INCOME, EMPLOYMENT AND POVERTY



FISH AUCTION AT MALPE HARBOR

Income, Employment And Poverty

Chapter 6

6.1 Introduction

A decent standard of living depends on people's command over resources needed. The standard of living as a dimension of HDI is measured by the real per capita income. The growth in per capita income and Gross Domestic Product (GDP) are the most widely used measure of economic development and performance of a nation. There are international standards for its computation. The GDP mainly measures total market value of goods and services during a given year. Gross National Income (GNI), on the other hand, includes besides GDP, income accruing to domestic residents from abroad. The GDP is estimated at both current market prices and constant prices with a given year as base. Per capita GDP or per capita income is the income per head derived by dividing GDP by the total population.

Access to adequate income is certainly a critical means for enlarging people's choices, capabilities and well-being. Income is also an input for other two dimensions of the HDI viz, health and education. The ability to lead a long and healthy life and to be knowledgeable depends, to a large extent on income. In fact, these parameters interact and reinforce in important ways; improving both health and education increases income earning potential and low achievement in education and health causes low income and lower standard of living. Freedom of being able to meet basic needs to survive such as ability to avoid starvation, undernourishment, escape preventable morbidity or premature mortality etc centers around access to income. Income deprivation along with other indicators like longevity and educational attainment limit human freedom and choices and human dignity.

Increasing GDP and per capita income were, thus, considered as the primary goal of economic development and welfare of the society in the fifties and sixties. It was assumed that with increase in GDP, there would be trickling down effect and the welfare of the people as a whole would be automatically enhanced. However, the development experiences have empirically disproved this theory and dethroned GDP growth as the end in itself. The per capita income, as proxy to standard of living, on the other hand, does not capture non-market basic requisites of livelihood and quality of well-being such as housing, basic amenities, clothing, nutrition, sanitation and safe drinking water. Employment and unemployment, income distribution, inequality of income and expenditure, and poverty and human deprivation are among the many other areas that also need to be considered while considering income as a proxy for standard of living. The drawbacks of per capita income as a measure of well-being and its failure

to capture inequality, poverty and deprivation are well known and aptly summarized by the Report of the Commission on the Measurement of Economic and Social Progress (Stiglitz et al, 2009).

Considering the multi-dimensional characteristic of human development, there is a need to broadening the HDI beyond these three core dimensions. It is gratifying to note that Karnataka State is the first state to recognize the critical importance of some of these indicators closely related to standard of living in preparation of District Human Development Reports. In this chapter, an attempt is, therefore, made to examine the issues relating to income particularly sector-wise GDP and per capita income growth, pattern of employment and dimension of poverty in the district and taluk levels.

6.2 District and Taluk Income

The Central Statistical Organization (CSO), Government of India estimates and publishes national and state level GDP and per capita income every year. Karnataka has been a pioneer in estimating district income and the first estimates were made in 1960-61. Since then, district estimates have been computed at ten year intervals till 1990-91 and thereafter, annual estimates are being worked out regularly by the Directorate of Economics and Statistics (DES), Government of Karnataka. An attempt is also recently made to estimate GDP and per capita income at taluk level in the state.

The economy of the district/taluk is broadly divided sector-wise to estimate district/taluk GDP, on similar line as adopted for computing the national/ state GDP as under:

A) **Primary Sector**: includes agriculture and allied activities such as horticulture, livestock, forestry and fishing and mining and quarrying.

B) **Secondary Sector**: includes manufacturing both registered and un-registered, construction, electricity, gas and water supply.

C) **Tertiary or Service Sector**: includes transport, storage and communication, trade, hotels and restaurants, banking and insurance, real estate, ownership of dwellings, business and legal services, public administration and other services.

The GDP of Udupi district was Rs.9402.68 crore at current prices and Rs.6546.62 crore at 2004-05 constant prices during the financial year 2010-11. The primary sector has contributed Rs 1890.18 crore at current prices and Rs. 1159.72 crore at constant prices. The share of the primary sector in total GDP works out to 17.7 percent. The contribution of the secondary sector was Rs.2783.55 crore at current prices and Rs. 1977.34 crore at constant

[13]The DES estimate of district per capita income is Rs.52575 based on projected population of the district at 1245200. As per the Census, the district population is 1177361 and hence based on the Census population figure, the district per capita income is revised.

prices. Its share in the district GDP is 30.2 percent. The tertiary sector, on the other hand contributed Rs. 4728.95 crore at current prices and Rs.3409.57 at constant prices. Its share in the district GDP works out to 52.1 percent. The per capita income works out to Rs. 79862 at current prices and Rs.55604 in real income (at constant value)[13]. Compared to state level average per capita income of Rs.46091, the district per capita income is 20 percent higher. Udupi ranks 5th in per capita income among 30 districts in the state. Its contribution to the state GDP works out to 2.4 percent. In 1990-91, the contribution of Udupi district in the total state GDP was 2.6 percent and it ranked in per capita income 3rd in the state[14]. There was, thus, a slight decline

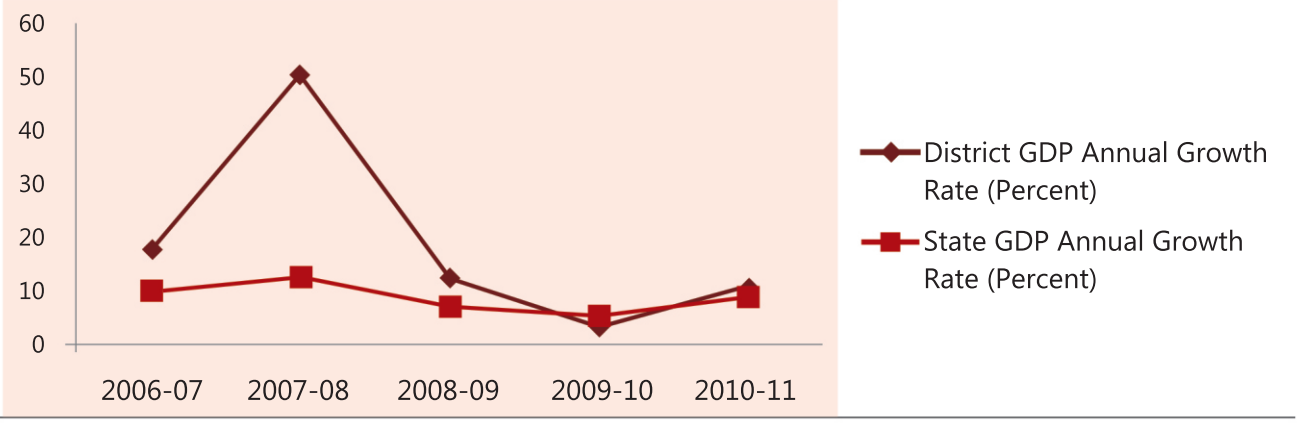
Udupi district ranks 5th in per capita income among 30 districts in the State. Its contribution to the state GDP works out to 2.4 percent.

Table 6.1
Growth of District GDP and Per capita Income

Year	Total GDP (Rupees in lakh)		Per capita Income (Rupee)		District GDP Annual Growth Rate (Percent)	State GDP Annual Growth Rate (Percent)
	At Current Prices	At Constant Prices	At Current Prices	At Constant Prices		
2006-07	448465	339142	38934	29443	17.85	10
2007-08	586114	510503	50588	44062	50.53	12.6
2008-09	736416	574635	63191	49309	12.56	7.1
2009-10	799812	595270	68332	50857	3.59	5.2
2010-11	940268	654662	79862	55604	9.98	8.9

Source: DES, GOK.
Note: 2011-12 figure Advance Estimate. Growth rate is based on constant prices.

Chart 6.1
Growth of District and State GDP Comparison



[14]Analysis is based on GDP estimates of DES, GOK.

in the share of district's contribution to the state GDP as well as in its rank in per capita income.

Table 6.1 shows the trends in district's GDP and per capita income together with the annual growth rates during the Eleventh Plan period: 2006-07 to 2010-11. Udupi district witnessed a lower economic growth of 4 percent per annum as against the state average of 7 percent during 2000-01 to 2005-06. It is gratifying to note that the district has achieved remarkably higher growth rate during the Eleventh Five Year Plan period. As against the state average annual growth rate of 8.8 percent, Udupi has recorded 18.9 percent growth per annum during the Eleventh Plan period. The per capita income of Udupi, in 1990-91, was Rs.10714, which has increased to Rs.21946 in 2005-06. It has now more than doubled; from Rs. 21946 in 2005-06 to Rs55604 in 2010-11. In 1998-99, Udupi district's per capita income was 30 percent higher than the state average per capita income. It is now only 20 percent higher. As compared to neighboring Dakshina Kannada district, its per capita income is 16 percent lower.

An analysis of the data on the sectoral growth in Table 6.2 clearly shows poor performance of agriculture and allied activities during the last five years.

As against the state average growth of 5.6 percent per annum, the district has recorded only 2.7 percent average annual growth in agricultural sector. The high growth achieved in the primary sector during 2007-08 and 2008-09 was mainly due to increase in the contribution of forestry and fisheries. In secondary and tertiary sectors, the district achieved remarkably higher growth rates during the Eleventh Plan period. The secondary sector witnessed an average growth rate of 26.6 percent as compared to the state average of 8 percent growth per annum. This is apparently due to commissioning of

Table 6.2
Sector-wise Annual Growth Rate of GDP (Percentage)

Year	Agriculture	Primary	Secondary	Tertiary	Overall
2007-08	9.62	21.64	82.65	46.11	50.53
2008-09	-3.93	27.69	6.52	11.49	12.56
2009-10	-4.32	-1.21	4.97	4.49	3.59
2010-11	12.01	12.05	12.33	7.98	9.98
District Average Growth Rate (percent)	**2.68**	**12.03**	**26.62**	**17.52**	**19.16**
State Average Growth Rate (percent)	5.64	5.62	8.12	10.28	8.76

Nandkoor power plant and Suzlon projects as well as boom in construction. The tertiary sector witnessed an average growth of 17.5 percent as against the state average of 10 percent per annum. The high growth in tertiary sector was mainly due to better performance in transport, trade and hotels and banking and insurance sub-sectors. Between 2000-01 and 2005-06, Udupi district had less than 4 percent average annual GDP growth as compared to 8 percent at state level. Since 2006-07, the district has achieved a remarkably higher growth in GDP. As against the state average of 8.8 percent, the district has recorded 19 percent average growth in overall GDP.

Table 6.3
Change in Sectoral Composition in District GDP
(at constant prices)

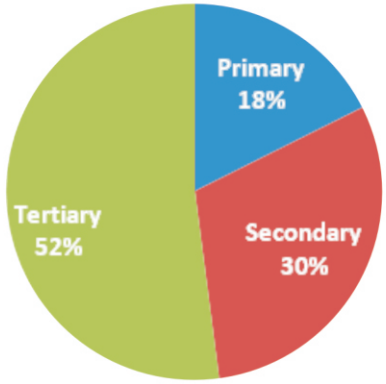
	Sector	1999-00	2006-07	2010-11
Udupi	Primary	30.2	19.89	17.72
	Secondary	18.7	25.41	30.2
	Tertiary	51.1	54.7	52.08
Karnataka	Primary	28.3	17.41	16.83
	Secondary	24.3	30.63	27.71
	Tertiary	47.4	51.96	55.46

Source: Directorate of Economics and Statistics, GOK.

Chart 6.2
Change in Sectoral Composition in District GDP (at constant prices)



Chart 6.3
Sectoral Composition in District GDP - 2011
(at constant prices)



With the economic development, there is normally structural change in favor of initially secondary and thereafter, tertiary sector. The change in sectoral composition in the GDP in Table 6.3 shows such a structural change in the district's economy. The primary sector which contributed 30 percent to the district's GDP in 1999-00 now contributes only 17.7 percent. As against this, the share of industrial sector increased from 18.7 percent to 30 percent during the same period. Since 1999-00, the district's economy was dominated by the tertiary activities. More than half of the total district income was contributed by the service (tertiary) sector. Its share in the district GDP was 51 percent in 1999-00; it has gone up to 54.7 percent in 2006-07 and thereafter declined to 52 percent in 2010-11. The pattern of change in the structure of the district economy is almost similar to the pattern of change at the state level. However, it is important to note that while at the state level, there was an improvement in the share of service sector from 52 percent in 2006-07 to 55.5 percent in 2010-11, Udupi district has witnessed a decline in

Table 6.4
Taluk-wise GDP and Per capita Income: 2009-10

Taluk	GDP		Per capita Income	
	Current Prices (Rs in Lakh)	Constant Prices (Rs. in lakh)	Current Prices (Rupee)	Constant Prices (Rupee)
Karkala	147998	119208	68840	55448
Kundapura	227039	171668	57297	43323
Udupi	378075	291135	67606	52060
District	**753111**	**582011**	**64343**	**49725**

Source: Udupi ZP. Note: District GDP estimate computed at district level by ZP slightly lower than DES GDP estimates.

its share from 55 percent to 52 percent during the same period. The service sector's share in Udupi district is lower than the state level average. It is also important to note the economic implications of the structural changes in terms of income distribution and employment.

