

A STUDY ON IMPACT OF DEMONETIZATION WITH SPECIAL REFERENCE TO UNORGANISED LABOUR AT ELITA, BANGLORE

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ABSTRACT

The central government has the power U/S 26(2) of Reserve Bank of India Act 1934, to exercising the legal tender of existing bank notes invalid. The name of this move is called "Demonetization". The primary objective of this move is to tackle the black money in the economy. As per the economic survey of India there are 487 million workers, out of which 94% belongs to unorganized sector. We are the second largest working population country after china. India is the second largest working population country after China with the work force of 487 million as per our economic survey, out of which 94% belongs to unorganized sector. The Ministry of Labour, Government of India, has categorized the unorganized labour force under four groups in terms of Occupation, nature of employment, especially distressed categories and service categories. Each category comprises of different labours. The Researchers focuses on the unorganized domestic labours like Maids, Cooks, car cleaning, Drivers, Nanny, Pet sitter, Home nursing, Gardener. The researchers would like to explore the how this demonetization move affects the day to day activities of the unorganized domestic labours.

Key Words : Demonetization, Domestic Workers, Government, Money, Unorganized Labours.

1.INTRODUCTION

The world came to still for every Indian on 8th November 2016, when our Prime minister Mr. Narendra Modi announced the demonetization of higher denomination notes of Rs.500 and Rs.1000. Lot of chaos and confusions about what to do with the old notes, how to exchange and how long to wait for the new notes to come^[1]. It clearly tells that the 86% of the money circulations are withdrawn^[2]. Though every sector of our economy was affected, the most was the unorganized labor especially the domestic workers because they were dependent on salaries mostly paid in cash by their employers. Generally the first week of the month either they are due for their salary or must have received the salary and having in their hands. The sudden move of demonetization would be a great setback for them because either their payment date may be delayed now or not knowing how to exchange the notes having in hands.^[3] India is the highest currency circulations at 12.1% of our GDP^[4]

This study is conducted in a residential complex in Bangalore city having 1300 apartments where different types of domestic workers such as Maids, Cooks, Car cleaning, Drivers, Nanny, Pet sitters/dog walker, Home nursing, Gardener depends on their employer's salary mainly as cash to make their ends meet.

1.1 Purpose of the study

The purpose of the study is to conduct general survey among the domestic labors working in the apartments to find out how they suffered during demonetization.

1.2 Objective of the study

- To study the impact of demonetization on unorganized labor in domestic worker sector
- To know about the extent of awareness of demonetization among the labors.
- To identify the struggles faced by the domestic workers due to demonetization

1.3 Limitations of the survey

- The study is based on the belief that the information provided by the respondent is correct.
- Researchers may conduct an in-depth analysis in to the data collected in future.
- Time constraint prevented the researchers to conduct the study in an elaborate manner.

II. RESEARCH METHODOLOGY

The research design followed for the study is descriptive research because the research reflected the labor understanding about demonetization. The primary data was collected using the questionnaire. The sample size taken for the survey is 30 on convenience. So based on the collected information the data is analyzed using the statistical tools such as **Percentage Analysis and Correlation co-efficient.**

III. DATA ANALYSIS AND INTERPRETATION

Table 3.1: Showing the Gender

Gender	No of respondents	Percentage
Male	11	37
Female	19	63
Total	30	100

Inference

- Unorganized sector especially the domestic workers segment constitutes majority of female labors

Fig 3.1: Showing the Gender

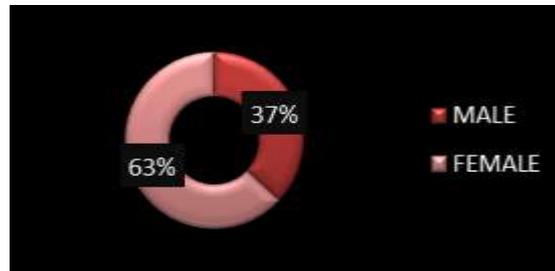


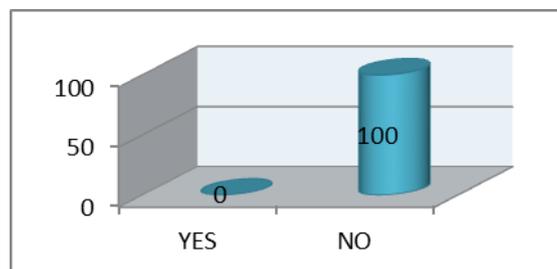
Table 3.2: Showing the awareness for demonetization

Respondent's awareness	No of respondents	Percentage
Yes	0	0
No	30	100
Total	30	100

Inference

- All the responds are ignorant of the situation called Demonetization.
- Responds are unaware the effects of demonetization first time.
- The earnings of the female workers are an important source of revenue to these families.
- Majority of the female backing their counterparts as means of support to run the family

Fig 3.2: Showing the awareness for demonetization



- The demonetization made the respondents critical in their Acts.

