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## **An Empirical Analysis on Pattern of Employment Diversification among the Rural Households in Churachandpur District, Manipur**

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### **Abstract**

*The paper analyse employment generation among rural labourers and agricultural households in rural Churachandpur district of Manipur, with a view of understanding their livelihood patterns using primary data. In the survey, it is found that the district, where 100 per cent of the population is rural, 59 per cent of rural households constitute landless labour households which depend completely on diverged wage employment. Again 45 per cent of rural households are comprised of marginal farmers who do not generate sufficient income from their land and thus, they are forced to supplement their income with outside agriculture jobs or wage employment. Clearly, the rural labour households in the largest district of Manipur is characterised by low earning, very less income growth, low consumption and high debt, and remedies will have to be found to generate more employment and income in the district. The study adopted descriptive survey method using appropriate statistical tools and, multi- stage sampling design, with a total of 333 households as sample size.*

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**1. Introduction:** Manipur, one of the states situated in the North Eastern Region of India, is an isolated hill-girt state stretching between 92°58'E to 94°45'E longitudes and 23°50'N to 25°42'N latitudes. According to 2011 census, Manipur has a population of 2,721,756, of which, 1,369,764 are male and 1,351,992 are female with a sex ratio 987. Having a population growth at 12.05 per cent, the population density/ sq. Km is 122. As a matter of fact, in rural areas of Manipur, there is evidences of poverty and with this it becomes important to investigate employment generation, income of different categories of labour and the extend of indebtedness and earning prevalent among rural labourers and agricultural households in rural Churachandpur district of Manipur, with a view of understanding their livelihood patterns. But this present paper is limited within the investigation of employment distribution and its diversification.

The present study is conducted in Churachandpur district of Manipur, which is 100 per cent rural (Census, 2011). The rural labourers in the district, like other parts of Indian states depends on diverge occupations for their livelihood, however, there is evidences from the study that, the people depends more on few employment sectors.

## **2. Objectives:**

- Occupational distribution among rural households for both organised and un-organised sector.
- Nature of Employment Diversification of Rural Labour Households in Churachandpur District.

**3. Review of literature:** Anthony (1993), examines the nature of institutional intervention in the Scottish agricultural labour market during the early twentieth century, focusing in particular on the rise and fall of collective bargaining and the differing circumstances under which wage regulation was introduced in 1917 and 1937. The author made a comparative analyses on agricultural rural labour market from Scotland, England and Wales and finds that both before and after the world wars, i) Scotland was less affected by reduced labour supply, ii) greater use of female labour meant that Scottish agriculture was less disrupted by the enlistment of men, iii) the overall increase in tillage was below that in England and Wales, which results in a smaller increase in the demand for labour within Scotland and lastly, replacement labour was more widely available in Scotland, partly because the substitution of women for men was more easily accomplished, and partly because higher wage rates of pay in Scottish agriculture increased the opportunity cost of migrating to industrial areas. Thus, the above findings indicates that Scottish farm were more efficient in their use of labour. With a satisfactory balance between the supply and demand for farm workers in Scotland as well as institutions promoting policies of voluntary collective bargaining, there was little demand in the trans-world war period for statutory wage controls as a result, Scotland was excluded from the provisions of minimum wage regulations in 1924. However, the depression instigated the collapse of earlier negotiations and forced the state to intervene, imposing minimum wages and unemployment insurance on an industry.

Parmar (1987), has made an in-depth analysis on rural labour market by empirically studying the farm-wages in Saurashtra region in Gujarat. The author used primary data for analyzing the wages of daily and resident worker. The method of stratified sampling has been adopted by the author for collecting the primary data. After analyzing the wage rate of daily and resident workers, the data revealed that in developed villages, average daily wage rate of male worker is found to be as high as Rs 11.40, whereas it is Rs 10.23 in underdeveloped villages, and the daily average wage rate of resident worker in developed villages is Rs 15.19 whereas Rs 14.04 in underdeveloped villages. The major findings and implications is that data concerning money wages of daily and resident worker reveal that there is a positive relationship between farm wages and economic development of Saurashtra. The study also exhibits that rural labour market is marked with imperfections and wage-differentials due to weaker bargaining power and consequently, unjust wage-

differentials emerge which lead to exploitation of agricultural workers. Therefore, the author concluded that, functioning of labour market should be judged by its efficiency in pricing, allocation processes and promotion of distributional equity and suggested that imperfections of labour market necessitates government intervention for different categories of agricultural workers.

