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Way to Mitigate the Problem of Rural Unemployment: Evidence from Sericulture Case Study

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Abstract: The Millennium Development Goals (MDGs) are eight goals, set to be achieved by 2015 in response to the world's main development challenges. The MDGs are drawn from the actions and targets contained in the Millennium Declaration that was adopted by 189 nations-and signed by 147 Heads of State and Governments during the United Nations Millennium Summit in September 2000; these eight MDGs are further broken down into 21 quantifiable targets that are measured by 60 indicators. The first goal is to eradicate the extreme poverty and Hunger. Rural unemployment is a prime factor for rural poverty. Sericulture is one of the ways to mitigate the unemployment which teach to catch a fish instead of giving a fish a hunger man. This paper made an attempt to find the changes in the man days of a district in Tamil Nadu. The Population is the one who involved in sericulture's and by using the stratified proportionate random sampling the sample respondents were selected for enhancing representativeness of sample. The data was compiled and analyzed by using ordinary least square method. The result confirmed that there exist a way to mitigate the rural unemployment through Sericulture.

Key Words: Entrepreneur, Sericulture, self-employment, Man days

I. Introduction

Contemporary economists agree that entrepreneur is a business leader who has a pivotal role in fostering economic growth and development. In fact, entrepreneurship is the dynamic need of a developing nation. Growing unemployment particularly educated unemployment is an acute problem of the nation. The available employment opportunities can cater to only 5 to 10 percent of the unemployed. As the time passes these enterprises grow providing direct and indirect employment to many more. Thus, entrepreneurship is the best way to fight the evil of unemployment in the aspect of **employment generation**. National income consists of goods and services produced in the country and imported. The goods and services produced are for consumption within the country as well as to meet the demand of exports. The domestic demand increases with ever increasing population and standard of living. The export demand also increases to meet the needs of growing import due to various reasons. An increasing number of entrepreneurs are required to meet this increasing demand for goods and services. Thus, entrepreneurship increases **the national income**. The world affairs have been dominated by power. There have always been two types of power that is muscle power and economic power. In the modern age, the muscle power has lost its relevance and the world is ruled by the economic power. Economic power is the natural outcome of industrial and business activity. Industrial development normally can lead to concentration of economic power in few hands. This concentration of power in few hands has its own evils in the form of monopolies. Developing a large number of entrepreneurs helps in dispersing the economic power amongst the population. **This dispersal of wealth promotes the real socialism and makes the economy healthy.** The growth of industry and business leads to a large number of public benefits like road transport, health, education, entertainment etc. When the industries are concentrated in selected cities, the development gets limited to these cities. Till late sixties, 50 percent of industrial enterprises were located in only six cities of India. A rapid development of entrepreneurship ensures a balanced regional development. When the new entrepreneurs grow at a faster pace, in view of the increasing competition in and around the cities, they are forced to set up their enterprises in the smaller towns away from big cities. This helps in **the development of the backward regions**¹.

II. Review of earlier studies

Ruttan (1983)² quotes that the survey carried out in Gujarat revealed that Self-Employment Scheme on educated unemployed youth has an impact of raising the beneficiaries above poverty line in a large number of cases accounting for 88.25 percent of the total families assisted. According to Manimala (1992)³ for entrepreneurship development in general it is possible to empower the individual who would be able to manage the constraints and opportunities provided by the task environment. It would be useful if policy makers paid greater attention to the general rather than the task environment, Focusing on education and culture-building, for example would be more

productive than controlling the task environment through regulations, quotas, licensing and so on. In other words, the policy should be one of developing the economy through the development of people. **Gupta (1994)**⁴ have also brought out the reason that makes the entrepreneur stay in business. The author stated as follows: (a) Entrepreneurs once they had successfully grasped the rationale for being in the entrepreneurial career never gave a second chance. (b) The pride and enthusiasm developed during their entrepreneurial career. (c) The thrill of challenges and the way of met it. And (d) the respect and recognition the person obtains due to their entrepreneurial career. **Giannetti and Simonov (2003)**⁵, in the article “Social Initiatives and Entrepreneurial Activity” has expressed that social factors may play a role in influencing the person to decide a career entrepreneur. The authors have developed an opinion that the linkage between social and economic factors mutually has its impact on each other. They say social interactions affect the pay off from variety of economic decisions.