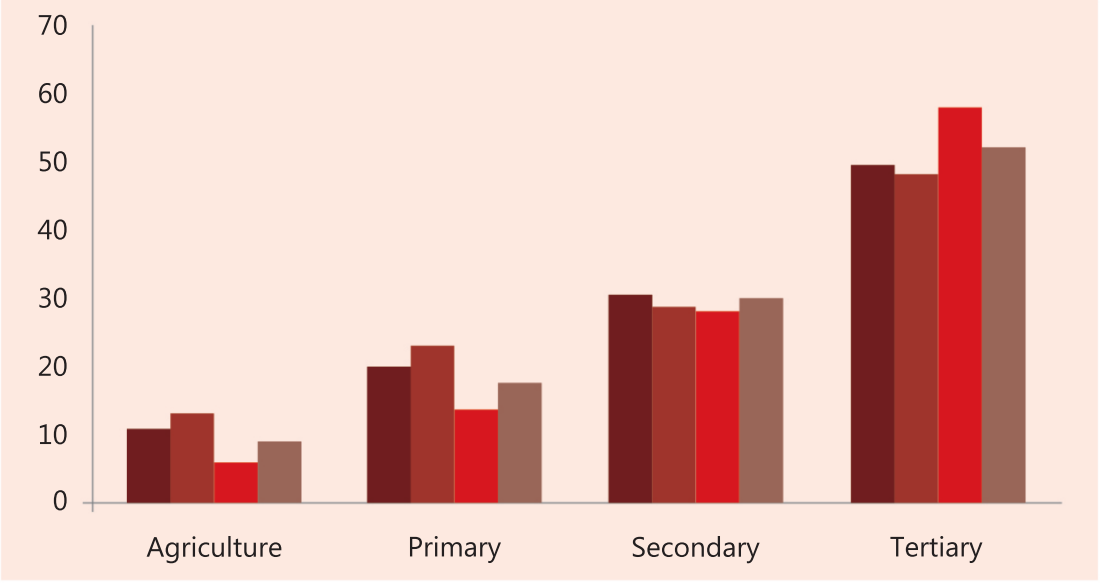
Table 6.4 provides taluk-wise GDP and per capita income at both current and constant prices for the year 2009-10. Analysis of data shows that nearly 50 percent of the district GDP was contributed by Udupi taluk. Kundapura contributes 29 percent and Karkala, 21 percent. As regards per capita income is concerned, Karkala has the highest per capita income in the district followed by Udupi. Kundapura has the lowest per capita income. The per capita income of Karakala taluk was Rs.68840 at current prices and Rs.55448 at constant prices. In real terms it is 12 percent higher than

Table 6.5
Sectoral Composition of GDP at Taluk level: 2009-10
(percent at constant prices)

Taluk	Agriculture	Primary	Secondary	Tertiary	Total GDP
Karkala	10.94	19.91	30.61	49.48	100
Kundapura	13.22	23.04	28.86	48.1	100
Udupi	6.04	13.84	27.99	58.17	100
District	**9.16**	**17.72**	**30.2**	**52.08**	**100**

Source: Udupi ZP.

Chart 6.4
Sectoral Composition of GDP at Taluk level: 2009-10
(percent at constant prices)



the district level average per capita income. Kundapura has the per capita income of Rs.57297 at current prices and 43323 at constant prices. Its per capita income in real terms is 13 percent lower than district average. Udupi taluk has the average per capita income of Rs. 67606 at current prices and Rs.52060 in real value. Its per capita income is 5 percent higher than the district average. Taluk-wise income disparity between the highest and lowest is 28 percent.

The analysis of the data in Table 6,5 shows that there is a significant difference in the overall structural composition of GDP. Although the economy in all taluks is driven by service sector, there is a wide inter-taluk difference in sectoral composition of GDP. While agriculture contributes 13 percent of GDP in Kundapura and 11 percent in Karkala taluk, in Udupi taluk, it contributes only 6 percent of taluk's GDP. Similarly, the contribution of primary sector in Kundapura is the highest (23 percent), followed by Karkala (20 percent. In udupi taluk, its contribution is only 14 percent. The share of secondary sector in GDP contribution is more or less the same in all taluks. The inter-taluk difference is only marginal. It varies from 31 percent in Karkala followed by 29 percent in Kundapura and 28 percent in Udupi. However, the relative contribution of service sector differs widely. In Udupi taluk, it contributes 58 percent whereas in Karkala and Kundapura its contributions are 48 percent and 49 percent respectively

While analyzing the district-income of Udupi district, the importance of remittance cannot be ignored. Udupi district is one among the five districts having the highest out-migrant populations in Karnataka State. There has been continuous intra and inter-district, intra and inter-state and outside country migration of people in the district. Kundapura has the highest migrants, followed by Udupi and Karkala. The remittances play a major role not only in maintaining a higher standard of living but also assisting households in investing in housing, health and education in the rural areas. The Udupi economy is therefore considered as "money order economy". The flow of remittance income takes place in a number of ways viz. through money order, bank transfer, bank drafts, NRI deposits, cash payments and benami transactions. Besides cash, households receive several things in kind – clothing, ornaments, jewellery and other household things. Hence, no reliable data on remittance income inflow is available. Based on the NRI deposits and other available information, the flow of remittance is estimated to be about 40 percent of the district's GDP.

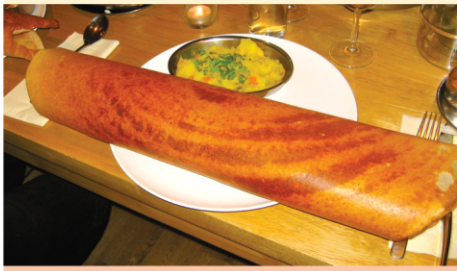


Mechanised
Paddy Transplantation

6.3 Agriculture, Livestock and Fisheries

In Udupi district, out of 11.77 lakh population, 8.43 lakh (72 percent)

[15]Based on 2001 Census data on migration.



Masala Dosa

people either wholly or significantly dependent for their livelihoods on agricultural activities - be it crop farming, horticulture, animal husbandry or fisheries. Most of agricultural landholders (79 percent) are marginal farmers with land-holding less than 1ha (Table 2.9). Small farmers with 1 to 2 ha constitute 13 percent of farmers and together, they account for 92 percent of farming community. The average size of land-holding works out to 0.74 ha. Expansion of per capita agricultural incomes is therefore the most important for improving livelihood and reducing rural poverty in the district.

The contribution of agriculture to the total district GDP is steadily declining, whereas the population living in rural area has not declined proportionately. In 2006-07, agriculture including

Box 6.1: Scope for Growth in Income in Udupi District

Achievements	Areas of Concern
District ranks 11th in total GDP and 5th in per capita income in the state.	Primary sector's GDP contribution declined to 18 percent but people living in rural areas though declined from 82 percent in 2001 to 72 percent in 2011, it is still very high. Secondary and tertiary sectors contribute 82 percent to GDP and people depending on them are only 28 percent. This has serious implications on rural–urban income disparity.
Secondary sector witnessed growth in the recent years with the commissioning of Suzlon and Nandikur power projects and resulting increase in its share in GDP. The district has good potential for agro-processing having backward linkage with farmers	Traditional industries like tiles are facing crisis due to lack of demand. losing business. Beedi industry is almost closing stage. Brhmavar Sugar Factory is non-functional. Cashew nut processing, rice mills and other agro processing depend mainly on outside importation of raw materials without benefitting local farmers. MSME are in problem due to recession. All these will affect adversely the scope for future growth.
Contribution of tertiary sector for district's growth was significant in the past. The district has good potential in tourism, software, tertiary activities in rural areas and to become hub of medical tourism and higher education.	Share of tertiary sector to district GDP declined from 55 percent in 2005-06 to 52 percent in 2011-12. Most of tertiary activities are either stagnant or decelerating. In spite of beautiful coastal belt, lush green Western Ghats and scope for religious pilgrimage, tourist potential remained unexploited.



Demonstration of Paddy Cultivation

horticulture contributed 16 percent to total district GDP, which has declined to 9 percent in 2010-11. In the case of fisheries sector, its contribution to the district GDP only slightly improved from 3.2 percent to 3.8 percent during the Eleventh Plan period. The district also witnessed deceleration in agricultural growth during the last decade. The sliding down of agriculture growth and its share in the district's GDP without significant decline in population engaged in agriculture has serious implications on livelihood of majority of the farming community.

6.3.1: Cropping Pattern

Agricultural production in the district is mainly concentrated on paddy. It is grown during kharif, rabi and summer seasons. Other food crops grown are pulses. Pulses grown are black gram, horse gram, green gram and cowpeas. Groundnut is the main oilseed grown in the district. Besides seasonal food and oilseed crops, the cropping pattern in the district also includes sugarcane, plantation and fruits and vegetable crops. Plantation crops grown are coconuts, areca nuts cashew nuts and rubber. Major fruit crops grown are mango, banana, pineapple, sapota, lemon and guava. Jasmine is the main flower crop commercially grown in the district .During crop year 2011-12, the net cropped area was 100128 ha and the gross cropped area, 117884 ha. The double cropped area was 17756 ha. The cropping intensity works out to 1.18, which is one of the lowest in the state. Taluk-wise, Kundapura has 49117 ha cropped area followed by Udupi, 40378 ha and Karkala, 28389 ha. The cropping intensity is comparatively the lowest in Karkala (1.16), followed by Kundapura (1.17). Udupi taluk has the highest cropping intensity (1.19).

Table 6.6
Cropping Pattern in Udupi district: 2011-12

Crops grown	Area under crop (ha)	Percentage
Food crops: Paddy	55332	46.94
Pulses	5374	4.56
Oilseeds	2094	1.78
Plantation crops	44489	37.74
Fruit crops	4428	3.76
Vegetables	1243	1.05
Sugar cane	125	0.11
Flowers, spices and other crops	4799	4.06
Total	**117884**	**100**

Source: Agriculture Department, ZP, Udupi

Table 6.6 gives information on the cropping pattern followed in Udupi district during 2011-12. Out of the total gross cropped area 117884 ha, paddy accounts for 47 percent of the gross cropped area (55532 ha). Pulses and oilseeds account for 4.5 percent (5374 ha) and 1.8 percent (2094 ha) respectively. Pulses are mainly grown in Udupi and Kundapura taluks while groundnut is produced in Kundapura taluk. The food crops, thus, occupy 52 percent of the total cropped area. The district is known for horticulture crops such as coconut, areca nut and cashew nut. The total area covered under these horticulture crops is 44489 ha, which accounts for 37.7 percent of the total cropped area. The district also grows variety of fruits and area under fruit crops is 4428 ha (3.8 percent). Vegetables flowers and spices are grown in about 9227 ha, accounting for 5 percent of gross cropped area. Sugarcane is grown only in 125 ha.

The district witnessed deceleration in the gross cropped area during the last ten years. In 1999-2000, the total gross cropped area was 133261 and cropping intensity was 1.31. There was a decline of 12 percent in the gross cropped area during the last ten years. The decline in the cropped areas was mainly under food crops. In 1999-2000, paddy was grown in 69892 ha, which has declined to 55332 ha, accounting a decline of 21 percent. In the case of pulses, there was a significant decline of 53 percent, from 11422 ha to 5374 ha during the same period. The decline in the case of oilseeds was 24 percent, from 2735 ha to 2094 ha. Farmers in the district are abandoning food crop production mainly because of labor scarcity, high cost of cultivation and non-viability of growing these crops. The analysis of data in Table 6.7 clearly shows that production in almost all food crops has steadily declined and whatever year to year marginal increase or fluctuation was mainly due to increase or decrease

The district witnessed deceleration in the gross cropped area during the last ten years.

Viewed from long term perspective, the present mono-crop dominated cropping pattern does not hold the promise of propelling higher growth in farmers' income.



Tissue Culture

Table 6.7
Udupi District: Area and Production of Main Crops

Year	Paddy		Pulses		Oilseed(Groundnut)	
	Area (ha)	Production (tons)	Area (ha)	Production (ha)	Area (tons)	Production (tons)
2007-08	62000	221628	7942	3525	2074	4279
2008-09	61512	210699	8081	3816	2197	4167
2009-10	57509	207224	6233	2878	2090	4479
2010-11	56339	216406	5319	2745	2059	4539
2011-12	55332	215567	5374	2527	2050	4625

Source: Agriculture Department, Udupi District.



Mallige Plantation



Diary Farm

in yields depending on weather. Viewed from long term perspective, the present mono-crop dominated cropping pattern does not hold the promise of propelling higher growth in farmers' income.

As against the decline in area under food crops, there was an increase in area under horticulture crops from 44029 ha to 48917 ha during the last decade. Among the horticulture crops, the increase in acreage was mainly in the case of coconut and areca nut crops. The area under coconut has increased from 13472 ha in 1999-2000 to 17480 ha in 2011-12 while in the case of areca nut, it increased from 3834 ha to 7403 ha. Though Udupi is known for cashew nuts production and exports, the area under it declined from 19687 ha in 2007-08 to 19373 ha in 2011-12. The area under fruit and vegetables also witnessed deceleration. Only in the case of Jasmine flower, there was a marginal increase in acreage from 279 ha to 294 ha during this period. Sugarcane which was grown in about 2000 ha is now almost abandoned due to the closure of the sugar factory in Brhmavar.

All taluks have, however, suitable agro-climatic conditions to grow horticulture crops like cashew, cocoa, rubber and commercial floriculture in unused lands. Since the district has well connected road network to international airport and sea port at Mangaluru, the promotion of horticulture crops like Mangaluru mallige, fresh vegetables, fruits and medicinal plants provide good scope for export and thereby improving farmers' income. There is also a large scope for value addition in crops like fruits, cashew nuts, coconuts and spices. The district has two Ayurvedic colleges and hospitals. There is a growing demand for ayurvedic medicine both in domestic and export markets. The district has the good potential for growing medicinal and aromatic plants. The strength, weaknesses and opportunities for increasing agricultural growth has been adumbrated in Box 2.1 in chapter Two.

6.3.2: Irrigation

The lowest cropping intensity in the district is mainly due to lack of irrigation facilities. Out of 117884 gross cropped areas, only 35280 ha are under irrigation. The proportion of irrigated area works out to only 30 percent of total cultivated area. Out of 35280 ha irrigated area, 25169 ha (71 percent) is irrigated by open wells and 3084 ha (8.7 percent) by lift irrigation. The remaining is mainly through tanks and check dams. Taluk-wise, Kundapura has 13885 ha irrigated area, Udupi taluk, 11958 ha and Karkala 9437 ha. In spite of many rivers flowing and good scope for irrigation, there is no any major or medium irrigation scheme in the district. Among taluks, Kundapura has minimum net irrigated area followed by Udupi taluk. Varahi irrigation project, which was launched in 1990s, is not yet operational.