Nair (1997), made an attempt to understand the paradox of labour scarcity in the avowedly labour surplus rural economy of Kerala and carried out a detailed household survey in Pathanamthitta district of Kerala, where five villages were selected at random for investigation. The author collected the data on two rounds, one during the peak season and the other during the lean season from 241 labour and 241 cultivating households. The author hypothesized that there is a situation of relative labour shortage in rural Kerala caused by the small holder tree crop character of the agricultural sector accompanied by high transaction costs due to the various imperfections and segmentation of the rural labour market. The author analysed with empirical data on the factors governing the labour demand and found that rubber and other tree crops are not generally labour absorbing because harvesting for coconuts and areca nuts, and tapping for rubber tasks are highly skilled and specialized and hence the labour market is segmented. It is also found that the caste composition of labour households has important implications for labour supply and a decline in the proportion of scheduled caste labour households indicates a major supply constraint. Lastly, other types of labour market segmentation which acts as a constraints on labour supply is that of segmentation by villages, religion, caste, skills, etc.

Ghosh (1992), made a comparative differences between the state intervention and free market. Based on his thorough analysis from India's recent stock market scams put to light the grave danger of trusting only the enlightened self-interest of all individuals to fashion the orderly functioning of the market system. The author also took the example from United States where free enterprise economy exists and finds that, following the crash of the stock market in 1929, and the ensuing depression thereafter, the 'New Deal' initiated by the then President Roosevelt was essentially a Keynesian remedy, involving direct intervention in the labour market and in the matter of autonomous investments. The author also cited the collapse of the socialist economic system in eastern Europe- which had over time became over-centralized, with all investment decisions being based on the perceptions of a few bureaucratic party functionaries- has led to an almost anarchic situation in many of the countries with a newly 'mafia' controlling market prices. As a consequence, many parts of eastern Europe today reinforces the arguments for stable regulation of the market system, rather than for free enterprises. Thus, the author, after making an in-depth study on free market operations and state intervention, by comparing between countries exerts that 'market' is never totally free and cannot function without the state intervention.

Mazumdar (1997), review the first three of the four parts of the World Development Report (WDR) 1995 and found that basic aspects of the labour market scene in developing countries like segmentation, surplus labour and informal sector have been treated as additions to the story, instead of occupying the central stage. The author's finding was that

WDR for analysis of employment scene in developing countries adopts the model of a homogeneous labour market with an inelastic supply of labour, where demand conditions alone determine the price of labour (wage), but the author finds the unconscious adoption of this paradigm has at several points led to imperfect and misleading conclusions, and to an inadequate presentation key factual information on the employment scene. Moreover, the study on rural labour markets has revealed that the dominant pattern of wage determination is based on local labour markets, often defined by the boundaries of the village. Thus, from the author's perspective, the case of minimum wages is conceptually strong in this sector of the labour market but the problem is the absence of organizations which can implement a feasible scheme of wage intervention especially in rural society.

Kumar, Anjani (2009) made an indepth study on rural employment diversification in eastern India. He studied the trends in rural employment diversification, especially within agriculture in the eastern states of India have been studied. He also examine employment potential of different sub-sectors of agriculture to provide succour to the ever increasing problem of unemployment by using logit models. He has suggested that for reducing entry barriers to non-farm employment opportunities, education and skill development will have to be strengthened.

**4. Methodology:** The present study was carried out in Manipur, Churachandpur district, which is one of the largest districts of the State and occupies the south-western part of the State. Churachandpur district has the highest literacy rate among the hill districts of State, but has high level of unemployment rate. According to 2011 Census, the District has 5 Sub-Divisions namely Tipaimukh, Thanlon, Henglep, Churachandpur and Singhat. Out of the five sub-divisions, two Sub-Divisions namely Churachandpur and Henglep were selected for the study. The study was conducted in two blocks namely Tuibuong Block from Churachandpur Sub-Division and Henglep Block from Henglep Sub-Division. Random sampling technique was used to draw District, Blocks, villages and beneficiaries. Within these two Blocks, 4 villages from each Block were selected randomly and sample households were studied from each of the selected villages, thus making a sample size of 333 households representing both the blocks, using Taro Yamane's formula for finding sample size as shown below:

Taro Yamane's formula (1970) for finding representative sample size with precision error 5%:

$$n = \frac{N}{1 + N \times e^2} \quad \text{where, } n = \text{sample size}$$

N = population size  
e = precision or error.

