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Labour migration and utilization of their remittances in Raichur and Yadgir district in Karnataka: An economic analysis

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Abstract

Migration is a global phenomenon, where uneven economic development, inter-regional disparity and differences in living standards between socio-economic groups are some of the important reasons responsible for migration. Most of the labours migrate from rural to urban area in both irrigated and rainfed regions of Karnataka. In case of spatial dimensions of migration, the majority of them were migrated inter-district followed by intra-district migration. However the most of agricultural younger labour generation in rural areas is increasingly migrating to non-farm sector especially in case of building construction and transportation sector. Remittances have a major impact on the welfare of recipient households and the main source of income for labour households in the study areas. The study also revealed that, most of the labour opinion on remittance used for loan repayment followed by daily expenses. Remittances were spent on food, education, health and consumer goods.

Keywords: Agricultural labour, migration, income, remittances, expenditure.

Introduction

Migration is very important in order to understand the changes in the social life, social interaction, social group, culture, obligations and duties, new expectations, problem of adjustment at new place, social mobility and many other social-economic changes and for overcoming the problems attached with the process of migration. The phenomenon of labour migration has become a universal and dynamic process. Recent development has undergone a number of socio-economic changes. This has resulted in the large scale migration.

India, like many developing countries, has experienced a rapid demographic transition during the last half of the 20th century. India has got the largest of the youngest populations, with almost 60 per cent of its population in the 15-59 year age group. Furthermore, India is the seventh largest country in terms of geographical area and the second most populous country in the world with more than 1.3 billion population accounts for more than 45.36 crore Indians (37 per cent) in India are migrants - now settled in a place different from their previous residence, new Census 2011 data revealed. In 2001, the figure stood at 31.45 crore. With respect to the Karnataka was 6.1 crore population of which (50.7%) were male and (49.3%) were female and more than 2.58 crore population were internal migrants. At the same time, India shows considerable regional demographic diversity and varied patterns of demographic and socio-economic change.

The history of humanity and development of human society is underpinned by migration (Philips, 2011). Migration of people across administrative/political jurisdictions within a country, or across countries, has been a crucial factor in changes in societies. Indian agriculture was marked by plentiful supply of farm labour till recent years. The available labour force was remained under-utilized due to the residuary nature of work in the agriculture sector. One of the apparent reasons for the oversupply of labour was low levels of productivity and low wages in farming, which encouraged more labour inclusion to earn a subsistence level of income from the non-farm activities. This may give rise to a negative association between labour productivity and absorption in farming sector. Migration is a global phenomenon, where uneven economic development, inter-regional disparity and differences in living standards between socio-economic groups are some of the important reasons responsible for migration. Avenues of better employment and higher wages serve as pull factors for labour, where as non-availability of employment opportunities in backward regions, draught and scarcity conditions are push factors in the migration process. Agricultural labour household's livelihoods in India are being gradually isolated from the real rural labour households.

This gives the new directions for the research on agricultural labours in the present sense.

Data and Methodology

The study was taken up in Raichur and Sindhanur taluks of Raichur district and Yadgir and Shorapur taluks of Yadgir district. The concept of Agriculture Labour Enquiry Committee (A.L.E.C) concept for identification of agricultural labours i.e. based on the income, wherein, if 50 per cent or more of their income is derived from wage earning from work rendered in agriculture and allied activities, then it could be considered as agricultural labour household. Then migrant and non-migrant labour households are classified based on migration of any number of members from their family, but not the whole family. In the first stage Raichur and Yadgir districts were chosen purposively. In the next stage, two taluks from each of the district, in such a way that one taluk coming under canal irrigation and another taluk having predominant rainfed agriculture were chosen. In the next stage two villages were selected from each of the chosen taluks. Finally 35 respondents were selected from each village in which consists of 10 labour at source, 10 migrated labour at destination and 15 farmers. And also secondary data collected mainly from census, Department of agriculture, Government of Karnataka. Thus the study has made use of Census and NSSO latest available data published by government of India (GOI). To study the nature of migration, their utilization of remittances. Simple tabular analysis, Garrett's ranking technique has been taken up.