6.3.3: Livestock

Based on the agro-climatic and physio-geographic conditions, Udupi district

was, once, considered not suitable for livestock development. The situation has changed. Though late, Udupi district witnessed recently white revolution. Realizing the economic benefits of dairy, the small and marginal farmers and other weaker sections of the rural community have taken up dairy as a viable option for their livelihood. Formation of self-help groups particularly women and availability of bank finance gave a fillip to the dairy development in the district. Mini-dairies now not only provide gainful family employment but also supplements assured daily family income to improve their livelihood. Other animal husbandry activities



Mallige Atti

Box 6.2: Udupi Mallige: Community-based Enterprise for Sustainable Livelihood

Udupi district is known for Jasmine growing popularly known as Udupi Mallige. Shankarapura, Shirva, Belmannu, Katpadi and Kaup are the main Jasmine growing areas in the district. The flower is known for its unique fragrance and used by Hindus for religious festivals, weddings and other social functions besides daily usage by ladies. It was first introduced as a backyard commercial crop in Shankarapur by a parish priest seventy years ago to help poor Christian families, who did not have agricultural land holdings and no other occupation for their livelihood. It was grown in 5 to 20 cents plot with 10 to 50 bushes surrounding their homes. Being labour intensive and time sensitive, each household can manage a limited number of Jasmine bushes and cannot scale up. Each grower can pluck 200-700 buds from each bush and tie together with thin strings made from banana trees. This is very labour intensive process done at household level by family labour before getting the jusmine flowers to the market.

By 10 am the bundles of jasmine are wrapped in banana leafs with household name in chit of paper ready for marketing. The growers are connected to one of the 105 agents who hire young boys from the villages to collect the flower bud packages left by the growers along the roadside at market delivery points. The agents assemble the bundles of 800 buds each and deliver them to traders. The agent keeps track of the bundles received from each grower and ensures correct payments are made to growers each Sunday. The traders are responsible for selling to the wholesalers and retail market outside of region. They organize the flowers received into Attas for wholesale marketing. Interestingly, every day, 365 days a year, by 11 am, the flowers are ready for marketing. The traders meet under an old banyan tree - open to public scrutiny- to determine the price they will pay for the flowers to the growers based on demand and supply. The price fixed for the day is posted under the tree for all to see. Shakarapura price determination auction among traders is very efficient from growers' perspective. There is rarely any cheating at any point in the system. With increasing popularity and growing demand, Jasmine cultivation spread to surrounding areas and has emerged as an important daily income generating cash crop. The market for Jasmine spread from local market to Mumbai, Bangalore initially and now to Middle East.

The production and marketing of jasmine is an amazing success. It provides poor households a gurantee of income. On-going and uninterrupted for nearly 70 years, it embodied the principle of sustainability. It is done by local people with indegeneous knowledge, without support or subsidy of the government. It is benefiting more than 6000 poor households with regular income. Importantly it is a community based enterprise mainly of Catholic community and the users of the flowers are mainly Hindu Community.

Source: Compiled from Jasmine growers of coastal Karnataka: Grassroots sustainable community based enterprise in India by Famida Handy, Ram. A. Cnan, Ganesh Bhat and Lucas C.P.M. Meijs, Entrepreneurship & Regional Development, Vol.23, Nos 5-6 June 2011.

Box 6.3: Mattu Gulla: Precision Farming key to Double Income

A kind of Brinjal popularly known as Mattu Gulla is grown only in Mattu village near Udupi. It is a very popular vegetable and has growing demand because of its peculiar taste. Since Brinjal is very susceptible for pests and diseases and consequently low yield, farmers found difficult to earn adequate income from growing Mattu Gulla in spite of growing market demand. Horticulture recognizing the problem, has undertaken training of farmers in the Mattu village on precision farming practices in crop production. Though farmers in the village were hesitant to adopt precision farming for Mattu Gulla, Shri Lakshman Mattu, a Mattu gulla grower pioneered himself to adopt precision farming practices for Mattu Gulla under Comprehensive Horticulture Development Program. He installed drip irrigation, plastic mulching, and followed integrated pest and nutrient management practices in an area of 0.75 acres. As a result, the yield almost doubled from 6 tons to 12 tons, quality of Mattu Gulla improved and gross income from a plot of 0.75 acres increased from about Rs.1lakh to 2.4 lakh. His success in precision farming for Mattu Gulla paved the way for other Mattu Gulla Growers in the village to adopt precision farming to significantly increase their income..



Mattu Gulla

include goat rearing and poultry. According to livestock census 2012, the district has 154232 indigenous cows, 96317 cross-bred cows and 8758 buffaloes. Compared to 2002 livestock census data, there was a significant decline in number of dairy cows and buffaloes. As per 2002 census, the district had 248222 indigenous cows and 49998 buffaloes. The number of cross-bred cows, on the other hand increased from 90812 to 96317 during this period. Taluk-wise, Udupi has the highest number of cross-bred cows (51059), followed by Kundapura (27246). Karkala has the lowest number of cross breed cows (18012). Milk is procured from farmers by The Karnataka Milk Federation which has a dairy processing plant at Manipal. It procures and processes more than one lakh litres per day. The district has good network of cooperative milk societies as collection and cooling centres. Recently, two private milk processing units in the district also entered the market for procurement and processing of milk. The annual milk production is estimated at 139000 tons.

As against the white revolution in milk production, the meat production in the district is very negligible, the lowest in the state. As per livestock census data, the district has 6295 goats, 100 sheep and 2844 pigs. The annual meat production in the district is around 431 tons. With the increase in meat price, a few commercial goat rearing farms have recently come into operation. Similarly, in spite of growing demand, the progress in poultry, goat and sheep rearing and piggery in the district is very negligible. Traditionally, the backyard poultry keeping was very common in the district and not now. Except a few commercial poultries, there is no expansion in the poultry sector. The total number of poultry birds is 459446 and annual production of eggs in the district is about 240 lakhs. The district mainly depends on outside

Box 6.4: White Revolution in Udupi District

Agro-climatically, Udupi was, in the past, not a favoured destination for promoting dairy. The monsoon heavy rainfall, extreme weather and hilly geographic terrain was considered not suitable for high milk yielding exotic pure bred cows. The indigenous-bred cows were low yielding with long dry period and commercially uneconomical. With urbanization and growing demand for milk, many efforts were made in the past for the development of dairy but they failed miserably. Dr. T.M.A. Pai, the founder of the Manipal education institutions, set up Canara Milk Union at Manipal on "Amul" pattern in consultation with National Dairy Development Board. The progress achieved was, however, only marginal and could not be sustained. In 1980, Dakshina Kannada Milk Producer's Union was formed and the Canara Milk Union was merged with it. This paved the way for beginning of white revolution in Udupi district. In 1990s, milk producers cooperative societies were formed and milk collection centres were set up in almost all villages. The artificial insemination was used on local breeds to bring out high yielding cross-bred cows. Small and marginal farmers and other weaker sections of the community were encouraged to set up mini dairies with cross-bred cows with the help of government subsidy and bank finance. Self-help Groups of women were promoted to undertake mini dairies. All these efforts led to white revolution in the district. The milk collection which was 2500 liters per day in early 1990s increased to more than 1lakh liters per day. Manipal dairy plant was modernized with an increased milk handling capacity of 100000 liters per day. The district has at present 160 artificial insemination centres catering 6000 to 7000 artificial inseminations per month, 258 Milk Producer's Cooperative Societies with a total membership of 56099. Women are the active participants in dairy ventures and 60 Societies were exclusively formed by them with 24506 members. The beneficiaries mainly belong to weaker section of the society including SCs and STs. Today mini-dairies provide gainful family employment, daily assured income, nutritional security to the family and revolutionized livelihood pattern of weaker section of the community in rural areas.

This achievement was made in a short period of twenty years. The role played by the Department of Animal Husbandry, District Milk Union (KMF), Shree Kshetra Dharmastala Rural Development Project and the nationalized Banks was critical in this achievement.

Source: KMF, Udupi.

supply for meat and eggs. The major problems faced by the sector include shortage of fodder, increasing cost of livestock feed, non-availability of credit for other than dairy, inaccessible veterinary services, absence of modern abattoirs and absence of marketing network for poultry and meat products.

6.3.4: Fisheries

The coastal belt of the district comprises 64 fishing villages with 31364 fishing families in Udupi and Kundapura Taluks. The marine fisheries constitutes main source of livelihood for more than 1.50 lakh people living in the coastal area. Around 45551people are engaged in fishing, out of which 16445 are women. Fish production of the district accounts for about one-third of the total fish production in the state. It contributes 21 percent to district's primary sector GDP and 3.8 percent to district GDP. During the Eleventh Plan period, fishing sector witnessed high growth of more than 26 percent per annum. The annual fish

The coastal belt of the district com prises 64 fishing villages with 31364 fishing families in Udupi and Kunda pura Taluks. The marine fisheries constitutes main source of liveli hood for more than 1.50 lakh people living in the coastal area.

production has increased from 73062 tons in 2007-08 to 107795 tons in 2011-12 (Table 2.8). The value addition has increased from Rs.234.53 crore in 2007-08 to Rs. 558.61 crore in 2010-11. The district also exports fish and earns foreign exchange.

Malpe and Gangolli are the main fishing harbours in the district. There are also three fishing jetty at Hejmady, Kodibengre and Shiroor and more than 10 landing centres spread throughout the coastal belt. Fishing is mainly done by using 70 purse-seiners, 1140 mechanized trawlers, 2998 gillnetters and 1811 traditional boats. There are 45 Fishermen Cooperative Societies with 31548 members and 13 Fisherwomen Cooperative Societies with 29726 members. The district has 13 cold and frozen storages, 74 ice plants and 2 processing units. The annual fish production during 2011-12 was 107795 tons valued at Rs. 549 crores. Considering the critical importance of fisheries for the employability and livelihood of a vast majority of coastal community, the government has initiated a number of fishermen welfare schemes, details of which are given in Box 6.6.

Inland fishery is mainly undertaken in tanks and streams. The annual inland fish production is around 1779 tons. There are 463 tanks with 862.38 hectares of water spread area, which provide good scope for expansion of inland fishery to increase income of the fishermen. Prawn cultivation is also undertaken in about 125 ha ponds using backwaters. The total brackish water shrimp production is 106 tons. The district has also good potential for estuaries in 379.10 ha. The district has immense scope for increasing both marine and inland fish production. Besides providing employment and livelihood to poor fishing families and particularly women, fishing is important for nutritional security and earning foreign exchange.

The main constraints for development of fisheries sub-sector in the district are: lack of infrastructure facilities such as hygienic auction ward, water supply, drainage, electricity, ice plant and cold storage, unorganized market dominated by exploitative middlemen, over-exploitation of inshore fishing, absence of value addition through fish processing, encroachment from deep fishing enterprises in the offshore fishing and lack of freezing container facilities for shipment. The Coastal Regulation Zone (CRZ) Act provisions also adversely affect the livelihood security of the traditional fisher community living in 'no development zone'. The CRZ Act prohibits development activities such as setting up and expansion of any industry, operation or processes and manufacture or handling or storage and construction of new houses in 200 metres from high tide line on the landward side in the case of seafront and 100 metres along tidal influenced water bodies or width of creek. Consequently, the fisher community living in these areas is deprived of any development activities to improve their livelihood.

Box 6.5: Modernization threatening the Livelihood of Traditional Fisher Families

Nearly 90 percent of fisher families in the district are traditional fisher community living in the fishing villages in the coastal belt. They solely depend for their livelihood on in-shore fishing mainly using non-motorized traditional boats (Nada Boats) and traditional nets (matu bale). The Rampani method of fishing, fishing culture and knowledge, they inherited from generation to generation. Their fishing practices were environment and conservation friendly. It was not exploitative fishing. Fishing was done more as a community based enterprise to support livelihood of all families in the fishing village.

The modernization and mechanization of fishing started since 1960s has now threatened the livelihood of most of the traditional fisher families. Fishing has now become commercial venture and exploitative. Nada boats are replaced by mechanized trawlers and matu bale by purse-seiners, and gillnetters. They are owned by few families. The majority of the small fisher families are now reduced to fisher-labourers. The mechanized trawlers and purse-seine nets are also not suitable for in-shore fishing from environment and conservation point of view. They affect fish breeding and even catch fingerlings which adversely affect the fish production. Traditionally fish marketing was dominated by their women. Now there is a significant decline in their participation. Traditional drying fish is also declining. The CRZ Act provisions also come in their efforts to improve livelihood. They are now increasingly encouraging their children to go for higher education and other jobs. If this trend continues, there may not be any traditional fisher families left in the marine fishing in near future.

Source: Dr.S. Gunakara and Dr. Upendra Hosabettu – Compiled from their research publications.

Box 6.6: Government's Fishermen Welfare Schemes

1. Mathsyavahini: Assistance to fish marketing - Financial assistance from banks is provided for purchase of bicycle and insulated boxes with government subsidy of 50 percent subject to maximum limit of Rs.2000 per head and for two-wheeler with insulated box with subsidy of 25 percent subject to limit of RS.10000 per head. To SHGs and cooperative societies, for purchase of 3-wheeler tempo, 25 percent subsidy with maximum limit of Rs.30000 and for 4-wheeler vehicle, 25 percent subsidy with maximum limit of Rs.34000.

2. Assistance to purchase fishing requisites to motorized/traditional boats: 100 percent subsidy with limit of Rs.5000 per boat for purchase of nylon nets, ropes, sinkers floats etc.

3. Matsya Mahila Swavalambana yojane: A revolving fund of Rs.10000 is provided to SHGs of fisherwomen involved in fishing activities like marketing.

4. Matsya Ashraya Scheme: To provide houses to houseless fisher family at a cost of Rs.60000.

5.Group Accident Insurance Scheme: Under this centrally sponsored scheme, premium of Rs.14 per head is paid to the National Federation of Fisheries Cooperative Ltd. New Delhi towards insurance coverage of Rs.100000 in case of death and Rs.25000 in case of partial disability as a result of hazards of natural calamities during fishing.

