

CRITICAL EVALUATION OF SOCIO-ECONOMIC CONDITIONS AND LIVELIHOOD CHALLENGES AMONG DOMESTIC SMALL SCALE BUSINESS WORKERS AT VEPPALODAI AREA OF THOOTHUKUDI DISTRICT

U. Aathi Lakshmi* and Dr. A. Sudha

PG Department of Economics, St. Mary's College (Autonomous), Thoothukudi.

Affiliated to Manonmaniam Sundaranar University, Tirunelveli, Tamilnadu, India.

ABSTRACT

This study investigates the socio-economic conditions of domestic small-scale business workers in Veppalodai area of Thoothukudi District. A mixed-methods approach was employed, combining survey responses from 110 domestic small-scale business workers with in-depth interviews. The findings reveal that these workers face significant challenges, including low incomes, limited access to credit and markets, and inadequate social security benefits. The study also highlights the importance of social networks and community support in helping these workers cope with their socio-economic vulnerabilities. The results have implications for policymakers, practitioners, and researchers seeking to improve the livelihoods of domestic small-scale business workers.

Keywords

Domestic small-scale business, homemade food and snacks, social networks, community support.

INTRODUCTION

Domestic small-scale home businesses play a vital role in local and national economies by creating employment, generating income, and promoting self-reliance. They offer flexible work opportunities, especially for women, retirees, and individuals seeking financial independence. Domestic small-scale home businesses contribute significantly to household income and local economies. These businesses, often operated with limited resources, face various socio-economic challenges and opportunities. This project aims to analyze their financial conditions, market access, government support, and overall sustainability. In rural area, the socio-economic conditions of small business workers are often characterized by low income levels, limited access to education and healthcare, unstable employment, dependence on seasonal work, and a lack of formal benefits like social security, often leading to a

precarious financial situation; however, these workers also play a crucial role in the local economy by providing essential goods and services within their communities, especially in areas with limited access to larger markets.

Different types of domestic businesses are done by our sample area:

1. Homemade food and snacks delivery
2. Flower Garments
3. Stitching Clothes
4. Jewellery making
5. Making palm Jaggery
6. Cooking things services
7. Rice flour business
8. Basket Weaving

Homemade snacks

Starting a homemade savory snacks business in a rural area can be a great opportunity, especially if you focus on traditional flavors, affordable pricing, and local ingredients. Here's a step-by-step guide to help you get started:

Identify Your Products

Choose savory snacks that are popular in your region, easy to make, and have a longer shelf life. Some items are included:

- Savory items like Seedai, Murukku, Banana Chips, Tapioca Chips, Mixtures, Spiced Peanuts, Chana, Papads, Samosas.
- Sweet items like Boonthi, Sweet Paniyaram, Aadirasam, Susiyam, Ellu sweets Appam, Glop jamun,

Preparing for homemade snacks



Preparation of homemade Food

Here some sample respondents are doing homemade food. Basically the sample respondents are agriculture labors. Majority the of the domestic workers use fresh and locally available vegetables for making preparation of food. This helps reduce costs and supports the local economy. Like dosa, pongal, vada, puri Tamarind rice, meals, and non-vegetarian dishes, homemade Savory's and sweets items



Flower Garments

Selling flowers in a domestic small business" means running a small, locally based business within a home country, where the primary product sold is flowers, often including arranging and designing bouquets for various occasions like birthdays, weddings, or simply as gifts, typically catering to customers within the local community.



Stitching Clothes

If you don't already have sewing skills, consider taking a short tailoring course available in the rural area. Majority of the rural area the government provide some employment schemes for rural area people. So that the people make a business to easy way.

Stitching clothes can be a great way to earn income, both man and women actively do their job. With minimal investment and some basic sewing skills, a home-based tailoring business can cater to local needs. Major the works could be completed by the sample respondents. The respondents showing different types of stitching, embroidery, and modern designs and etc. Majority of the rural women people depending on the stitching clothes. In this various domestic small scale business the stitching clothes respondents get more income other than domestic workers.