Garrett's ranking technique

In order to analyze the constraints, capture comprehensively the livelihood security of household and mechanism adopted in the study area, respondents were asked them to rank. These ranks were analyzed through Garrett's ranking technique. Garrett's ranking technique gives the change of orders of constraints into numerical scores. The major advantage of this technique compared to simple frequency distribution is that here constraints are arranged based on their importance from the point of view of respondents.

The Garrett's formula for converting ranks into per cent is given by the following expression:

$$\text{Percent position} = \frac{(R_{ij} - 0.5) * 100}{N_j}$$

Where, R_{ij} = rank given for i^{th} factor (constraint) by j^{th} individual

N_j = Number of factors (constraints) ranked by j^{th} individual

The relative position of each rank obtained from the above formula was converted into scores by referring to the critical values given by Garrett (transmutation of orders of merit into units of amount or scores) for each factor, scores of all individuals were added and then divided by the total number of respondents for the specific factor (constraint).

Results and Discussion

Migration pattern of labour households

The migration pattern of labour households on direction, spatial dimension and nature/duration of migration is presented in Table 1. In irrigated situation, based on direction of movement, sixty-five per cent of labourers migrated from rural to urban, 20 per cent migrated from urban to urban and 12.50 per cent of labourers migrated from rural to rural and

only 2.5 per cent migrated from urban to rural. With respect to spatial dimension, 77.50 per cent of labour were inter-district migrants, 15 per cent of labour were intra-district migrants and only 7.50 per cent of were migrated to other state. In the total migrants, 57.50 per cent of labour were permanently migrated, 27.50 of labour were seasonal migrants and remaining fifteen per cent of labour were temporarily migrated.

Table 1: Migration pattern of the labours in respondent's household in study area

Sl. No.	Category	Irrigated condition	Rainfed condition
		labour @ Destination (n = 40)	labour @ Destination (n = 40)
I Direction of migration			
a)	Rural to Rural migration	5 [20] (12.5)	3 [15] (7.5)
b)	Rural to Urban migration	26 [104] (65)	32 [160] (80)
c)	Urban to Rural migration	1 [4] (2.5)	2 [10] (5)
d)	Urban to Urban migration	8 [32] (20)	3 [15] (7.5)
II Spatial dimensions of migration			
a)	Intra-district migration	6 [24] (15)	2 [10] (5)
b)	Inter-district migration	31 [124] (77.5)	34 [170] (85)
c)	Inter-state migration	3 [12] (7.5)	4 [20] (10)
III Nature of migration			
a)	Seasonal migration	11 [44] (27.5)	13 [65] (32.5)
b)	Temporary migration	6 [24] (15)	2 [10] (5)
c)	Permanent migration	23 [92] (57.5)	25 [125] (62.5)

Note: Figures in parentheses () represent percentage to respective sample total, Figures in [] represent the actual number of migrants.

In rainfed situation, based on direction of movement, eighty per cent of labourers migrated from rural to urban followed by 7.50 per cent of labourers migrated from urban to urban and from rural to rural and only five per cent migrated from urban to rural. With respect to spatial dimension, 85 per cent of labour were inter-district migrants, ten per cent of labour were migrants to other state and only five per cent of labour were intra-district migrants. In case of duration, 62.50 per cent of labour were permanently migrated, 32.50 of labour were seasonal migrated and remaining five per cent of labour were temporarily migrated. Similar results were reported by (Amit Kundu, 2000; Kunal and Bhagat, 2012; Handral *et al.* 2018) [1, 10, 11].

Results obtained were similar to the results of (Deshingkar and Start, 2003; Singh, 2012; Singh, 2016; Chandrasekhara and Soham, 2019) [2, 5, 6, 14, 15] observed that the reason for high percentage of inter-district migration might be due to

urbanization, industrialization, better employment opportunities and transportation facilities available in the nearby districts. At the same time lower inter-state migration might be due to long distance from the place of origin and language. The probable reasons for high per cent of rural to urban migration might be due to availability of job opportunities in urban areas because of industrialization and availability of better facilities in the urban areas compared to rural areas.