6. Distress Relief Fund: To provide Rs.50000 per head as relief to fishermen and their dependents in case of death/permanent disability while fishing.

7. Motorization of Traditional Fishing Crafts: Under centrally sponsored scheme, 50 percent of cost is provided as subsidy subject to the maximum limit of Rs.30000 and the balance provided by bank finance.

Source: Department of Fisheries, ZP

Protection Wall Construction Through MGNREG Scheme



Fish Market

6.4 BPL Households, MGNREGA

Poverty traditionally refers to deprivation of income that is essential for availing a minimum basket of goods and services that are required for human existence. But poverty is multidimensional[16]. Besides income deprivation, it includes social deprivation like shortfalls in health and education, inadequacy of shelter, vulnerability and exposure to risks, social marginalization and exclusion due to rigidities in social stratification. In human development perspective, it refers to deprivation of capabilities that provide a person education, health, income, freedoms, choices and opportunities to lead the life one values most. Thus, poverty refers to not only low income and consumption but also low achievement in education, health, nutrition, and other areas of human development. Considering the multidimensional nature of poverty, UNDP has now introduced the Multidimensional Poverty Index (MPI) in its HDR. Eradication of poverty is the first and foremost important goal specified in the UN Millennium Development Goals for developing countries. The goal is to reduce poverty by half between the base year 1990 and reference year 2015.

Poverty in Karnataka continues to be highest among the southern states.

[16]There are lot of controversies on definition of poverty and poverty line. No reliable data are available on poverty line at the district and Taluk level. Without going into intricacies and measurement problems, an attempt is made to assess poverty incidence in the district, based on data available on broad poverty indicators.

Incidence of poverty line estimated by the Planning Commission based on NSS 66th round consumer expenditure data (2009-10) shows that Karnataka has poverty ratio of 18.5 percent with 10.87 million poor. In rural areas, the poverty ratio was 15.8 percent with 5.87 million poor and in urban areas, 23.5 percent with 5.09 million poor. The district level poverty estimates as given in the Economic Survey of Karnataka 2011-12, shows that Udupi district has the lowest poverty ratio among 30 districts in the state. In rural areas, as against the state level poverty ratio of 15.8 percent, the district has only 1.3 percent poverty ratio. In Urban areas, the poverty level in the district is 2.9 percent as against the state average of 23.5 percent.

In order to ensure food security to the people below poverty line (BPL) under public distribution system, the State Government directed districts to identify BPL families based on 14 eligibility criteria. The eligibility criteria to qualify as BPL families included inter alia exclusion of income tax payers, government/public sector/private sector employees, professionals, land holders above 3 ha dry land or having irrigated land, two/three/four-wheeler vehicle owners, house-rented income earners and those who have monthly electricity bill above RS.450. Based on these criteria, the district BPL survey identified the total number of BPL families in the district at 116411. The percentage of BPL families eligible for BPL card in the total number of families in the district works out to 46.05 percent (Table 6.8). According to this source of data, Kundapura has the highest percentage of families in the BPL category (59.4 percent), followed by Karkala taluk (48.5 percent). Udupi taluk has the lowest percentage of BPL families (36.6 percent). The incidence of poverty in terms of BPL families is more in rural areas (57.8 percent) than in urban areas (18.3 percent). This is also reflected in the low percentage of BPL families in Udupi taluk where urban population is the highest.

Table 6.9 shows different categories of BPL cardholders in different taluks. Anthodia Anna Yojana (AAY) covers

Table: 6.8
Taluk-wise BPL Families in the District

Taluk (Number)	BPL Families (Number)	Total Families	Percentage
Karkala	23110	47688	48.46
Kundapura	47290	79573	59.43
Udupi	46011	125817	36.57
District	116411	253078	46

Table 6.9
BPL Card Holders in Udupi District: 2011-12
(Number)

Taluk	Anthyodaya	Akshaya with cylinder	Akshaya without cylinder	Total	BPL card holders as % of BPL families
Karkala	4200	1289	16876	23365	97
Kundapura	6845	5647	33911	46403	94.08
Udupi	6461	6087	32115	44663	95.64
District	**17506**	**13023**	**82902**	**113431**	**95.25**

Source: Food and Civil Supplies Department, ZP, Udupi. Note: the percentage of BPL cardholders is based on the estimated households and not census data and hence there is a light discrepancy in the percentage estimates.

poorest of poor and considered those who are not able to afford two square meals per day. They are the poorest segment of the BPL population and mainly included landless agricultural laborers, households headed by widows, terminally ill persons, family affected by HIV and elderly persons with no specific income. In Udupi district they are found to be 17506 households, which constitute 6.9 percent of the total families and 15 percent of total BPL families in the district.

As a poverty alleviation program, the Parliament has passed the National Rural Employment Guarantee Act in August, 2005 to provide 100 days guaranteed wage employment per year to every rural poor household[17]. The Act is now known as Mahatma Gandhi Rural Employment Guarantee Act (MGREGA). The object of the Act is to enhance livelihood security in rural areas by providing employment entitlement at least 100 days every year to one adult member of a household at a minimum wage. If the work is not provided, within 15 days of the demand for work by the applicant, then unemployment allowance has to be paid. The rate of unemployment allowance is 25 percent of the minimum wage for the first 30 days and 50 percent for the remaining period. The MGNREGA program is a demand driven one and implemented as a centrally sponsored scheme on cost sharing basis between the centre and the state. With the guaranteed work and assured income, starvation deaths, malnutrition and related sufferings can be avoided.

In Udupi district, the MGNREGA program came into effect in April, 2008,

[17]The rural poor include those unemployed who are willing to work at a low level of productivity and wages. They have no or low assets, no skill, poor risk bearing capacity, and poor credit worthiness, and labor as only asset.

when it was extended to all districts in the country. In the first two years of implementation, the progress achieved under the program was negligible as the GPs who were to implement the program were not prepared for implementing such a scheme. During 2010-11, the District has generated 157600 man-days work program under MGNREGA; out of which 105100 man-days employment benefited women and the balance 52500 man-days employment availed by men. In other words women were the main beneficiaries under the MGNREGA program. However, it is disquieting to note that while the number of job cards issued was 33989, only 6482 persons availed the work and even those availed, only 55 benefitted from the mandated 100 days employment. This clearly shows that while 33989 households sought employment, the GPs could provide employment only to 21 percent of the households despite availability of funds. The average man-days employment provided works out to only 24 as against the mandated 100 days.

The district continues to lag in providing employment under MGNREGA to all those who sought employment. This is reflected in data on implementation of MGNREGA program during 2011-12 given in Table 6.10. The District has spent Rs.1755.54 lakh for 149000 man-days guaranteed wage employment under MGNREGA program during 2011-12. Women have benefitted from 102000 man-days employment and men, 47000 man-days employment. As against 33989 job cards issued in 2010-11, the number of job cards issued during 2011-12 was 35047, accounting for an increase of 3 percent. However, only 4714 out of 35047 have got employment under the program. Nearly 87 percent of the households who sought jobs under the program have not got jobs. The number of beneficiaries during 2011-12 is also lower by 27 percent compared to previous year. The average man days



Horticulture work through MGNREG Scheme

Table 6.10
Udupi District: Implementation of MGNREGA Program during 2011-12

Taluk	Work Program (Man-days)	Job Cards Issued (Number)	Households demanded (Number)	Persons/ employment Households worked (Number)	Families availed 100 days employment (Number)
Karkala	56000	8929	1680	1680	14
Kundapura	75000	15731	2081	2073	112
Udupi	18000	10387	969	961	8
District	**149000**	**35047**	**4730**	**4714**	**134**

Source: DSO, ZP, Udupi

employed is 32, which is slightly higher than last year average (24). The number of households availed mandated 100 days work during the year was 134.The contribution of the program for capital formation in rural areas was found negligible.

Taluk-wise comparison of implementation of MGNREGA program shows that Udupi taluk has worse performance compared to other two taluks. In Karkala Taluk, as against 8929 households issued job cards, 1680 (18.8 percent) have been given jobs. The average man-days worked by them were 33. Out of 1680 given jobs, only 14 have benefitted from mandated 100 days wage employment. In the case of Kundapura, as against 15731 households sought employment, 2073 were offered work under the program. While the average number days employed works out to 36 days, 112 households benefitted from stipulated 100 days work. As against this, in Udupi taluk, out of 10387 registered households for jobs, only 961 households worked under the program on an average 19 days. Only 8 persons worked for mandated 100 days. It is interesting to note that in Karkala and Udupi taluks, majority of those worked under the program were women while in Kundapura, 59 percent are men and 41 percent were women.

The reason for poor performance in implementation of MGNREGA program in the district is mainly due to the prevailing labor market condition. With the acute shortage of labor in rural areas and resultant high wage rate in the district, there is no demand for work at minimum wage rate. As against the prevailing daily market wage rate ranging between Rs.250 to Rs.400, the minimum wage rate under the MGNREGA was Rs.100 per day[18]. The program does not take into consideration diversity of labor market conditions prevailing in different districts. The statutory minimum wage rate does not recognize the inter-district variations in wage rates. Moreover, the delays in provision of work to those who registered, delay in wage payments and bureaucratic hassle also resulted in MGNREGA scheme not performing well. In general, the MGNREGA program has not made any significant impact on poverty reduction, empowerment of women and improvement in livelihoods of rural people. It has however benefitted rural poor indirectly by resulting increase in rural wage rate.

6.5. Landless Households

The land is the main income generating asset in rural areas. Poverty is also closely related to ownership of assets. According to NCAER rural household survey, the incidence of poverty was 68 percent among landless households. In Udupi district, 72 percent of the population lives in rural areas. Hence, the poverty in the district is primarily a

[18]Now the wage rate under MGNREGA is revised to Rs.175.

Table 6.11
Land Holding Ownership Pattern in Udupi District

Size of Land Holding (ha)	SC		ST		Others		Total	
	Number	Area (ha)	Number	Area (ha)	Number	Area (Ha)	Number	Area (ha)
Below 1	4500	1490	4662	1934	149271	48029	158750	51551
2-Jan	506	670	1193	1634	23528	32451	25316	34886
2 – 4	70	173	322	837	11414	30637	11856	31783
4 – 10	5	29	86	449	3972	22163	4113	22952
10 and above	0	0	3	39	410	6859	450	8445
Total	**5081**	**2363**	**6266**	**4894**	**188595**	**140140**	**200485**	**149617**

Source: Agricultural Census 2010-11

rural phenomenon and related to ownership of land. The land holding distribution pattern in different social groups in the district is given in Table 6.11. The pattern of landholding distribution is more or less similar in all taluks. The analysis of data in the table clearly shows that nearly 79 percent of farmers in the district are marginal farmers cultivating land holding below one hectare. The average size of land holdings of the marginal farmers is 0.32 ha. The small farmers with land holding of 1 to 2 ha constitute 13 percent of farming community. The resource poor small and marginal farmers together form 92 percent of farming community. Their average size of land holding works out to 0.47 ha. SC/ST land holders constitute 6 percent of the farming community. 99 percent of SC and 93 percent of ST farmers are marginal and small farmers. With the present mono-cropping pattern and cropping intensity, these farmers would not be in a position to earn a net income of even US$1.25 per day, which is the World Bank's indicator of poverty

Table 6.12
Landless Households in Udupi District

Taluk	Total Labour Household (Number)	Landless Households (Number)	Landless Households (Percent)
Karkala	47688	19814	41.55
Kundapura	79573	27850	35
Udupi	125817	49396	39.26
District	**177529**	**67922**	**38.26**

line for classifying the poorest of the poor in the world.

No reliable data is available on landless labor households. Based on the census data on household, total workforce and number of cultivators, an attempt is made to estimate the number of households without land. Table 6.12 sets out taluk-wise data on the landless households. It should be noted that the percentage of landless households includes not merely assetless agricultural laborers but also other categories of workers. Hence they all cannot be considered resource poor families. In rural areas, most of the landless households belong to agricultural laborers and include SCs and STs. For the landless people, the labor is only their asset and wage employment is the only source of survival. Agricultural laborers constitute 12 percent of the total workers and the bulk of the rural poor. With the declining trend in the number of cultivators and the area under cultivation, the opportunity for agricultural laborers is slowing down which adversely affecting their livelihood. Similarly, out of 11716 SC households in rural areas, SC cultivators are 5081. Nearly 6635 SC households are landless. Their percentage works out to 56.6 percent. In the case of STs, out of estimated 8699 households, 6266 households are cultivators and 3160 are landless. The percentage of ST landless households works out to 36.3 percent. It may be noted that among STs, Marathi Nayaks and Malekudiyas are mostly farming community. The landless households in STs mainly belong to Koraga community who are the poorest of the poor in Udupi district.

With the declining trend in the number of cultivators and the area under cultivation, the opportunity for agricultural laborers is slowing down which adversely affecting their livelihood.

The decadal growth rate in population works out to 5.85 percent (0.58 percent per annum), which is one of the lowest in the Karnataka state.

6.6. Employment and Unemployment

Employment is the cornerstone of economic and social development. Growth has meaning only if it is translated into gainful job opportunities for the people to improve their livelihood. Since employment is the means to secure livelihood entitlement, it is a crucial link between the growth and human development. Besides its critical importance for individual well-being, it is the heart of many broader social objectives, such as poverty reduction, productivity growth, social cohesion and inclusive development. For growth to be broad-based and inclusive, it must create adequate livelihood opportunities through quality employment commensurate with the expectations of a growing work force. Employment is thus transformational – economy grows as people get productive and quality employment opportunities and work their way out of poverty and hardship through better livelihoods not only for themselves but also for future generation. As labor is the main asset for a majority of the people, unless growth is employment oriented, it will not contribute to human well being. Achieving high rate of growth along

with commensurate generation of productive and quality employment opportunities for rising labor force is therefore considered as a major challenge for the Government.