Table 3.3: Showing the delay in the emoluments

Emoluments delayed	No of respondents	Percentage
Yes	2	7
No	28	93
Total	30	100

Inference

- Majority of the getting time in due course of demonetization.

responds since not emoluments on

Fig 3.3: Showing the delay in the emoluments

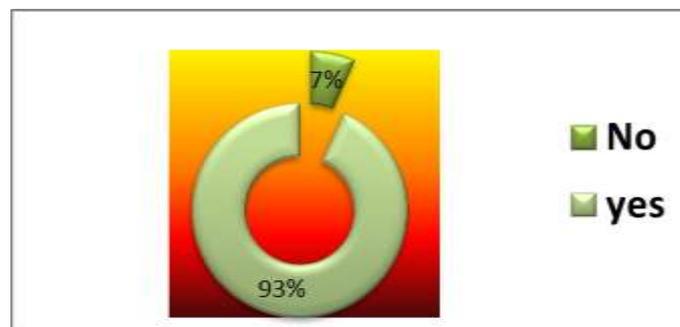


Table 3.4: Showing the lag time in the emoluments

Lag time in emoluments	No of respondents	Percentage
Less than 10 days	4	13
10 to 20 days	17	57
21 to 30 days	9	30
Total	30	100

Inference

- Majority of the responds agreed that their salaries delayed between 10-20 days.
- The running of life of become still
- Though they are low income people, they rely more on their salaries.
- Approximately 3 out of 10 respondent's salary delayed for a month.
- Since there are less opportunity of savings, which would force them to more sufferings

Fig 3.4: Showing the lag time in the emoluments

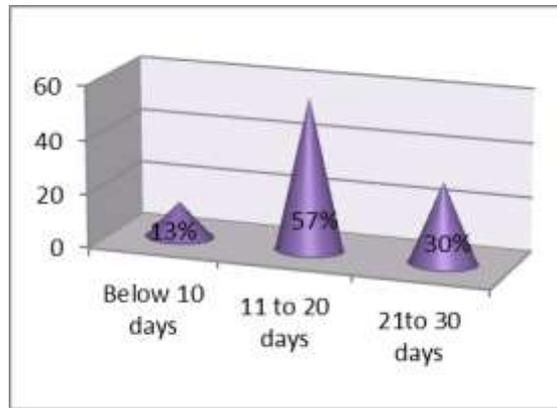


Table 3.5: Showing the struggling for the day to day expenses

Respondents struggled	No of respondents	Percentage
Yes	28	93
No	2	7
Total	30	100

Inference

- From the reaction of the responds it is come to know that 9 out of 10 are struggling for their day to day expenditure.

Fig 3.5: Showing the struggling for the day to day expenses



Table 3.6: Showing the sources of funds during struggle

Source of funds	No of respondents	Percentage
Borrowings	27	90
Pledge	2	7
Others	1	3
Total	30	100

Inference

- Among the majority of responds having relied on the salaries, the second source is borrowings.
- All the female responds are agreed that they struggled for the day to day expenses clearly depicts that demonetization severely impacted.
- The result shows that .0667 persons out of 10 are not ready to pledge. This shows the savings pattern of them. Their incomes are not sufficient for savings.

Fig 3.6: Showing the sources of funds during struggle

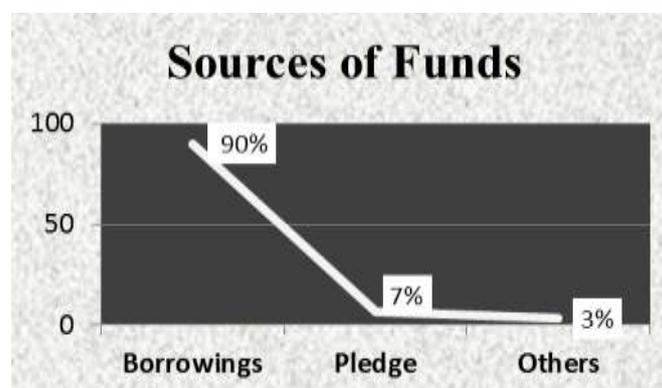


Table 3.7: Showing the source of borrowed money

Source of funds	No of respondents	Percentage
Borrowings	27	90
Pledge	2	7

Others	1	3
Total	30	100

Inference

- Among the responds, 8 out of 10 approached the unauthorized financial persons.