From Tuibuong Block, the selected villages were Tuibuong, K.Salbung, Lajangphai, and T. Champhai and from Henglep Block, the selected villages were Henglep, Tuilaphai, Mongken and Vantungbung.

For measuring diversification Shannon Diversity Index (SDI) is applied. Shannon diversity index is expressed as:

$$SDI = \frac{n[\log(n)] - \sum_{i=1}^k f_i \log(f_i)}{n}$$

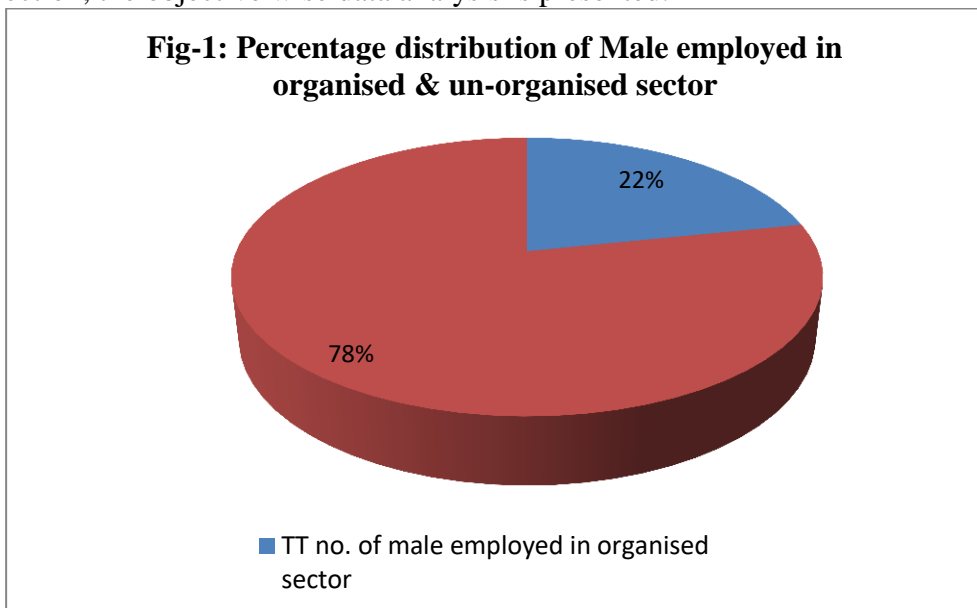
[with  $k$  and  $n$  denoting the number of groups and the total count, respectively. If  $f_i = 0$ , then the  $f_i \log(f_i)$  term is set to 0. The maximum value of the index is  $\text{Log}(k)$ . This value occurs when each group has the same frequency (i.e., maximum evenness).]

**Note:**

Lower values indicate more diversity while higher values indicate less diversity.