Shift in labours from agricultural to non - agricultural operation

An attempt was also made to find out the pattern of employment of out-migrants from agriculture in the irrigated region. It was found that in the study region, as high as 20 per cent of respondents were engaged in construction work

followed by transport sector (12.50%), painter and factory work (10%), permanent job (7.50%), electrician (7.50%), hotel business and catering (7.50%), laundry (5%), sales man (5%) and the least proportion were engaged in self-employed (2.50%). The higher wage rates could be responsible for the labourers to shift from agriculture. It is clear from Table 2 that wage rates in non- agriculture sector were higher compared to other employment avenues likes, construction works and permanent jobs, transportation sector, hotel business, laundry, carpentry and self-employed. Further the annual remittance from the various sectors revealed the highest annual remittance was sent from permanent jobs and carpentry work (Rs. 97,874 and Rs. 40,195 respectively). Least annual remittance was sent by painter (Rs. 8466/annual) in case of irrigated condition.

Table 2: Shift in labours from agricultural to non - agricultural operation in the destination and remittances of migrated labours

Sl. No.	Employment opportunities	Irrigated condition (n = 40)		Rainfed condition (n = 40)	
		Labour (%)	Annual emittance (Rs)	Labour (%)	Annual emittance (Rs)
1	Permanent jobs	7.50	97,874.75	5.00	101,032.00
2	Transport sector (Driving/ Cleaner)	12.50	28,841.92	15.00	32,970.30
3	Hotel business/Catering	7.50	17,876.00	10.00	29,917.20
4	Construction	20.00	30,546.12	27.50	24,067.20
5	Agricultural works	7.50	9,481.50	5.00	10,268.61
6	Painter	10.00	8,466.00	7.50	10,180.80
7	Laundry	5.00	21,982.08	2.50	26,142.48
8	Electrician	7.50	23,109.24	7.50	29,929.90
9	Carpentry or masonry work	2.50	40,195.14	2.50	39,977.91
10	Factory work	10.00	21,360.00	7.50	32,429.54
11	Sales man	5.00	12,352.08	5.00	17,804.49
12	Self employed	2.50	34,836.40	—	—
13	Any other work	2.50	23,761.92	5.00	23,869.44

In rainfed situation, majority of migrants worked building construction (27.50%) and the annual remittance i.e. Rs. 24, 067 and the highest remittances (Rs. 1, 01, 032/annual) was sent by permanent labour and the lowest remittance (Rs. 10, 180) was sent by painter. Results obtained were similar to the results of Dwivedi, (2012) ^[7], who revealed that labourers and farmers whose income was not enough that without a respectable life, opted for some other options. They failed migrating towards cities to work in factories, construction projects *etc.* As it has been discussed frequently that major migration is due to non - remunerative nature of agriculture as mainstream livelihood activity

Opinion on remittance utilization preference by the labour households

The results on the opinions of agricultural labour households on remittance utilization preference are presented in Table 3. The results revealed that, in irrigated situation loan repayment got the first (Rank) followed daily expense second (Rank) and health care expense third (Rank) as per the preferences of labour. Survival in off-season fourth (Rank), construction of building or house fifth (Rank) and purchasing consumer durables sixth (Rank), whereas least preference given to investment in agricultural implements or machinery (water pumps, ploughs *etc.*) and income or employment generating activities, (XI and XII rank respectively).

In rainfed situation, loan repayment (Rank I), health care expense (Rank II) and daily expense (Rank III) were most preferred. Investment in socio-cultural life (birth, wedding

ceremonies *etc.*) (Rank IV), Survival in off-season fifth (Rank), construction of building or house sixth (Rank) and saving seventh (Rank). Whereas least preference given to investment in buying or leasing land or livestock and Investment in agricultural implements (XI and XII rank respectively). Similar results were reported by (Gunjan and Chinnappa Reddy, 2015) ^[9] which revealed that none of the migrant households made any attempt to create productive assets on the farm through remittances, though they spent some amount for hiring labour and for purchasing material inputs and cattle feed and less than one per cent of remittance recipient households used the received money to purchase agricultural land.

The phenomenal difference in the preference was in irrigated situation were labour households gave importance to durables (Rank VI) whereas it was ranked eighth under rainfed situation. In the same way investment on socio-cultural life ranked seventh in irrigated as against fourth rank under rainfed situation.

Annual labour household's income

According to Second Agricultural Labour Enquiry Committee (1956-57) defined agriculture labour based on income that if an household receives 50 per cent or more of its income as wages for work rendered in agriculture and allied activities, then it could be classified as agricultural labour household. The details of annual income of agricultural labour households derived from the various sources are furnished in the Table 4. In the present study, work.