The total population of Udupi district has increased from 11.12 lakh in 2001 to 11.77 lakhs in 2011 (Table 2.4 in Chapter 2). During the decade (2001-11), the district's population increased by only 65118. The decadal growth rate in population works out to 5.85 percent (0.58 percent per annum), which is one of the lowest in the Karnataka state. This is mainly due to the high out-migration of young people. There was a decline in population living in rural areas from 905890 to 843300; accounting for 7 percent decline in the decade (Table 2.5). The proportion of rural population in total population declined from 82 percent in 2001 to 72 percent. As against this, the urban population in the district increased from 206353 to 334061; accounting an increase of 61.89, which is the highest decadal growth in urban population in the state. The proportion of the urban population in the total population increased from 18 percent to 28 percent. During the decade 1991-2001, there was a increase in the share of rural population from 78 percent to 82 percent. This trend has been reversed during the decade 2001-11. It is gratifying to note that contrary to past trend of migration to outside district, the migration during the decade from rural areas to urban areas apparently took place more within the district rather than outside district.

Taluk-wise comparison, however shows that the trend towards urbanization has taken place more in Udupi taluk than in other two taluks. In Udupi taluk, the rural population declined by 80 percent, while the urban population has increased by 71 percent. Consequently, the proportion of rural population in total population declined from 71 percent in 2001 to 54 percent in 2011. The share of urban population has, on the other hand, gone up from 29 percent to 46 percent. As against this trend, in other two taluks, there was a marginal increase in the rural population; 2.6 percent in Kundapura and 1.6 percent in Karkala. The urban population, on the other hand has increased by 30 percent in Karkala and 42 percent in Kundapura. The share of urban population has gone up from 7.6 percent to 10 percent in Kundapura and 12 percent to 15 percent in Karkala.

Though there was no significant change in the composition of men and women in the total population in both rural and urban areas, there is a wide variation in growth rates of men and women population. At district level, the decadal growth rate of male population was 7.64 percent whereas in the case of women, it was 4.27 percent. In rural areas, there was a decline in growth of both male and female population. The decadal decline was 5.3 percent in male population and 8.2 percent in female population. In urban areas, both male and female population has increased by more than 60 percent. At taluk level, the major increase in both male and

Table 6.13
Growth of Work force in Udupi District

		2001		2011		Decadal Growth Rate
		Number	Percent	Number	Percent	Percent
Udupi District	Male	287951	58.99	335399	65.35	16.48
	Female	200222	41.01	177842	34.65	-11.18
	Total	**488173**	**100**	**513241**	**100**	**5.13**
Karnataka State	Male	15235355	64.74	18270116	65.55	19.92
	Female	8299436	35.26	9602481	34.45	15.7
	Total	**2.4E+07**	**100**	**2.8E+07**	**100**	**18.43**

Source: Census- 2001and 2011

Chart 6.5
Change in the Composition of Work force in Udupi District and State



female population took place in urban areas in Udupi taluk. The male population has increased by 71 percent and female population increased by 70 percent during the last decade in Udupi taluk. Contrary to this trend, in rural areas, the male population has declined by 19 percent and female population by 21 percent. In Kundapura, both male and female population increased by about 42 percent in urban areas, and increase in rural areas was 4 percent in the case of male population and 0.9 percent in the case of women. In Karkala, while there was a decline of 0.7 percent in rural male population and an increase of 4 percent in rural female population, there was an increase of 35

[19]Since, district-wise National Sample Survey data are not available, Census Data of 1991 and 2001 are used.

percent in urban male population and 25 percent in urban female population.

The dynamics of demographic profile of the district as shown above have more or less determined the composition, work participation and the pattern of employment in the district. Table 6.13 sets out the growth in the workforce in Udupi district during the decade 2001-11. At the outset, it should be noted that the distinction between the concept "work force" and the "labor force". The labor force includes all people in the age group of 16 to 60 years, who are working and those seeking or available for work. The workforce, on the other hand, includes only people who actually participate in work. It refers to only those who are fully or partially employed and does not include unemployed As shown in the table, the total workforce in the district has increased from 4.88 lakh in 2001 to 5.13 lakh in 2011[1]. The decadal increase in employment works out to 5.1 percent. There was a decline in the growth rate of employment from 1.6 percent per annum during 1991-2001 to 0.5 percent per annum during 2001-11. It is also significantly lower than the state average of 1.8 percent per annum. Udupi district has the lowest growth rate of employment in the state. This is

Table 6.14
Growth of Rural and Urban Work force in Udupi District

Taluk		2001		2011		Decadal Growth (Percent)	
		Rural	Urban	Rural	Urban	Rural	Urban
Karkala	Male	47328	6908	53350	9055	12.72	31.08
	Female	42926	2929	38195	4591	-11.02	56.74
	Total	90254	9837	91545	13646	1.87	38.72
Kundapura	Male	85473	7561	99212	11631	16.07	53.83
	Female	61916	2506	50868	4068	-17.84	62.33
	Total	147389	10067	150080	15699	1.83	55.94
Udupi	Male	99537	41144	86905	75246	-12.69	82.88
	Female	71454	18491	47945	32175	-32.9	74
	Total	170991	59635	134850	107421	-21.14	80.13
District	**Male**	**232338**	**55613**	**239467**	**95932**	**3.07**	**72.5**
	Female	**176296**	**23926**	**137008**	**40834**	**-22.29**	**70.66**
	Total	**408634**	**79539**	**376475**	**136766**	**-7.87**	**71.95**
State	Male	10254252	4981103	11311426	6958690	10.31	39.7
	Female	6873551	1425885	7190804	2411677	4.62	69.14
	Total	17127803	6406988	18502230	9370367	8.02	46.25

Source: Census-2001 and 2011

a matter of serious concern. The composition of the workforce in the table shows that while the proportion of male workers in total work force increased from 59 percent in 2001 to 65 percent in 2011, there is a a significant decline in the share of female workers from 41 percent to 35 percent during this period. In the state as whole, no such change in the gender composition of employment has taken place. In the past, the district had higher percentage of female workforce than the state average, but not now. It is now almost reduced to almost equivalent to the level (34.6 percent). It is also important to note that while the employment of male workers increased at an annual growth rate of 1.6 percent, among the female, it declined at 1.1 percent per annum. Contrary to this at the state level, the employment of both male and female workers increased at 2 percent and 1.6 percent per annum respectively.

The analysis of the data on growth rate of workforce in rural and urban areas in Table 6.14 clearly demonstrates that the employment of women in rural areas has declined significantly during 2001-11. As against decline of 8 percent among male workers, the decline among female workers in rural areas was 22 percent. The urban areas, on the other hand, witnessed significant increase in work force both male and female workers. While the male workforce increased by 72.5 percent, the female workers increased by 70.7 percent. The inter-taluk comparison shows that in rural areas, the decadal decline of female workers in Udupi taluk was 33 percent and in Karkala and Kundapura, the decline was 11 and 18 respectively. In the case of male employment in rural areas, except Udupi, other two taluks have witnessed increase. In Kundapura taluk, male work force has gone up 16 percent and in Karkala, it is 13 percent. Udupi taluk, on the other hand witnessed a decadal decline of 13 percent.

As against the decline in the workforce in rural areas, in urban areas, the employment of both male and female workers increased significantly in all taluks. Surprisingly, the increase is more among female workforce. The highest growth in employment of both male and female workers took place in Udupi taluk. The decadal growth of employment in Udupi taluk was 83 percent among male workers and 74 percent among female workers. In Kundapura taluk, it was 54 percent for male and 62 percent for female. Karkala has witnessed comparatively lower growth rate of 31 percent among male workers and 57 percent among female workers. This clearly shows the downward trend of the rural employment and upward moving trend of urban employment in Udupi district..

Unemployment occurs when people who are available for and seeking work but have not been able to find suitable gainful employment. It is usually estimated as the difference between the labor force in the productive age group of above 14 years and below 60 years excluding those studying and the workforce actually engaged in

Table 6.15
Taluk-wise composition of Non-workers
(Number)

Taluk	Gender	2001			2011			Growth
		Rural	Urban	Total	Rural	Urban	Total	(%)
Karkala	Male	36741	5778	42519	3433	16855	41186	-3.14
	Female	53487	9501	62988	57534	12180	69714	10.68
	Total	90228	15279	105507	91865	19035	110900	5.11
Kundapura	Male	75063	6358	81421	68647	8096	76743	-5.75
	Female	126377	12166	138543	139071	16878	155949	12.56
	Total	201440	18524	219964	207718	24974	232692	5.79
Udupi	Male	76914	33426	110340	108803	52401	108803	-1.39
	Female	128674	59585	188259	211725	100885	211725	12.46
	Total	205588	93011	298599	320528	153286	320528	7.34
District	**Male**	**188718**	**45562**	**234280**	**159380**	**67352**	**226732**	**-3.22**
	Female	**308538**	**81252**	**389790**	**307445**	**129943**	**437388**	**12.21**
	Total	**497256**	**126814**	**624070**	**466825**	**197295**	**664120**	**6.42**
State (000)	Male	7395	4269	11664	7618	5079	12697	8.86
	Female	10366	7286	17652	11349	9177	20526	16.28
	Total	17761	11555	29316	18967	14256	33223	13.33

Source: Census: 2001 and 2011

employment. The unemployment rate is the percentage of persons not having work or unemployed in the total labor force. National Sample Survey, the only source of unemployment data, does not provide district-wise data. In the absence of these data, it is very difficult to determine the extent of unemployment prevailing in rural and urban areas in the district. The Census 2011 provides data on non-workers. It includes children, students and retired aged people, who cannot be considered as unemployed. In absence of data on age-wise distribution of the population, at present, it is also not possible to determine the non-workers in the age group of 16 to 60 years. However, since the data show the magnitude of dependent and unemployed people, in order to study the trend in the rural and urban and gender-wise dimension of unemployment, the data can be considered as proxy to unemployed with required caveat.

Table 6.15 contains taluk-wise rural-urban gender-wise data on composition of non-workers. From the table, it may be seen that in the district as a whole, the total number of non-workers increased from 6.24 lakh in 2001 to 6.64 lakh in 2011, accounting

an increase of 6.4 percent during the decade. The decadal growth in non-workers is slightly lower than the decadal growth in population (5.1 percent). It is also 52 percent lower than state average 13 percent. However, the gender composition of non-workers shows that while there was a decline of 3 percent in male non-workers, the female non-workers increased by 12.2 percent. While in rural areas, there is a decline of 15 percent among male non-workers and only a marginal decline (0.4 percent) among female non-workers, there is a significant increase in both male and female non-workers in urban areas. The urban male non-workers increased by 48 percent and the urban female non-workers by 60 percent. The comparative increase at the state level is 19 percent among male non-workers and 26 percent among female non-workers. This clearly demonstrates that unemployment problem in the district is more a phenomenon of urban areas than rural areas and also more among urban women and worse than the state level. The taluk-wise analysis of the data shows wide differences in the growth of male and female non-workers in rural and urban areas. The total number of the male non-workers declined in Karkala taluk by 3 percent, in Kundapura by 6 percent and in Udupi taluk by 1percent. As against this decline of male non-workers, the female non-workers witnessed an increase of 11 percent in Karkala, 13 percent in Kundapura and 12 percent in Udupi taluks. The rural-urban composition shows that while in Karkala and Kundapura taluks, the male non-workers declined by 6 percent and 8 percent respectively, in Udupi taluk, their number increased by 41 percent. In the case of female non-workers, in Karkala taluk, it increased by 8 percent and in Kundapura, by 10 percent. Udupi taluk has recorded an increase of 64 percent. The pattern of change in urban areas in different taluks is quite different from what is observed in rural areas. There is a significant increase in both male and female non-workers in all taluks. The increase is more among female non-workers than male non-workers in all three taluks. Udupi taluk witnessed the highest increase in both male (58 percent) and female non-workers (69 percent).

The problem of unemployment in rural areas is also mainly in the nature of underemployment. Underemployment refers to a situation in which a person is not fully employed in a productive venture. It is structural in nature and manifested in seasonality of production in agriculture and resultant underutilization of labor. Small and marginal cultivators and agricultural laborers are mostly under-employed in rural areas. Depending on the availability of land, cropping intensity and diversification, they can be divided into severely underemployed or moderately underemployed. Since the majority of the farmers are small and marginal farmers growing only khariff paddy, they come under the severely underemployed category. The magnitude of underemployment in the district is reflected in the number of marginal workers, which is discussed separately in the subsequent section.

Table 6.16
Composition of workers and their Growth

Gender		2001			2011			Growth rate (Percent)		
		Main	Marl.	Total	Main	Margl.	Total	Main	Margl.	Total
District	Male	263235	24716	287951	309998	25401	335399	17.76	2.77	16.48
	Female	154052	46170	200222	149448	28394	177842	-2.99	-38.5	-11.18
	Total	417287	70886	488173	459446	53795	513241	10.1	-24.11	5.13
State	Male	13897	1338	15236	16350	1920	18270	17.65	43.5	19.910
	Female	5468	2832	8299	7047	2555	9602	28.88	-10.84	15.7
	Total	19365	4170	23535	23397	4475	27872	20.82	7.31	18.43

Source: Census: 2001 and 2011- Margl. = marginal

In the case of urban areas, since urban workforce is mostly engaged in self-employment or regular wage earning, the problem of underemployment is not a serious issue.

6.7 Main and Marginal Workers

As per the Census Data, the workers were classified as the main workers, who are engaged on full time basis and marginal workers, who are part-time workers. Table 6.16 sets out the comparative data on the composition of workforce in the district and the state. The analysis of the data in the table reveals that during the decade 2001-11, a significant change took place in composition of the workforce. In 1991, the district had 96 percent main workers and only 4 percent marginal workers. In 2001, the share of the main workers reduced to 85 percent and the marginal workers increased to 15 percent. This trend was reversed for better during 2001-11. The share of main workers increased to 90 percent and the marginal workers declined to 10 percent. The growth of total workforce in the district took place mostly in the increase in the main workers. The decadal growth rate among the main workers was 10 percent while there was a decline of 24 percent among marginal workers. The comparative data at the state level shows that there was only marginal increase from 82 percent to 84 percent among the main workers and the marginal workers declined from 18 percent to 16 percent. However, it is important to note that the decadal growth of main workers in the district (10 percent) is significantly lower than the state average (29 percent).