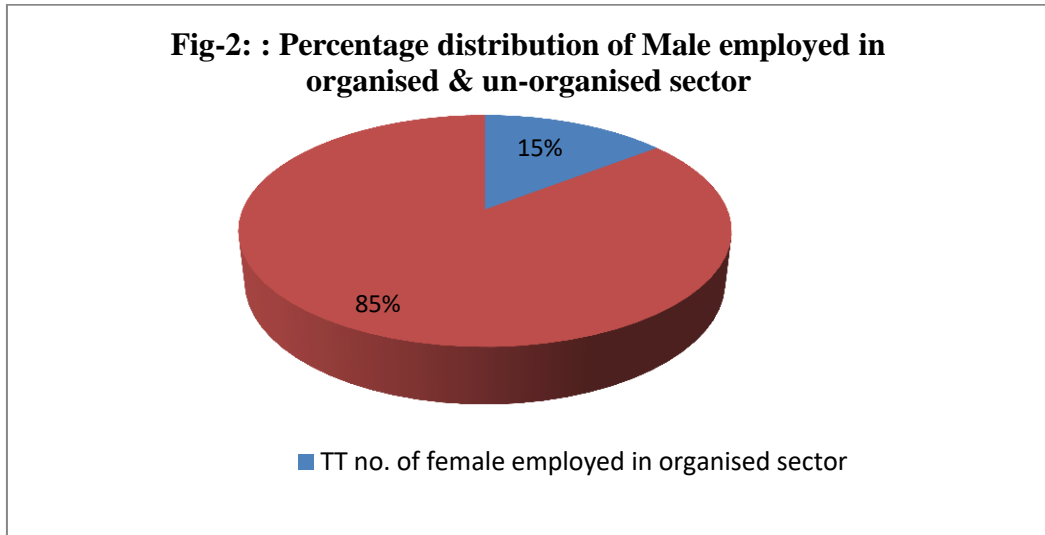
**5. Data Analysis:**

In this section, the objective wise data analysis is presented.



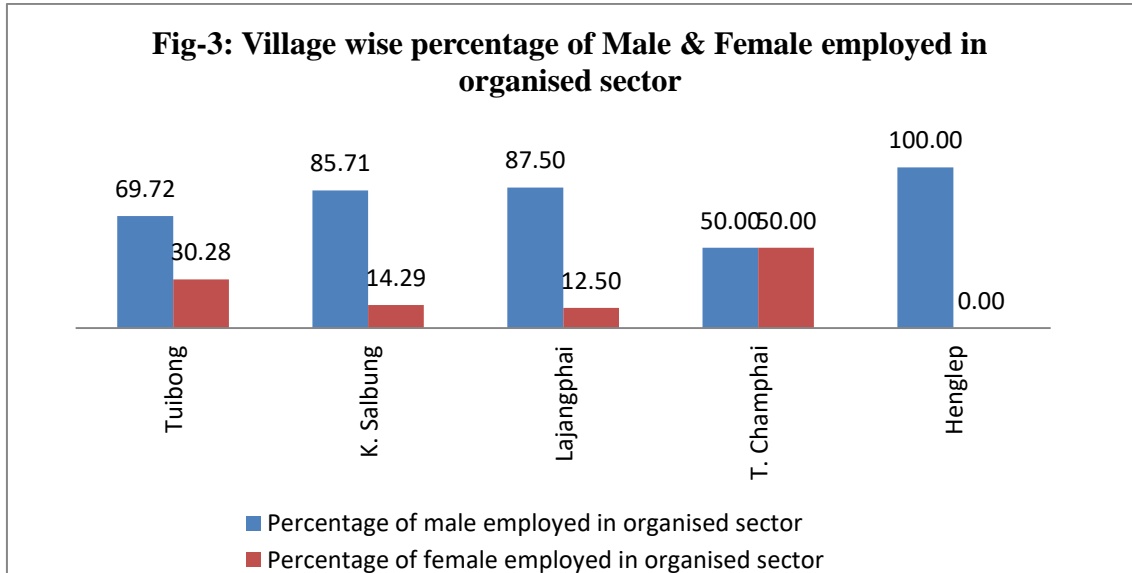
Source: calculated from primary data

It is found that in the survey area, majority of male rural labourers, comprising of 78 per cent were engaged in un-organised sector, and only 22 per cent male engaged in organised sector.