III. Statement of the Problem

In India more than 65 percent of rural people depend on Agriculture for their livelihood. The rate of dependence on agriculture has not declined even after economic liberalization initiated in 1991⁶. All human life and indeed all animal life depend on agriculture for existence. In India, majority of the people are living in rural areas and they are depending on agriculture. Since the work in agriculture happens to be seasonal, employment is not available throughout the year⁷.

So, the strategy of balanced growth implies that both agriculture and Industry should develop together. In fact agriculture and industry are closely related. Agriculture can be the key factor for sustained industrial development. The steady growth of agriculture productivity receives boost from the industrial development. Both agriculture and Industry are complementary and supplementary to each other⁸. This complementary and supplementary nature of agriculture and industry are particularly related to sericulture. Sericulture is one of the branches of the vast field of agriculture. Sericulture is an important agro based industry providing gainful employment in rural areas. It is estimated that mulberry sericulture alone can create direct employment for 12 to 13 people per hectare plantation⁹. Hence the researcher made an attempt to reveal employment opportunity availed by sericulture's by selecting the sericulture's from the Theni district in Tamil Nadu.

IV. Findings and discussions

The sampling technique adopted in this study was stratified proportionate random sampling technique. In the district 370 respondents had been selected from all existing blocks out of 733 total sericulturists in Theni District. The distribution of block wise sample respondents was presented in Table -1 this profile depicted in table-2 helps to know about the sample sericulturist status in Theni district and also analyze the further aspects of the profile of the Respondents that are socio-economic in nature. In a backward area like Theni one of the requirements for economic betterment is the creation of more employment opportunities for the existing man power. Employment for the jobless according to their skill and capacity will contribute to a higher standard of living. Hence, here an attempt is made by the researcher to study the employment opportunities provided by sericulture. Sericulture has been identified as an occupation of low investment, high output and a source of employment and income. Sericulture is an agro-based, labor intensive, employment creating and income generating cottage industry. It is rightly called the ‘Kalpavriksha’ or the ‘Kamadhenu’ of the poor and downtrodden. It also generates employment opportunities indirectly in ancillary units like manufacture of sericulture equipments, appliances and marketing of sericulture products. A multiple linear regression model was fitted for the estimation of employment generated with respect to cocoon production and area under mulberry cultivation in an acre. A regression equation with employment generation as dependent variable and cocoon production and area under mulberry cultivation as independent variable is estimated. The regression model used in this study is as follows.

$E = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + U$ Where E = employment in man days per year, x_1 = cocoon production in kgs per acre, x_2 = area under mulberry cultivation in a acre, β_0 = constant term U = error term β_1, β_2 are the regression coefficients.

Table -3 shows that the R^2 value is 62 per cent at the lowest level for Aundipatti 82 per cent for pooled sericulturist at the topmost explanatory level of the model selected for the analysis by the researcher. The independent variables are such that cocoon output in kilogram and area under mulberry cultivation per acre explained the employment in man days per year. The employment created by mulberry cultivation and cocoon production, was presented among blocks in Theni district. In that Table, the value constant gives the number of man days created by sericulture activities, which is unaffected by any factors. The maximum number of man days per year was obtained as 199 days for pooled sericulturist while 198 days was obtained for Bodi block where the sericultural activities were leading. The number of man days minimum is 170 that is 169.9 for Theni block and 169.5 for Cumbum block. Hence 170 days were the minimum number of man days provided by sericulture activities in Theni district. Hence the man days due to sericulture activities range from 170 to 199, for all kinds of labor immaterial of gender and age, which was clearly depicted in the Table of employment function.

The cocoon production in kilogram influences the employment in man days. The regression coefficient of cocoon production is 0.50235 for Aundipatti block. This implies that an increase in output of cocoon by one kilogram will lead to increase in the employment by 0.50 man days. This result was obtained for all the blocks and the cocoon production in kilogram influencing in positive way as 0.49 for Bodi, 0.48 man days for Chinnamanur, 0.46 for Cumbum, 0.50 for Myladumparai, 0.43 for Periyakulam, 0.45 for Theni, 0.51 for Uthamapalayam and 0.49 for pooled sericulturist in Theni district.