Table 3: Opinion on remittance utilization preference by the labour households

Sl. No.	Particulars	Irrigated condition (n = 40)		Rainfed condition (n = 40)	
		Garret score	Rank	Garret score	Rank
1	Daily expenses (Food security and nutritional status)	73.25	II	65.53	III
2	Health care expenses (Livelihood prospects)	61.68	III	67.38	II
3	Purchasing Consumer durables (Income generation)	56.25	VI	46.26	VIII
4	Savings (Future needs)	47.55	VIII	48.55	VII
5	Loan repayments	77.10	I	76.24	I
6	Survival in the off-season (Lean season and drought)	59.11	IV	59.39	V
7	Construction of building (House)	58.54	V	53.57	VI
8	Investment in socio-cultural life (Birthdays, wedding ceremonies etc.)	53.97	VII	61.97	IV
9	Buying or leasing land or livestock (Asset creation)	35.66	X	32.13	XI
10	Income or employment generating activities	29.26	XII	34.98	X
11	Purchase of cash inputs to agriculture (Hired labour, disease control etc.)	38.55	IX	37.25	IX
12	Investment in agricultural implements or machinery (water pumps, ploughs etc.)	31.17	XI	29.01	XII

Rendered to agriculture means supply of labourer to different operations pertaining to crops grown in the study area. Supply of labour to non- agriculture includes MGNREGA and other allied activities in the rural areas.

In irrigated situation, migration labour households realized annual income Rs. 1, 12, 132.94, out of which 38 per cent was from work rendered to agriculture and 20 per cent of income was from non- agriculture labour supply. On an average, the remittance received by the labour households was Rs.28, 514 per annum which contributes 25 per cent of labour household's income. Income from livestock was 13 per cent and income from the crops contributed only three per cent because of small land holdings. The non-migration labour households earned an annual income Rs. 102392.65, out of which, major income was from agriculture labour (44%) and labour from non- agriculture contributed 24 per cent of income. On an average 23 per cent of income earned by the labour households was from the livestock and nine per cent was from the crops.

In rainfed situation, total income earned by the migration labour households was Rs.1, 18, 555.97 out of which 27 per cent was the remittance received from the migrated labour. The income earned by labour supply to agriculture contributed 33 per cent and 18 per cent of income was from non-

agriculture labour supply. The income from the livestock and crops contributed 17 and five per cent, respectively.

In the case of non-migration labour households, annual income was Rs. 110724.08. The main source of income was from labour contributing 45 per cent. The share of non-agriculture activities was 21 per cent. Livestock contributed 26 per cent of income which disseminates throughout the year and crop income was seven per cent.

The Comparison between two situations showed that, the annual income of migration households was higher because of the remittance. On an average remittance received by the migration labour households contributed 26 per cent of income. In case of non-migration labour households, there was no remittance, but income from livestock was the key source of income which disseminates throughout the year, compared to migration households.

The results indicated that the major source of income for the migration labour households was remittance and working as an agriculture labour. In non-migration respondents, key source of income was from working as an agriculture labour and livestock. These results are in conformity with the results of other research studies (Atibudhi *et al.*, 1992; Saurabh *et al.*, 2010) [2, 13].

Table 4: Income pattern of labour households from various sources (Rupees/Annum)

Sl. No.	Particulars	Irrigated condition		Rainfed condition	
		Migration (n = 40)	Non-migration (n = 40)	Migration (n = 40)	Non-migration (n = 40)
1		Labour			
a	Agriculture	42336.50 (37.76)	44782.50 (43.74)	39697.50 (33.48)	49883.00 (45.05)
b	Non- Agriculture	22679.50 (20.23)	24844.50 (24.26)	21227.00 (17.9)	23593.50 (21.31)
c	Remittance	28514.09 (25.43)	0 (0)	31549.16 (26.61)	0 (0)
	Sub total	93530.09 (83.41)	69627.00 (68)	92473.66 (78)	73476.50 (66.36)
2	Crops	3498.55 (3.12)	8877.44 (8.67)	5951.51 (5.02)	8092.04 (7.31)
3	Livestock	15104.31 (13.47)	23888.20 (23.33)	20130.80 (16.98)	29155.54 (26.33)
	Total	112132.94 (100)	102392.65 (100)	118555.97 (100)	110724.08 (100)