Source: calculated from primary data

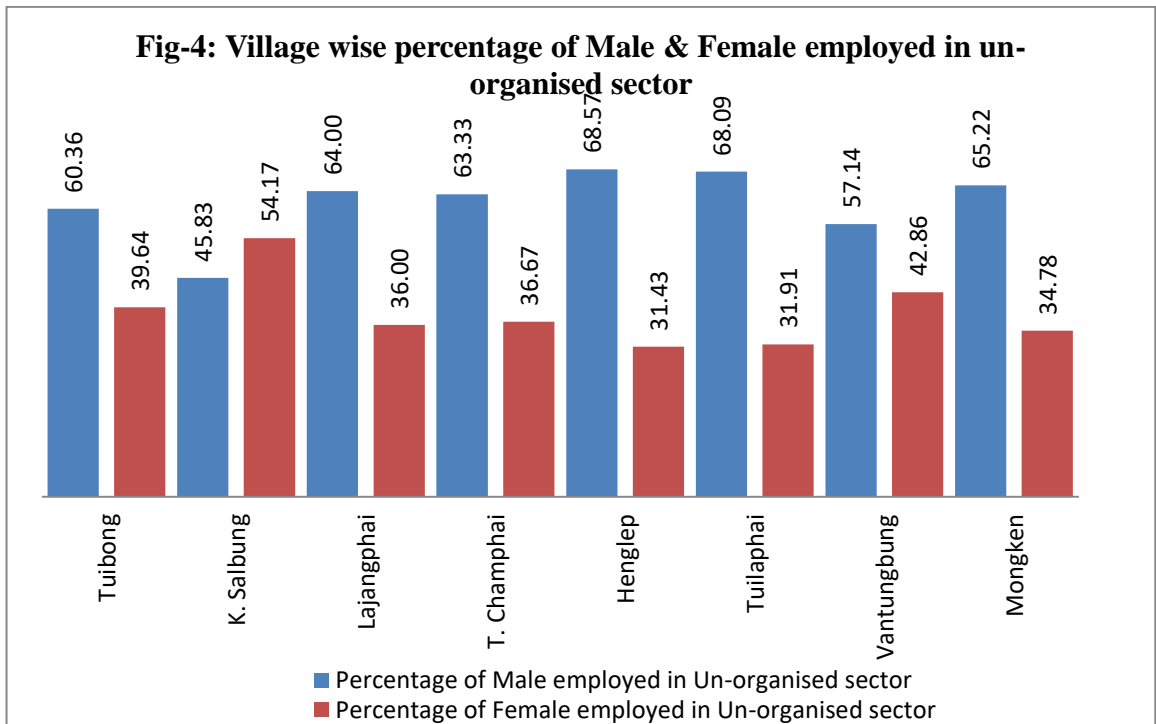
It is also found from the survey area that, majority of female rural labourers, consisting of 85 per cent were engaged in un-organised sector, and only 15 per cent female engaged in organised sector.



Source: calculated from primary data

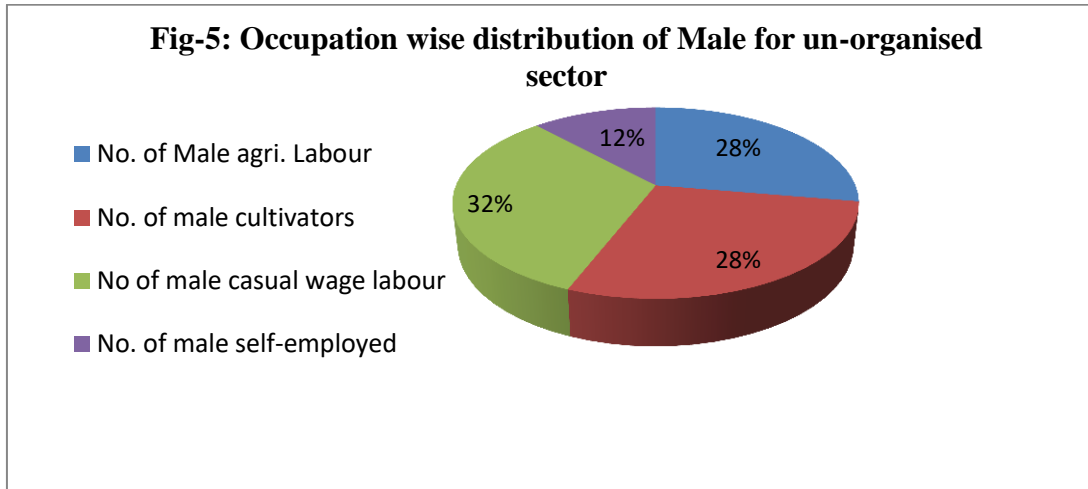
In the above bar diagram, village wise distribution of relative percentage of male and female engaged in organised sector is shown. For Tuibong village, 69.72 per cent of male are engaged in organised sector, while 30.28 per cent female are found to be employed in

organised sector. Similarly, for K. Salbung, 85.71 per cent of male were engaged in organised sector, and 14.29 per cent of female engaged in the organised sector. For Lajangphai, 87.50 per cent of male and 12.50 per cent of female were engaged in the sector, 50 per cent of male and 50 per cent of female for T. Champhai, 100 per cent of male for Henglep were found to be engaged in organised sector.