Fig 3.7: Showing the source of borrowed money

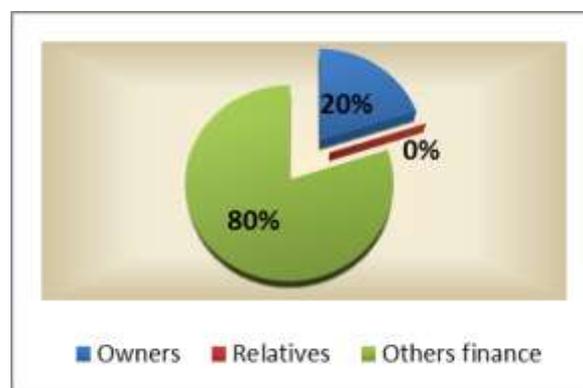


Table 3.8: Showing the respondents paid high interest rate

Paid high interest	No of respondents	Percentage
Yes	22	73
No	8	27
Total	30	100

Inference

- The result shows that 7 out of 10 paid Interests, again it's a further burden.
- The result shows that the relatives of the responds are also in the same impact of the demonetization, so that the respondents cannot able to seek the help from relatives.
- 8 respondents are not paying the high interest, out of that 6 persons are helped by the owners.

Fig 3.8: Showing the respondents paid high interest rate

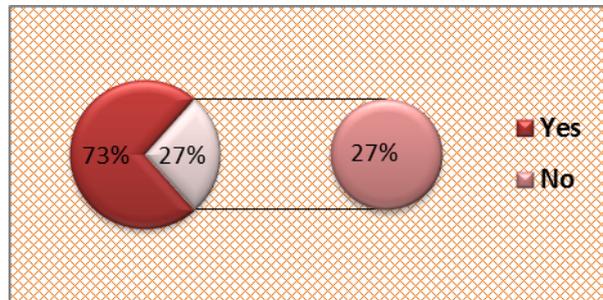


Table 3.9: Showing the interest rates paid by the respondents

Percentage of interest	No of respondents	Percentage
Less than 20%	6	20
21%-25%	17	57
26%-30%	7	23
Total	30	100

Inference

- 23% of the responds are ready to go for the very high interest rate.

Fig 3.9: Showing the interest rates paid by the respondents



Table 3.10: Showing the reasons for going higher interest rates

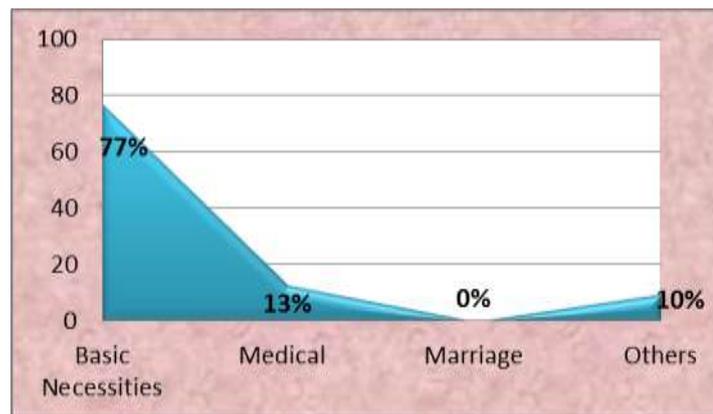
Reasons for higher interest	No of respondents	Percentage
Basic necessities	23	77

Medical	4	13
Marriage	0	0
Others	3	10
Total	30	100

Inference

- Average of 1 among 10 suffered for their medical expenses and forced to go for high interest.
- The option of going for high interest for marriages is completely ruled out due to the priority being fixed on other factors.
- Majority of the responds are ready to go for the interest rate of 21 – 25 percentage

Fig 3.10: Showing the reasons for going higher interest rates



Inference

- 10% of the responds agreed that the reasons for high interest are others such as Emergency travelling, fesses .etc. On an average 8 out of 10 respondents paid high interest for fulfilling their basic necessities.