The gender composition of the workforce shows that while the share of male workers among main workers increased from 63 percent in 2001 to 67 percent in 20011, the share of women workers in the main workers declined from 37 percent to 32 percent during the decade. In the case of marginal workers, on the other hand, the share of the male workers increased from 35 percent in 2001 to 47 percent in 2011,

The gender composition of the workforce shows that while the share of male workers among main workers increased from 63 percent in 2001 to 67 percent in 20011, the share of women workers in the main workers declined from 37 percent to 32 percent during the decade.

Table 6.17
Taluk-wise Composition of Workforce: 2001 and 2011
(Number)

Taluk/ District		Main Workers			Marginal Workers			TotalWorkers		
		2001	2011	%	2001	2011	%	2001	2011	%
Karkala	Male	50353	59132	17.4	3883	3273	-15.7	54236	62405	15.1
	Female	38559	38891	0.9	7296	3895	-46.6	45855	42786	-6.7
	Total	88912	98023	10.2	11179	7168	-35.9	100091	105191	5.1
Kundapura	Male	82414	100137	21.5	10620	10706	0.8	93034	110843	19.1
	Female	41412	39974	-3.5	23010	14962	-35	64422	54936	-14.7
	Total	123836	140111	13.1	33630	25668	-23.7	157456	165779	5.3
Udupi	Male	130468	150729	15.5	10213	11422	11.8	140681	162151	15.3
	Female	74081	70583	-4.7	15864	9537	-39.9	89945	80120	-10.9
	Total	204549	221312	8.2	26077	20959	-19.6	230626	242271	5
District	**Male**	**263235**	**309998**	**17.8**	**24716**	**25401**	**2.8**	**287951**	**335399**	**16.5**
	Female	**154052**	**149448**	**-3**	**46170**	**28394**	**-38.5**	**200222**	**177842**	**-11.2**
	Total	**417287**	**459446**	**10.1**	**70886**	**53795**	**-24.1**	**488173**	**513241**	**5.1**

Source: Census: 2001 and 2011.

the proportion of female workers declined from 65 percent to 53 percent during this period. The decline in the share of women in both main and marginal workforces was mainly due to decline in the number of women in the total work force. There was a decline of female workers in the main workers category by 3 percent and in marginal category, by 38 percent. As against this, the number of male workers in the main category increased by 18 percent and in marginal category 3 percent. The gender composition of main and marginal workers in the district is more or less on similar pattern as observed in the state level.

Taluk-wise data in Table 6.17 shows almost similar gender composition and trend in growth pattern. All three taluks witnessed significant increase in the number of workers in the main category and significant decline in the marginal workers category. Kundapura has recorded. the highest decadal growth in the main workers (13 percent) followed by Karkala (10 percent). Udupi taluk has the lowest decadal growth of 8 percent. In the category of marginal workers, Karkala has the highest negative growth of 36 percent, followed by Kundapura (24 percent) and Udupi (20 percent). Taluk-wise gender composition shows that the significant growth in main workers was mainly due to significant increase in the male workers in all taluks. In Karkala, their increase was 17 percent, in Kundapura, 21 percent and in Udupi, 15 percent. Contrary to this, the number of female workers in the group of main workers increased only 0.9

Table 6.18
Taluk-wise Rural and Urban Composition of Main and Marginal workers
(Number)

Taluk/ District		Main Workers			Marginal Workers			TotalWorkers		
		2001	2011	%	2001	2011	%	2001	2011	%
Karkala	Rural	79564	85626	7.6	10690	5919	-44.6	90254	91545	1.4
	Urban	9348	12397	32.6	489	1249	155.4	9837	13646	38.7
	Total	88912	98023	10.24	11179	7168	-35.9	100091	105191	5.09
Kundapura	Rural	114368	125702	9.9	33021	24378	-26.2	147389	150080	1.8
	Urban	9458	14409	52.3	609	1290	111.8	10067	15699	55.9
	Total1	23826	140111	13.15	33630	25668	-23.7	157456	165779	5.29
Udupi	Rural	149390	122243	-18.2	21601	12607	-41.6	170991	134850	-21.1
	Urban	55159	99069	79.6	4476	8352	86.6	59635	107421	80.1
	Total	204549	221312	8.19	26077	20959	-19.6	230626	242271	5.05
District	**Rural**	**343322**	**333571**	**-2.8**	**65312**	**42904**	**-34.3**	**408634**	**376475**	**-7.9**
	Urban	**73965**	**125875**	**70.2**	**5574**	**10891**	**95.4**	**79539**	**136766**	**71.9**
	Total	**417287**	**459446**	**10.1**	**70886**	**53795**	**-24.1**	**488173**	**513241**	**5.14**

Source: Census 2001 and 2011. % represents decadal increase.

percent in Karkala and in other two taluks, it declined by 4 percent. In the case of marginal category of workers, while Karkala and Kundapura taluks have witnessed significant decline in both male and female workers, in Udupi taluk, the number of male marginal workers increased by 12 percent and the number of women marginal workers declined by 40 percent.

The rural and urban composition of main and marginal workers is presented in Table 6.18. The analysis of data in the table shows that in all taluks the share of main workers has gone up. In Karkala, it has increased from 89 percent in 2001 to 93 percent in 2011. In Kundapura, it increased from 78 percent to 84 percent and in Udupi, it has gone up from 89 percent to 91 percent. The share of marginal workers accordingly declined in all taluks. This is a good trend as it has positive implications on the earnings and livelihood of the working people. It should be also noted that during the decade significant increase in both main and marginal workers categories took place in urban areas. In rural areas, there was a significant decline in marginal category of workers and marginal increase in Kundapura and Karkala. Udupi taluk has, in fact, recorded 18 percent decline in main workers in rural areas.

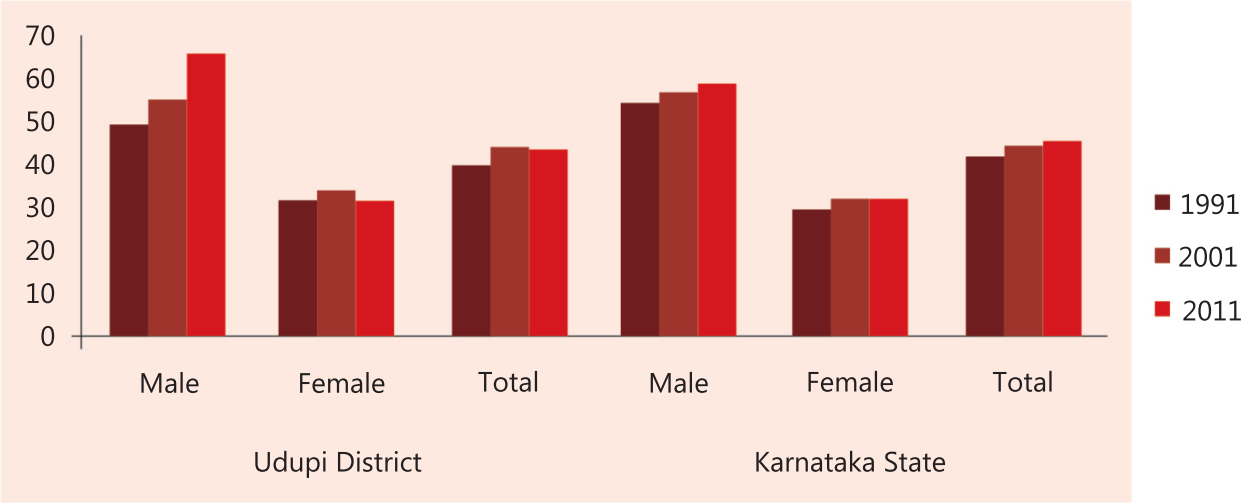
The analysis of data on the employment pattern evidently reveals that men dominate in the main workforce and women in marginal workforce. The employment growth in the district

Table 6.19
Work Participation Rate in Udupi District (Percentage)

District/State	Gender	1991	2001	2011
Udupi District	Male	49.4	55.14	65.84
	Female	31.3	33.94	31.49
	Total	39.8	43.89	43.59
Karnataka State	Male	54.1	56.6	59
	Female	29.4	32	31.87
	Total	42	44.5	45.62

Source: Census: 1991 and 2001.

Chart 6.6
Work Participation Rate in Udupi District (percentage



during the last decade mainly centered around in main workers category and not in the marginal workers category which is a healthy trend. There was a significant increase in the women in the main workers category and decline in the marginal workers category especially in rural areas. This may be due to increasing involvement of rural women in non-farm employment through self-help groups.

6.8 Work Participation Rate

The work participation rate (WPR) is computed as the proportion of total number of workers to the total population[20]. In Table 6.19, the trend in the WPRs for male and female workforce for the district is compared with the state is given. It is worthy to note that in Udupi district, there is a consistent change in the work participation of male and female

[20]The concept of workforce is different from the concept of laborforce. Laborforce include all eligible in the age group of 16 to 60 years. It includes bot actually working and those who seek work. The workforce on the other hand includes only those who actually participate in work.

workers during the last three decades. In the case of male workers, the WPR is increasing while for female workers, the WPR is declining. In 1991, the WPR for male workers was 49 percent, which increased to 55 percent in 2001 and 60 percent in 20011. As against this, the WPR for female workforce, which was 31 percent in 1991, has increased to 34 percent in 2001 and during the decade 2001-11, it declined to 29 percent. The male-female gap in the work participation rate has gone up from 21 percent in 2001 to 31 percent in 2011. The decline in the WPR of female workforce was mainly due to decline in the number of women workers by 11 percent. Contrary to this trend, in the case of the state, during the last two decades, there was a steady increase in the WPR of both male and female workforce. Moreover, though for male workforce, the WPR is comparable to the state average, in the case of women workforce, the WPR is almost 9 percent lower than the state average.

The analysis of the rural and urban work participation rates in Table 6.20 shows that the WPR for both male and female workforce in rural areas is considerably higher than those of the urban areas. Surprisingly, the female WPR in rural areas was significantly higher than the female WPR in urban areas. Incidentally it is important to note that during 2001-11 decade, the WPR of rural male workers increased from 55 percent to 60 percent, while the WPR of female workforce in rural areas declined drastically from 36 percent to 31percent. This decline in the work participation of females in rural areas amounts to 'de-feminization'. At the state level, no such change took place in the work participation rates of both male and female workforce in the rural areas. Compared to this, in urban areas, there was a significant increase in the female work participation at the state level, while in the district; the increase was only marginal; from 22.7 percent to 24 percent. With more urbanization, the work participation of female workforce was expected to increase but surprisingly it has not taken place in the district.

Table 6.20
Rural and Urban Work Participation Rates in Udupi district (Percentage)

District/State	Gender	2001		2011	
		Rural	Urban	Rural	Urban
District	Male	55.18	54.97	60.03	58.75
	Female	36.36	22.75	30.83	23.91
	Total	45.11	38.54	44.64	40.94
State	Male	58.1	53.85	59.76	57.81
	Female	39.87	16.37	38.75	20.81
	Total	49.09	35.67	49.38	39.66

Source: Census: 2001 and 2011

Table 6.21
Taluk-wise Work Participation Rates in Udupi District (Percentage)

Taluk	Gender	2001	2011
Karkala	Male	56.05	60.24
	Female	42.13	38.03
	Total	48.68	48.68
Kundapura	Male	53.33	59.09
	Female	31.74	26.05
	Total	41.72	41.6
Udupi	Male	56.04	59.84
	Female	32.33	27.45
	Total	43.58	43.05
District	**Male**	**55.14**	**59.66**
	Female	**33.94**	**28.91**
	Total	**43.89**	**43.59**

Source: Census 2001 and 2011

The inter-taluk comparison in the WPRs of both male and female workforce is made in Table 6.21. From the analysis of the data, it may be observed that there is no significant inter-taluk variation in the work participation pattern. In all taluks, the WPR of male workers is significantly higher than the WPR of female workers. The WPR of male workers increased during 2001-11 in all taluks. As against this, all taluks witnessed decline in the WPR of women workers. The work participation rates differ widely among male workers and female workers in all taluks. Karkala taluk has the highest WPR for both male and female workers, followed by Udupi taluk. Kundapura has relatively lower WPR for both men and women workers and the gap between the two is also the highest. Karkala taluk has the WPR of 38 percent for women workers as compared to 27 percent in Udupi taluk and 26 percent in Kundapura taluk. What is disheartening is the significant decline in the WPR for women workers in all taluks and the gap between two is widening.

Table 6.22 presents taluk-wise work participation rates of male and female workers in rural and urban areas. The data analysis shows that Kundapura has the lowest work participation rate for women both in the rural and urban areas. The WPRs for women in Kundapura taluk are lower than both the district and the state averages in both rural and urban areas. Karkala taluk has the highest WPRs for both men and women workforce. In rural areas, it has the WPR of 40 percent for women as compared to 27 percent in Kundapura and 30 percent in Udupi

Table 6.22
Taluk-wise Rural and Urban Work Participation Rates:2011
(Percentage)

Taluk/District	Rural			Urban		
	Male	Female	total	Male	female	Total
Karkala	60.85	39.9	49.91	56.91	27.37	41.75
Kundapura	59.1	26.78	41.94	58.96	19.42	38.59
Udupi	60.64	30.19	44.64	58.95	24.18	41.2
District	**60.04**	**30.83**	**44.64**	**58.75**	**23.91**	**40.94**
State	59.76	38.78	49.38	57.81	20.81	39.66

Source: Census 2011

taluk. Thus, the major areas of concern are the continuing inter-taluk wide gaps as well as intra-taluk differences in rural and urban work participation rates for both for men and women in the district.