Jewellery making

Our government provides the necessary facilities for the rural people for arranging Jewellery making. "Patron scheme" was created by the government with the aim utilizing the contribution of the community for continues maintenance and undertaking new development work for the rural people. As it is requires minimal investment and can be also done from home. Under the scheme a persons who contribute Rs.1000 they can join for the scheme. It can be a great business for rural people. After the joining of this scheme people they can started their business. In this business rural people are making handmade jewellery like this Earrings, Necklaces, bracelets, Rings, and anklets made from various materials like beads, wires, and metals. Customized jewelry pieces made according to customer specifications.



Making palm Jaggery

Palm jaggery also known as gur, is made by boiling the sap of palm trees until it thickens into a syrup. Palm jaggery is a natural sweetener made from the sap of the palm tree. Palm tree step by Tapping the palms, Filtering the sap, Boiling the sap, Stirring the sap, Removing foam, Checking the consistency, Pouring into molds.



Palm jaggery is a traditional sweetener made from the sap of palm trees, such as date palms or toddy palms. It is a healthier alternative to refined sugar and has a high market demand. Most of the people coming from various places to get it from the rural domestic business workers. The palm jaggery one of the healthier product of the rural business. Palm jaggery not only for sale in domestic country it's also export in the international level. Majority of the dieticians recommend for the palm jaggery instead of sugar.

Providing Cooking vessels services for functions

Most of the cooking in rural India is done using biomass. Rural home business that provides cooking vessels for functions is a great idea for the home domestic workers. Majority of the rural people need for large cooking vessels for their weddings, home festivals, community events. These types of domestic workers offering rental service for the cooking vessels. Decide rental rates based on vessel size, usage duration, and additional services like transport or cleaning. They offering Complete Cooking Setup like burners, gas cylinders, and serving utensils and also provide transport for the vessels to and from the event location. In this type of domestic workers earn more income from this service. Offer discounts for bulk orders or frequent customers.



Rice flour business

Rice flour grinding business in a rural area can be profitable, especially if there is high demand for rice flour in the people community. In this modern world both parents are working conditions they don't have a time to do work in their kitchen. So they can choose easy way for rice flour grinding. Majority of the rural people are low income people they couldn't invest. So they prefer the job for rice flour business. They decide whether to sell directly to customers and supply to the shop. So they can get income their job.



Aari work

“Aari work” refers to a type of intricate hand embroidery technique originating from the Mughal era in India, where a specialized hooked needle called an “Aari” is used to stitch delicate designs onto fabric, often incorporating elements like zari (metallic thread), beads, and sequins, creating fine and detailed patterns typically seen on sarees and other traditional garments.



Aari embroidery is done by tightening the cloth to be embroidered upon the khatia (cot) or adda frame and then doing the thread work on portions on the stretched cloth with an aari or crochet-hook like instrument.

Limitations of the study

- Many small-scale home businesses operate informally and are not officially registered, making it difficult to identify and reach participants.

- Self-reported data on income, working conditions, and business performance may be over- or under-exaggerated due to personal biases.
- Due to resource constraints, the sample size may be too small to generalize findings to all home business workers.
- Regional and cultural differences may affect business practices, limiting global applicability

Scope of the study

The scope of a study on small-scale home businesses in Thoothukudi, Tamil Nadu, could encompass the establishment, growth, challenges, and potential of these businesses, focusing on their contributions to the local economy and community, examining factors like financial access, marketing strategies, and community support.

Significance of the study

- Helps policy makers create better support system
- Guides NGOs and financial institutions in funding small business
- Provides insights for entrepreneurs to improve their businesses

Objectives of the study

- To find out the socio economic conditions of small scale home domestic workers
- To analyze the income and employment conditions of domestic small-scale business workers
- To know the types of domestic business in the sample area among the sample respondents

REVIEW OF LITERATURE

Research by Meagher (2019) suggests that integrating home-based workers into national labor laws is crucial for ensuring fair wages and working conditions.

Malik and Wahid (2023) found that lack of digital literacy, high internet costs, and infrastructure limitations prevent many home business workers from fully benefiting from digital transformation.

METHODOLOGY

The methodology for researching democratic small-scale home business workers involves a combination of qualitative and quantitative approaches to ensure a comprehensive understanding of their socio-economic conditions, challenges, and opportunities.

Sample Size

The study included a sample size of 110 respondents from the study area

Sample Technique

A Simple random sampling was used in this study.