Coefficient of correlation

Correlation may be defined as a tendency towards interrelation variation and the coefficient of correlation is a measure of such a tendency, i.e.; the degree to which the two variables are interrelated is measured by a coefficient that is called the coefficient of correlation. It gives the degree of correlation and it is a measure of the closeness of a fit in a relative sense. Correlation coefficient lies between -1 and +1. To calculate the correlation the formula is,

$$\text{FORMULA} = \frac{N\sum XY - \sum X\sum Y}{\sqrt{N\sum X^2 - (\sum X)^2} \sqrt{N\sum Y^2 - (\sum Y)^2}}$$

3.1.11 Table of Gender and Struggle for day to day expenses

Gender of respondents	No of Respondents	No of respondents agreed struggle for day to day expenses
Male	11	9
Female	19	19
Total	30	28

Calculations

X	X ²	Y	Y ²	XY
11	121	9	81	99
19	361	19	361	361
∑X=30	∑X²=482	∑Y=28	∑Y²= 442	∑ XY =460

$$r = \frac{N\sum XY - \sum X\sum Y}{\sqrt{N\sum X^2 - (\sum X)^2} \sqrt{N\sum Y^2 - (\sum Y)^2}}$$

$$= \frac{2 * 460 - 30 * 28}{\sqrt{2 * 482 - (30)^2} \sqrt{2 * 442 - (28)^2}}$$

$$r = 80 / \sqrt{64} \times \sqrt{100}$$

$$= 80 / (8) (10)$$

$$= 1$$

Inference

- Since r value is +1, which shows there is a perfect correlation between the gender and the struggle faced for day to day expenses.

- There is a positive relation between the gender of the responds and the struggle for the day to day expenses.
- The result of the correlation reveals that the income of the women plays the vital role in running the day to day expenses.

IV.FINDINGS

- Unorganized sector especially the domestic workers segment constitutes majority of female labors.
- The earnings of the female workers are an important source of revenue to these families.
- Majority of the female backing their counterparts as means of support to run the family.
- All the responds are ignorant of the situation called Demonetization.
- Responds are unaware the effects of demonetization first time.
- The demonetization made the respondents critical in their Acts.
- Majority of the responds since not getting emoluments on time in due course of demonetization.
- The running of life of become still
- Though they are low income people, they rely more on their salaries.
- Majority of the responds agreed that their salaries delayed between 10-20 days.
- Approximately 3 out of 10 respondent's salary delayed for a month.
- Since there are less opportunity of savings, which would force them to more sufferings
- From the reaction of the responds it is come to know that 9 out of 10 are struggling for their day to day expenditure.
- All the female responds are agreed that they struggled for the day to day expenses clearly depicts that demonetization severely impacted.
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- The result shows that .0667 persons out of 10 are not ready to pledge. This shows the savings pattern of them. Their income is not sufficient for savings.
- Among the responds, 8 out of 10 approached the unauthorized financial persons.
- The result shows that the relatives of the responds are also in the same impact of the demonetization, so that the respondents cannot able to seek the help from relatives.
- The result shows that 7 out of 10 paid Interests, again it's a further burden.
- 8 respondents are not paying the high interest, out of that 6 persons are helped by the owners.
- 23% of the responds are ready to go for the very high interest rate.
- Majority of the responds are ready to go for the interest rate of 21 – 25 percentages.
- Average of 1 among 10 suffered for their medical expenses and forced to go for high interest.

- The option of going for high interest for marriages is completely ruled out due to the priority being fixed on other factors.
- 10% of the responds agreed that the reason for high interest is others such as Emergency travelling, fesses .etc.
- On an average 8 out of 10 respondents paid high interest for fulfilling their basic necessities.
- Since r value is +1, which shows there is a perfect correlation between the gender and the struggle faced for day to day expenses.
- There is a positive relation between the gender of the responds and the struggle for the day to day expenses.
- The result of the correlation reveals that the income of the women plays the vital role in running the day to day expenses.

V.SUGGESTION

- The government should inform the public prior.
- The government should give some time to implement any new changes
- The government should provide alternative arrangements before implementing any changes.

VI.CONCLUSION

This paper clearly explores the micro level attempts to know the impact of Demonetization with special reference to domestic workers who are all covered under the unorganized sector. The study reveals that there is an impact over the domestic workers and also the researchers to explore which area they struggled a lot. By the result we come to know that they are struggled even for their basic necessities.

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