6.9. Occupation Pattern

The qualitative dimension of the employment has been analyzed in terms of broad employment status of the workforce. The census classified occupation into broadly four categories: cultivators, agricultural laborers, household industry workers and others. Cultivators and agricultural laborers constitute workforce engaged in agriculture and other two categories, primarily are non-agricultural laborers. In Table 6.23, an attempt is made to assess the occupation pattern and the change took place during the decade 2001-11. From the table, it may be seen that the occupation pattern has undergone drastic change in the district during the decade 2001-11. The share of agriculture sector employment in total workforce declined from 38 percent to 25 percent in the district, while the workforce engaged in non-agriculture increased from 62 percent to 75 percent. In the agricultural sector, the number of cultivators declined by 35 percent and agricultural laborers by 28 percent. Contrary to this at the state level, the number of cultivators declined only marginally (4 percent) and the number of agricultural laborers increased by 15 percent. Agriculture in the district now provides employment to 25 percent of the workforce and remaining 75 percent are mainly engaged in non-agricultural activities. As against this, at the state level, agriculture provides employment to 49 percent of the workforce and non-agriculture absorbs 51 percent. The decline in agricultural laborers has adversely affected the availability of labor supply and forced farmers to abandon agriculture in the district. From this it is evidently clear that agriculture in the district is no more the main source of livelihood for the population of the district.

The share of agriculture sector employment in total workforce declined from 38 percent to 25 percent in the district, while the workforce engaged in non-agriculture increased from 62 percent to 75 percent.

Table 6.23
Occupation Pattern of Workers in Udupi District: 2011
(numbers)

	Occupation	2001			2011		
		Male	Female	Total	Male	Female	Total
District	Cultivators	53131	44127	97258	38477	24666	63143
	Agrl. Laborers	37299	50462	87761	31032	32358	63390
	HH industry	9491	52330	61821	5510	5070	10580
	Others	188030	53303	241333	260380	115748	376128
	Total	287951	200222	488173	335399	177842	513241
State	Cultivators	4832840	2051016	6883856	4753708	1826941	6580649
	Agrl. Laborers	2620927	3605835	6226762	3283279	3872684	7155963
	HH industry	405091	554574	959665	438983	474244	913227
	Others	7376497	2087831	9464328	9794146	34286121	3222758
	Total	15235355	8299436	23534791	18270116	9602481	27872597

Source: Census 2001 and 2011

Udupi has the highest percentage of women cultivators. Compared with the state average of 28 percent, nearly 39 percent of the cultivators in Udupi district are women. Women also dominate in agricultural labor. They constitute 51 percent of the total agricultural laborers. However, during the last decade (2001-11), the district witnessed a drastic decline in the number of women cultivators by 44 percent. As a result of this decline, their share in the cultivator's paternity declined from 45 percent in 2001 to 39 percent in 2011. The women in rural areas were also marginalized as there was a decline of 36 percent in their participation in the agricultural labor. Even in the case of men, the number of cultivators declined by 28 percent and their participation in agricultural labor by 17 percent. All these have adverse implications on agricultural development in the district.

Another major area of concern is the drastic decline in the employment of women in the household industries. In the household industries, there was a decline of 83 percent in the workforce employed in the district, while at the state level, the decline was only marginal (5 percent). In 2001, the household industries absorbed 52330 women, which declined to 5070 in 2011, accounting a decline of 90 percent. With the increasing number of self-help groups of women, the employment of women in household industries is expected to increase. It is,

therefore very difficult to explain the drastic decline in women employment in household industries. Incidentally, it is worthy to note that the women employment has gone up considerably in other non-agricultural activities. As against 38 percent increase in men employment, the employment of women has more than doubled in these activities. It is also important to note that in the other non-agricultural activities, which include industry and service sector activities, the district witnessed a significant increase of 56 percent in the workforce employed as compared to 40 percent increase at the state level. In the context of economic growth, the pattern of employment is naturally expected to structurally shift in favor of secondary and tertiary sectors and decelerate in the agricultural sector.

Though the district witnessed structural shift in employment in favor of industries and tertiary sectors, the employment in organized (registered) small, medium and large industries is only 64634, which constitutes 17 percent of total employed in 'other non-agricultural activities. The main employment generating industries are cashew nut factories, textiles, mechanical engineering, electric and electronics, food processing, automobile workshops, printing, ceramics and rubber and plastics. The closure of sugar factory and near collapse of traditional industries such as tiles and beedi adversely affected the employment in the secondary sector. The employment in tertiary sector are mainly in financial institutions, wholesale and retail trade, restaurants, transport and communication, education, health services and public administration. The scope for employment in tertiary activities is also increasing in rural areas with more urbanization trends.

The taluk-wise occupation pattern is analyzed for the year 2011 in Table 6.24.

Box 6.7: Problem of Migrant Workers

Udupi district has growing migrant working force. With the acute shortage of unskilled labor due to growing out-migration of local young people, the lowest population growth of 0.58 percent per annum, significant decline in the working force in rural areas and rapid urbanization, the increasing flow of migrant population from outside is an inevitable process and required for the economic development of the district. Mostly, they migrate from Bijapur, Bidar, Gulberga, Bagalkot, Rayachur and Koppala districts of North Karnataka and Tamilnadu. They are illiterates or semi-literates belonging to poor SC/ST and OBC communities. Occupation-wise, they can be categorized into three groups: (i) permanently settled more than five years, (ii) Seasonal migrants, who return back when agricultural season starts, and (iii) Contract laborers moving fom one place to others. They are mainly engaged in building construction, road works, mining, small industries, agriculture, hotels etc as casual or contract workers without job security and terminal benefits. Women are mainly engaged in construction and household works. Their average family income is below Rs. 10000 per month. They stay in slums in the outskirts of Udupi city and Kundapura and Karkala towns without any basic amenities. They are also deprived of BPL entitlement benefits as they have no permanr residency. They live in a pathetic condition and their livelihood problems are matter of serious concern fro the human development perspective.

Table 6.24
Taluk-wise Occupation Pattern
(Number)

Taluk/ District		Cultivators	Agricultural Laborers	household Activity	Engaged in other Activity	total Worker
Karkala	Male	9493	5773	1090	46049	62405
	Female	5945	3796	776	32269	42786
	Total	15438	9569	1866	78318	105191
Kundapura	Male	15743	13966	1476	79658	110843
	Female	10494	17076	1132	26234	54936
	Total	26237	31042	2608	105892	165779
Udupi	Male	13241	11293	2944	134673	162151
	Female	8227	11486	3162	57245	80120
	Total	21468	22779	6106	191918	242271
District	**Male**	**38477**	**31032**	**5510**	**260380**	**335399**
	Female	**24666**	**32358**	**5070**	**115748**	**177842**
	Total	**63143**	**63390**	**10580**	**376128**	**513241**

Source: Census: 2011

Though broadly the occupation pattern is same in all taluks, in terms of relative composition, there exists inter-taluk variations. For example, agriculture (cultivators and agricultural laborers) provides employment to the extent of 36 percent of workforce, while in Karkala, it provides 24 percent and in Udupi taluk, only 18 percent. In the case of household industries, the inter taluk variation is only marginal. The employment in other non-agricultural enterprises, Udupi taluk has the highest percentage (79 percent) followed by Karkala (74 percent) and Kundapura has the lowest (64 percent). There also exists inter-taluk variation in gender composition in the occupation pattern. In the case of cultivators, in Kundapura taluk has the highest percentage of women cultivators (40 percent), and other two taluks had relatively lower percentage of women cultivators (38 percent). Among agricultural laborers, Kundapura has the highest percentage of women, followed by Udupi (50 percent) and Karakala has the lowest (39 percent). As regards non-agricultural laborers, Karkala has the highest women work participation (41 percent than other two taluks (33 percent). Udupi taluk witnessed highest percentage decline among cultivators and agricultural laborers during the decade 2001-11. While as against about 148 percent increase in the employment in the non-agricultural category in Karkala and Kundapura taluks, Udupi taluk witnessed only 84 percent increase.

6.10 Child Labour

A healthy child is an asset of the nation as today's children are the future citizens of the country. The UN

Box 6.8 : Employment Scenario in Udupi District : Major Highlights	
Achievements	**Areas of Concern**
Population growth rate of 0.5 percent per annum lowest in the state due to high migration.	Employment growth 0.5 percent per annum as against the state average of 1.8 percent
mployment increased in secondary and tertiary sectors at annual growth of 5.6 percent.	Negative growth in agriculture employment at an annual rate of 3.2 percent.
Significant increase in male work participation rate and among main workers	Significant decline in women work participation rate and among main workers.
Udupi has the highest percentage of women cultivators in the state.	District witnessed significant decline in self-employed cultivators and agricultural laborers
Employment of women workers more than doubled in non-agricultural activities during the decade.	Employment of women workforce in household industries declined.
Work participation of SC/ST workers is higher than other category workers.	Problem of underemployment is mainly a rural phenomenon and mainly among marginalized community
Decline in number of non-workers among male population	Decline in number of non-workers among male population

Convention on Rights of the Child has therefore set universal legal standards for protecting children against neglect, abuse and exploitation and guaranteeing basic human rights ranging from survival to development and full participation in social, cultural, educational and other process necessary for growth and well-being. International Labor Organization (ILO) defines child labor as any work by a child under age 12 or, for a child above age 12, any work that impedes education or is damaging to health and personal development. As per the ILO estimate, world-wide, 306 million children were at work in 2008. Of these, 215 million were engaged in activities that constituted child labor and 115 million were involved in hazardous work (ILO, 2010). The Constitution of India bans employment of children below 14 years. The Child Labour Control and Prohibition Act 1986 also prohibit child labour below 14 years. In reality, however, the child labor, in one or other forms, is continuing to be a problem in India.

Child labor affects schooling, health, behavior and personal development. Children are forced to work for diverse and complex reasons. They range from household poverty, illiteracy, compulsion of traditional community occupatio pratices, the preferences of families or parental compulsion and influence of urbanization. All child work is, however, not child labor. For example, agricultural activities and household enterprises usually generate more demand for family labor which often includes child labor. They not only contribute to the acquisition of skills

but also do not come in the way of schooling. The children can participate in these activities along with family members at their leisure and attend schools also. According to ILO, prohibited child labor includes hazardous work or worse form of labor, which include any work that jeopardizes the health, schooling, safety, morals of a child or all forms of slavery, bondage, military conscription, trafficking, or other illicit activities.

With the objective of making the state child labor-free, the State Government initiated number of pro-child development programs besides strict enforcement of laws. The programs include awareness campaign, rehabilitation of affected children, compulsory and universal primary education, setting up special schools, mid-day meal, financial help for the affected families etc. In Udupi district, a Spoorthydhama residential school for exclusively rehabilitated children from child labor was set up in Belur village, Kundapura taluk in 2012. There are at present 10 rehabilitated child laborers are trained in the school. The Government has also recently set up a Child Labor Law Board and Child Labor Planning Committee to ensure strict enforcement of law on expeditious basis and rehabilitation of children affected.

No reliable statistics are available on child labor in Udupi district. The district is considered as one having the lowest number of child labor. With the one or two child norm family and universal access to primary and secondary education, Udupi may not have a menace of child labor. However, with increasing migrant population and acute shortage of labour, the child labor particularly in unorganized sector in urban areas is becoming an emerging problem in the district.

6.11 Radar Analysis for Living Standard

In order to graphically portray the status of standard of living in different taluks, the radar analysis is carried out by using basic six livelihood indicators viz. Ratio of average prevailing agricultural wage rate to the state prescribed minimum wage rate, Percentage of agricultural laborers to total workers, Percentage of households dependent on traditional fuel type, Percentage of households having Pucca houses, Percentage of BPL households and Percentage of households having electricity connection. In the case of agricultural labourers, traditional fuel and BPL households, higher the percentage, lower the development and vice versa. They have negative influence on development. Other indicators are positive in nature. Higher percentage indicates higher development. The actual values of the respective indicators and indices based on 10-point scale of these indicators are set out in Table 6.25. Based on the indices of six livelihood indicators, radar graphs are drawn for each taluk separately and two for all taluks taken together in the district to give a graphical comparative position on status of living standard. The inter-taluk radar charts evidently show that the standard of living status in Udupi taluk is comparatively better than other two taluks. Among other two, Karkala is

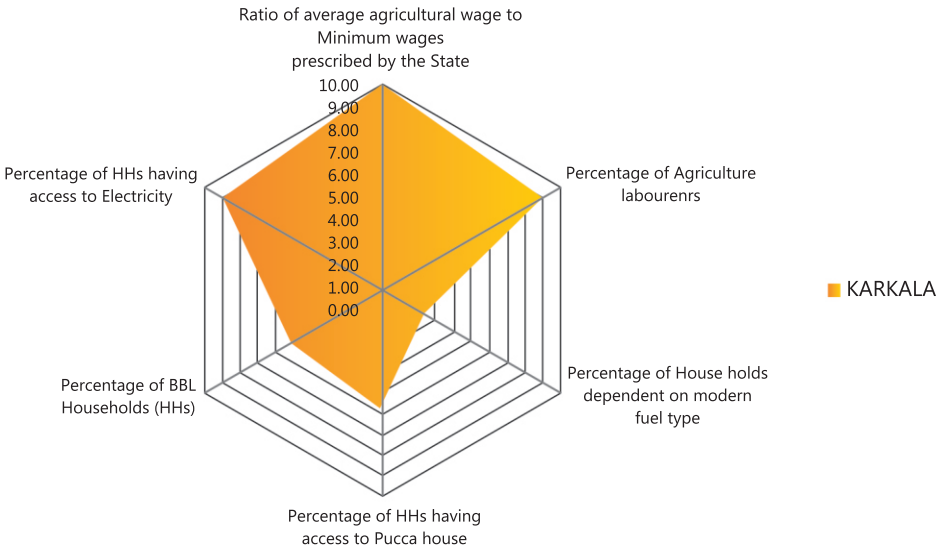
better than Kundapura. All the three taluks are, however lagging in reachimg the maximum norms in regard to use of cooking fuel, access to pucca housing and poverty reflected in proportion of BPL households. In the case of other three livelihood indicators namely, electricity, wage level, and proportion of agricultural labourers to total workers, all taluks are nearer to maximum norms.