Note: Figures in parentheses represent percentage to total, * Remittance is net income of the labour households

Expenditure pattern of labour households

Total expenditure pattern of labour households depicts the proportion of their monthly expenditure on different needs. The information on average monthly expenditure of the labour households is presented in Table 5. Total monthly expenditure was higher in the case of migrated labour households (Rs.7, 575.56) compared to non-migrated labour households (Rs. 7,376.13). The expenditure incurred on food was the highest in migrated household (70.98%) than non- migrated

household (50.72%). Similar results were reported by (Bhuyan, 1992) [3]. Expenditure on education and hospital was lesser in migrated (13.50 and 6.22 per cent each) and (15.27 and 6.84 per cent) in non-migrated households. Other expenditure was higher for non-migration labour households (27.17%) than the migration households (9.31), which includes the purchase of durables, clothing and expenditure on entertainment.

Table 5: Average monthly expenditure pattern of labour households (In Rupees)

Particulars	Irrigated condition		Rainfed condition	
	Migration (n = 40)	Non-migration (n = 40)	Migration (n = 40)	Non-migration (n = 40)
Food	5376.81 (70.98)	3741.20 (50.72)	5507.00 (67.15)	4459.05 (54.72)
Hospital	471.24 (6.22)	504.71 (6.84)	476.93 (5.82)	516.27 (6.34)
Education	1022.34 (13.5)	1126.00 (15.27)	1078.24 (13.15)	937.16 (11.5)
Other expenditure	705.17 (9.31)	2004.22 (27.17)	1138.48 (13.88)	2236.71 (27.45)
Monthly Total	7575.56 (100)	7376.13 (100)	8200.65 (100)	8149.19 (100)
Annual expenditure	90906.72	88513.56	98407.81	97790.28
Annual income	112132.94	102392.65	118555.97	110724.08
Difference amount	21226.22	13879.09	20148.16	12933.80

Note: Figures in parentheses represent percentage to total

In case of migrated labour households, about 67.15 per cent of their total expenditure was incurred on food and 54.72 per cent in case of non-migrated labour households. Expenditure on education and hospital by both respondents was (13.51 and 5.82 per cent each) and (11.50 and 6.34 per cent) each in migrated and non-migrated households respectively. Non-migration households spent 27.45 per cent of expenditure and migration households 13.88 per cent on other expenditure. Total monthly expenditure of migrated labour households was higher (Rs.8, 200.65) compared to non-migrated labour households (Rs. 8, 8149.19). On an average, savings of migration labour households in irrigated situation was Rs. 21, 226.22 and in rainfed situation it was (Rs. 20, 148.16). Both rainfed and irrigated situation non-migration labour households savings of less amount as compared migrated house hold was Rs. 13,879.09 and Rs. 12,933.80 per households, respectively. There was difference in expenditure towards non-food items in both situations but expenditure on food-item was higher in rainfed situation due to changes in food consumption pattern and market dependency. The result of the present study were line with study conducted by (Chakravarty and Baig, 1992; Fan, 2005) [4].

Conclusion

Most of the labourers were migrated rural to urban and inter-district migration in both irrigated rainfed situation. In both the situation majority of labourers migrated permanently and the frequency was highest (62.50%) in rainfed situation. Majority of the migrated labourers were employed in building construction followed by transport sector and hotel business. Migrated member of agricultural labour employed in permanent work were sending the highest remittance (Rs. 97, 874) followed by construction (Rs. 30, 546) and least was in case of painter workers (Rs. 8, 466) in irrigated situation. Majority of the labour opinion on remittance uses for loan repayment followed by daily expenses. Most of the labour household's remittance was utilized for daily expense, health

care expense and purchasing of consumer durables in both irrigated and rainfed situations.

Total income earned by the migration labour households in rainfed situation was Rs. 1, 18, 555. Non-migration households realized income of Rs 1, 10, 724 and the major portion was from working as agriculture labour contributing 45 per cent of income. In both the situations, total monthly expenditure of migrated labour households was higher compared to non-migrated labour households. In all the cases, more than 50 per cent of expenditure incurred was on food followed by education (13%) and hospital (6%) and other expenditure (10%), of their total expenditure.

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