The regression coefficient of the area under mulberry cultivation is 0.2386 for Aundipatti. This implies that when the area of mulberry cultivation is increased by one cent, it will lead to an increase in employment by 0.23 man days. Similarly for all blocks a unit increase that is one cent increase in mulberry cultivation, leads to an increase in employment as 0.22 man days for Bodi, 0.24 man days for Chinnamannur, Myladumparai, Uthamapalayam, and Cumbum, 0.20 man days for Periyakulam and 0.26 man days for Theni. From the statistical point of view, the model fits the data quite well. The R^2 value that explained the variation in the employment in man days was explained by the variables cocoon production in kilogram and area under mulberry cultivation in an acre. It is evident from the above regression equation that both the variables positively influence the employment. Hence an increase in the variable is conducive for employment generation. This result coincided with that result of S.Lakshmanan et.al., (2007), who obtained 128.59 man days in mulberry leaf production for Karnataka. If one includes the cocoon production then the employment will be equal to Theni district. The author Lakshmanan et.al.¹⁰, (1998) obtained 255.7 man days for female family labor, and 172.58 man days for male family labor for **Tamil Nadu**. Hence the result obtained by the researcher coincided with earlier study. Employment in man days per year depended upon cocoon production in kilograms per year, and area under mulberry cultivation in an acre. The cocoon production and area under mulberry cultivation were significant over all in Theni district as well as individual blocks also.

V. Conclusion and Recommendations

The Leisure hours can be utilized as 'knowledge grasping hour' for agriculturist transition to sericulturists. Sericulture implementing areas should take adequate efforts' to strengthen extension programme for effective utilization of technologies innovated from R & D institutions. There is a need to motivate the farmers to be involved in sericulture activities for longer period, the central and state government should implement suitable price policy for cocoon produced by sericulturists. The study concluded that mulberry sericulture has wider scope for solving unemployment and rural out migration in general, and in particular it is good avenue for owned family laborers. Further sericulture is the only industry which employs more rural women to a maximum possible extent.

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TABLE-1 BLOCK – WISE DISTRIBUTION OF SAMPLE RESPONDENTS

Sl.No.	Name of the Block	Actual No. of Sericulturist	No. of Randomly Selected Sericulturist
1.	Aundipatti	113	57
2.	Bodinayakanoor	183	98
3.	Chinnamanur	40	20
4.	Cumbam	21	11
5.	Myladumparai	113	57
6.	Periyakulam	100	50
7.	Theni	108	54
8.	Uthamapalayam	55	23
	Total	733	370

Source: Field Development Officer – Theni.

TABLE -2 SOCIO-ECONOMIC PROFILE OF SAMPLE SERICULTURIST IN THENI DISTRICT

Sl. No.	Particulars	Aundi patti	Bodi nayakhoor	Chinna mannur	Cumbam	Myladum parai	Periya mulam	Theni	Uthama palayam	Overall
1.	Average mulberry holding(acre)	3.92	4.00	1.98	1.5	2.36	1.76	1.95	1.20	3.50
2.	Age (years)	40	40	43	42	44	43	425	43	42.5
3.	Family size (No of members)	3	4	5	3	4	5	3	4	4
4.	Education(Years of Schooling)	11	12	10	11	12	9	11	12	12
5.	Experience in sericulture (years)	6	8	5	5	7	7	6	6	7
6.	Independent rearing house (Numbers)	57	98	20	11	57	50	54	23	370
7.	Knowledge about new technologies and improved method (%)	86	90	78	76	80	80	85	84	85

Source: Compiled from Primary Data.

TABLE -3 RESULT OF EMPLOYMENT FUNCTION

Blocks	Constant	Cocoon Output in Kilogram	Area under Mulberry Cultivation in a acre	R ²
Aundipatti	180.32	0.50235* (0.1326)	0.2386* (0.0873)	0.6234
Bodi	198.56	0.4914* (0.1425)	0.2265* (0.0781)	0.652
Chinnamannur	172.34	0.4831* (0.1524)	0.2467* (0.0752)	0.712
Cumbum	169.52	0.4672* (0.1276)	0.2378* (0.0793)	0.725
Myladumparai	170.51	0.5002* (0.1362)	0.2477* (0.0801)	0.804
Periyakulam	174.72	0.4304* (0.1375)	0.2006* (0.0809)	0.813
Theni	169.98	0.4507* (0.1099)	0.2602* (0.0873)	0.692
Uthamapalayam	173.42	0.5132* (0.1298)	0.2491* (0.0921)	0.679
Pooled sericulturist	199.21	0.4937* (0.1347)	0.2297* (0.0901)	0.829

*Significant at 5 per cent level. Figures in parentheses are standard error.

Source: Compiled by researcher.

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