>
<td>(1.780)</td>
<td>(1.550)</td>
<td>(2.568)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: * Indicates statistically significant at 1 per cent level.
It could thus be said that even for the literate self employed women's earnings, determined by not of literacy but by the variables investment and others help in economic activity in hours per a day. Hence, it could be the observation of our present study is that the priority area for the self-employed women must be investment based (credit based on short-run as well as long run) and time based units for their successful career.

Regression results pertaining to the determinants of income of illiterate self-employed women (97) are presented in Table 7.6. It could be seen that the coefficient of multiple regression (R-value) is 0.72 which explains 72 per cent variation on dependent variable. As the F-value in this regression equation is 8.018 and it is significant at 1% level. Turning to the coefficients of variables relating to occupation (0) and investment in rupees (C) have positive effect on income and they are found to be statistically significant.

However the coefficients of the variables work experience (EXP), others help in economic activity (HEO), time-spent on domestic activity by the self employed women (TDA) and time spent on economic activity by the self employed women (TEAs) have negative effect on income of the illiterate self-employed women and they are found to be not significant.

Thus it is found that occupation and investment in rupees are significant determining factors explaining earnings of illiterate self-employed women in the urban IFS of Guntur city.

In any case, it could be observed that the variables under the human capital model could only explain a lower percentage of variation.
### TABLE 7.6
DETERMINATION OF INCOME OF THE ILLITERATE SELF-EMPLOYED WOMEN IN THE URBAN IFS

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Occupation (X₁)</th>
<th>Investment (X₂)</th>
<th>Age (X₃)</th>
<th>Social background (X₄)</th>
<th>Literacy (X₅)</th>
<th>Work Experience (X₆)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income (Y)</td>
<td>-20.4409*</td>
<td>0.0358*</td>
<td>14.0576</td>
<td>106.2506</td>
<td>-</td>
<td>-8.6287</td>
</tr>
<tr>
<td></td>
<td>(-2.719)</td>
<td>(5.591)</td>
<td>(1.861)</td>
<td>(0.818)</td>
<td></td>
<td>(0.929)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other help in Economic Activity (X₇)</th>
<th>Time spent on domestic activity by the S.E.W (X₈)</th>
<th>Time spent on Economic activity by the S.E.W (X₉)</th>
<th>Other help shared in Economic activity by other in hours per day (X₁₀)</th>
<th>R-Value</th>
<th>F-Value</th>
<th>constant</th>
</tr>
</thead>
<tbody>
<tr>
<td>-71.1306</td>
<td>-10.7887</td>
<td>-28.7530</td>
<td>27.7953</td>
<td>0.7150</td>
<td>8.0180</td>
<td>902.3223</td>
</tr>
<tr>
<td>(-0.3681)</td>
<td>(-0.3681)</td>
<td>(-0.515)</td>
<td>(0.614)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: * Indicates statistically significant at 1 per cent level.
in income. That is why, in order to capture the effects of other variables the present study has added other possible explanatory factors for an imperative study. At the same time case study method is also restored to explore this possibility. 15 profiles of the self employed women are presented in the next chapter.

SUMMARY:

The major factors determining income of the self employed women in the urban Informal sector in Guntur city; Occupation (O) Investment in rupees (c) age (A) social background (SB) work experience in years (EXP), literacy (L), Help from others in economics activity (HEO), time spent on domestic activities by his self employment women (TDAs ), time spent on the economic activity by the self employed women (TEAs) and help shared by others in economic activity in hours per a day (HSEt). We have based on the MINCER's human capital model, but the study has undertaken some of the attributing factors for an imperative study.

The result relating to the determinations of income of the self employed women are presented in six regression equations. The significance of these variables and the nature and extent earnings of the self employed women are analysed in this chapter.

Among the variables carried, the coefficients of investment, literacy and time spent on the economic activity by the self employed women per day could be considered as significant variables explaining income variations of the entire group of self employed women (182) in the urban IFS. The R-value is 0.69 which explains 69 per cent variation of the depending variable.
REFERENCES