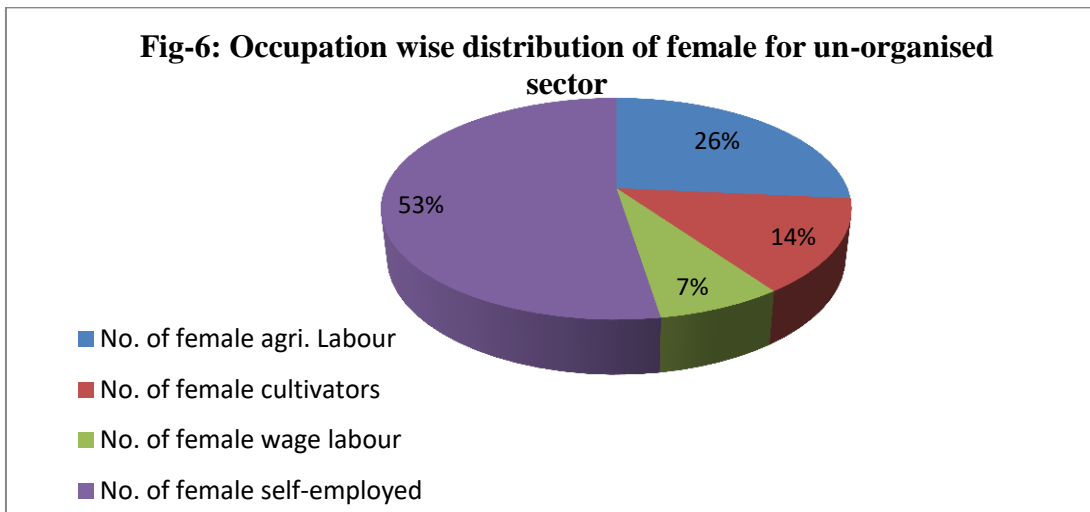


Source: calculated from primary data

In the above bar diagram, village wise distribution of relative percentage of male and female engaged in un-organised sector is shown. For Tuibong village, 60.36 per cent of male are engaged in organised sector, while 39.64 per cent are found to be employed in organised sector. Similarly, for K. Salbung, 45.83 per cent of male were engaged in organised sector, and 54.17 per cent of female engaged in the organised sector. For Lajangphai, 64 per cent of male and 36 per cent of female were engaged in the sector, 63.33 per cent of male and 36.67 per cent of female for T. Champhai, 68.57 of male and 31.43 per cent of female for Henglep, 68.09 per cent of male and 31.91 per cent of female for Tuilaphai, 57.14 per cent of male and 42.86 per cent of female for Vantungbung, and lastly, 65.22 per cent of male and 34.78 per cent of female for Mongken village were found to be engaged in organised sector.



Source: Calculated from primary data



Source: calculated from primary data

In the Fig- 5 & 6, the occupational distribution of male and female for un-organised sector is presented.

**Diversification:** For investigating presence of diversification, Shannon Index of diversification is calculated for male and female separately. The diversification index value for male is -1.99 and for female it is -1.89. For comparison, the maximum value of diversification index (i.e.  $\log k$ ) is calculated and it is 0.60. As the diversification index values are less than the maximum value, so we can conclude that there is significant variation in distribution of different types occupation. From this we can understand that, there is little occupation where people are relying more for their livelihood. It is also found that average household wise land holdings for each village is very low (less than 2 acres)



which imposes the household family members to search for other types of occupation automatically.

**6. Conclusion:** From the study, many things became clear regarding conditions of rural labour market in Churachandpur district. In the surveyed area, very less percentage of people are employed in organised sector and compared to female, the percentage value for male is more here. In case of un-organised sector, more women are engaged in self-employment and very less in activities like agricultural labours. Opposite is the case with male. While studying the nature of diversification, it is found that though diversification is present, still people are relying more on one or two occupations like casual wage labourers and cultivators for male, and self-employment and agricultural labour for female. It gives enough evidence to understand that with less agricultural land holdings, people are bound to search for more alternative employment. Moreover, from the review of earlier studies, it is also observed that there is uncertainty in case of employment in rural agricultural labour market in Manipur. This also can be stretched as a reason for search of alternative employment opportunities.

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