The radar drawn on the basis of the six indicators of standard of living drawn are potrayed below:

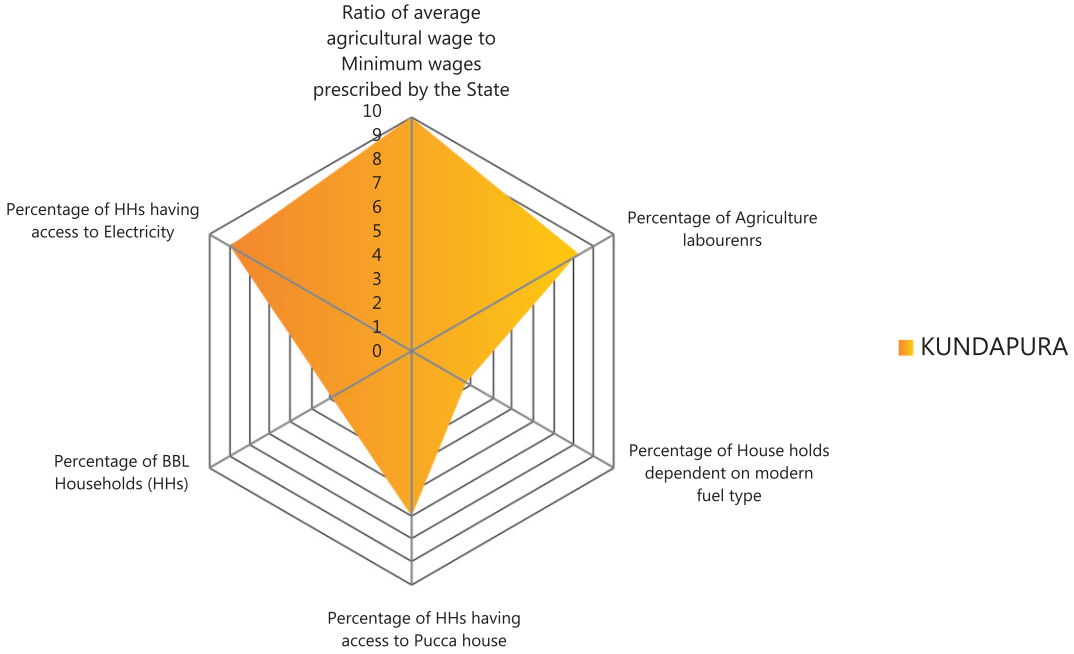
Table 6.25
Standard of Living Indicators for Radar Analysis

Indicators	Karkala		Kundapura		Udupi		District	
	Actual value	Index	Actual value	Index	Actual value	Index	Actual value	Index
Wage-level/ state norm Ratio	1.27	10	1.27	10	1.59	10	1.38	10
Percentage of Agricultural laborers to total workers	9.1	9.09	18.72	8.13	9.4	9.06	12.35	8.76
PercentageofHhswith traditional fuel type	76.31	2.369	72.22	2.778	55.82	4.418	64.86	3.5141
Percentage of Hhs with Pucca Houses	59.57	5.96	71.31	7.13	72.58	7.26	69.74	6.97
Percentage ofBPL Hhs	48.46	5.154	59.43	4.057	36.57	6.343	46.05	5.395
HHs with Electricity	89.21	8.92	88.21	8.82	94.01	9.4	91.27	9.13

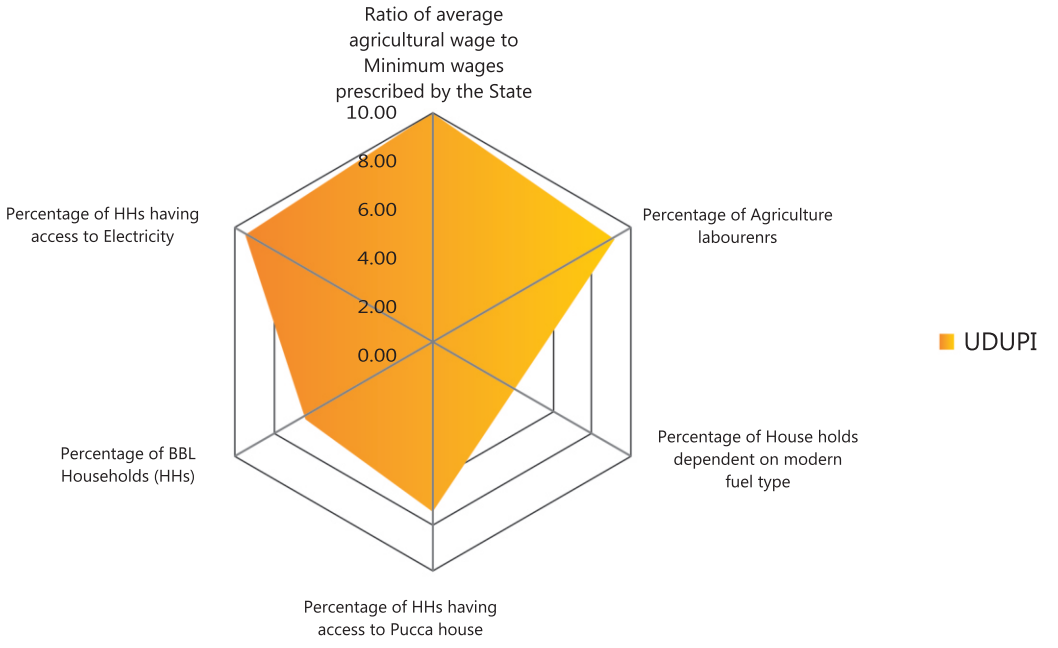
Radar No 6.1 Karkala Taluk – Standard of Living



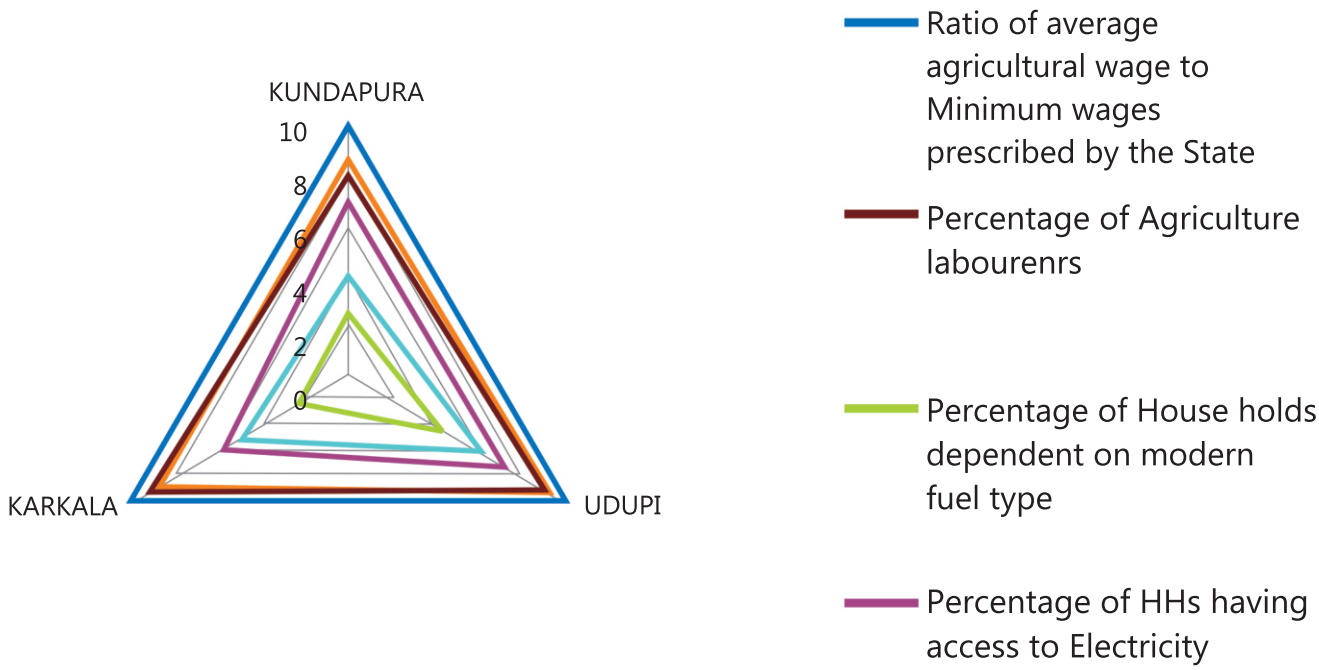
Radar No 6.2 Kundapura Taluk – Standard of Living



Radar No 6.3 Udupi Taluk – Standard of Living



Radar No 6.4 Udupi District – Standard of Living



6.12 Concluding Remarks

Udupi district ranks fifth in per capita income among 30 districts in the state. The per capita income of the district was Rs. 79862 at current prices and Rs. 55604 at constant prices during 20011-12. During the Tenth Plan period (2001-06), the district witnessed lower economic growth of 4 percent per annum as against the state average of 7 percent per annum. This trend was reversed during the Eleventh Plan period (2006-2011). The district has achieved an annual growth of 19 percent as against the state average annual growth of 9 percent. However an area of concern is the deceleration in growth in agriculture. As against this, it is gratifying to note that the secondary and tertiary sectors witnessed remarkably higher growth than the state average during the Eleventh Plan period. The primary sector now contributes 17.7 percent to the district GDP and the secondary and tertiary sectors, 30.2 percent and 52.1 percent respectively. Taluk-wise, Kundapura has the lowest per capita income and Karkala has the highest per capita income.

Though poverty incidence in Udupi district is considered as one of the lowest in the state, BPL families as per the eligibility criteria stipulated by the state, constitute 46 percent of the families in the district. Most of them are

in rural areas and concentrated among marginalized rural communities, such as marginal farmers, agricultural laborers, SCs and STs. With the deceleration in agricultural GDP growth, most of the families depend on the remittances, which play major role not only in maintaining a higher standard of living but also assisting households in investing in housing, health and education in the rural areas.

As regards employment is concerned, the major area of concern is the significant decline in the work participation rate among women and significant increase in women non-workers. Men dominate in the main workforce and women in marginal workforce. The employment in the agricultural sector decelerated and in the secondary and tertiary activities, it increased. The decline in number of cultivators and agricultural laborers has created acute shortage of laborers in rural areas, which adversely affected the development of agriculture in the district. Though the structural shift in the occupation pattern towards secondary and tertiary sectors is a healthy sign, the area of concern is the decline of agricultural sector as source of employment when 72 percent of the district population still lives in rural areas. With the demise of traditional industries like beedi and tiles factory, without the entry of new industries, the secondary sector provides limited scope for employment generation.

Considering the geographical potential, the long coastal belt and the availability of qualified and talented human resources, the district provides a challenging potential for diversification of agriculture into high value addition, setting up agro-processing industries, re-energization of small scale and tiny industries, and tertiary activities such as tourism, soft-ware and bio-technological park, infrastructure development, communication services, transport, construction etc. With the Konkan railway, opening up of Mangalore airport for international airways and commencement of Nandikur Thermal and Suzlon projects, the district has vast potential for rapid economic growth and increase in employment in the future.

Though farming is a major economic activity, the recent technological spread of communication technology to rural areas has opened up opportunities to foster a variety of secondary and tertiary activities. In Udupi district, several rural centres have, in recent years, emerged as rural towns. This process of urbanization and associated improvements in infrastructure also stimulated non-farm employment opportunities both in the secondary and in the tertiary sectors in the surrounding rural areas. The formation of self-help groups of women and promotion of micro finance in rural areas can also play a crucial role in encouraging women's participation in household industries. This seems to be the only way to arrest rural migration and improve women work participation in rural areas in the district.

Box 6.9: RUDSETI - A Successful and Replicable Model for Vocational Training

Rural Development and Self-employment Training Institute (RUDSETI) was set up in 1982 at Ujre as joint venture experiment by Canara Bank, Syndicate Bank and Sri Dharmastala Manjunatheshwara Educational Trust, an NGO to train unemployed rural youth to empower them to take up self-employment ventures in their own villages. A holistic approach is adopted from inception not only to provide requisite job skills but also to motivate, counsel and promote rural entrepreneurship among the youth to take up self-employment ventures with self confidence. The training programs meticulously focused on sustainable vocations, which can be taken up easily with less bank borrowings. The selected candidates are provided free boarding, lodging and training during the duration of the training.

The main thrust areas of training include: tailoring, dress designing and embroidery, electric repairs and service, wiring and plumbing, radio and T.V. repairs and service, food products preparation, preserving and marketing, computer hardware and software, handicrafts, carpentry, agarbathi manufacturing, mushroom cultivation, fashion designing, embroidery and fabric painting, photography and videography, printing and binding, beauty parlour mechanical workshop and retail business. In the field of rural enterprises, major emphasis was laid on food processing, bakery products, dairy, poultry, mushroom farming, and horticulture.

The experiment was now extended by setting up centres throughout the country. A centre at Brahmavar in Udupi district was set up in 1987, one of the oldest. Since its inception, it has organized on regular basis short-term training programs on various vocations to large number of unemployed rural youth who have successfully settled in various self-employment ventures in Udupi district. The settlement rate was more than 75 percent. Most of the trained youths are now graduated from micro enterprises to SME sectors and become successful entrepreneurs in the district. RUDSETI model has been now recognized as the most successful model for Self-employment Training and accepted by the Planning Commission and Ministry of Agriculture and Rural Development as a model for the country as a whole.

Source: Rural Self-Employment Programmes in India: An Appraisal by Dr. M S Moodithaya, 2009.



MALPE FISHING HARBOUR