Data Collection Methods

Both primary data collection and secondary data collection methods were utilized

Primary Data

Structured and semi-structured questionnaires will be used to collect data from small-scale home business workers. Questions will focus on income levels, working hours, decision-making structures, access to financial resources, and social security benefits.

Secondary data

Secondary data also collected from newspaper, journals, reports from organizations, local NGOs, and website etc..

Table: 1

Types of home business of the respondents

S. No	Types of home business	No. of the respondents	Percentage
1	Flower Garments	15	14%
2	Homemade Snacks	25	20%
3	Stitching Clothes	13	12%
4	Jewellery Making	13	12%
5	Flour Sales	28	25%
6	Aari Work	10	12%
7	Preparation of Blackberry	2	6%
8	Basket Weaving	2	2%
9	Cooking Things Services	2	2%
	Total	110	100%

Source: Primary data

This table shows that work of the respondents. 14% of the respondents are flower garments, 20% of the samples respondents are homemade snacks workers, 28% of the sample

respondents are stitching clothes, 12% of the sample respondents are jewellery making, 4% of the sample respondents are flour sales, 12% of the sample respondents are aari work, 6% of the sample respondents are preparation of blackberry, 2% of the sample respondents are basket weaving, 2% of the sample respondents are cooking thing services respectively.

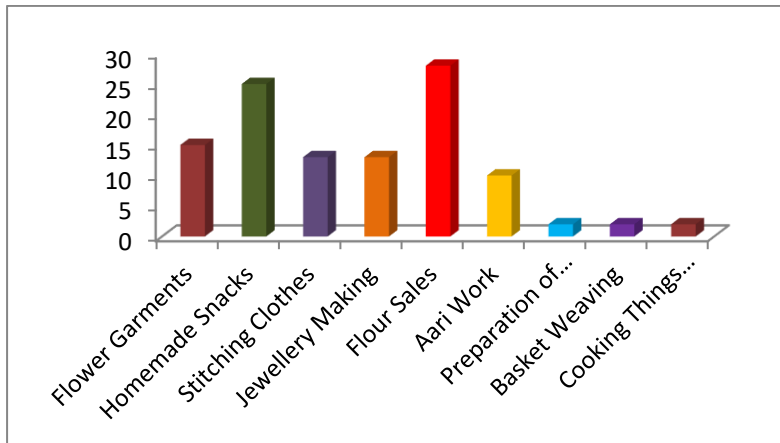


Table: 2

Monthly Savings of the respondents

S. No	Monthly Savings	No. of the respondents	Percentage
1	1000-3000	25	22%
2	3000-5000	40	36%
3	5000-7000	37	34%
4	7000-9000	6	5%
5	More then 10000	2	2%
	Total	110	100%

Source: Primary data

The table presents data on the monthly savings of the respondents. 22% of the respondents save between 1000-3000 per month, 36% of the respondents save between 3000-5000, 34% of the respondents save between 5000-7000 per month, 5% of te respondents save between 7000-9000 at least 25% of the respondents save more than 1000 per month respectively.

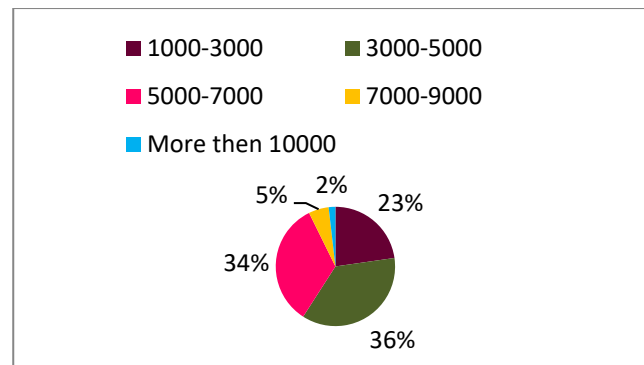


Table: 3

Household Expenditure

S.No	Household Expenditure	No. of the respondent	Percentage
1	3000 – 6000	70	64%
2	6000 – 9000	33	30%
3	9000 & above	7	6%
	Total	110	100%

Source: Primary data

The table in the image presents household expenditure data based on primary sources. It categorizes respondents' household expenditures into three ranges 64% of the respondents their monthly expenditure is ₹3000–6000, 30% of the respondents their expenditure category ₹6000–9000, finally 6% of the respondents their expenditure amount is above ₹9000 respectively.

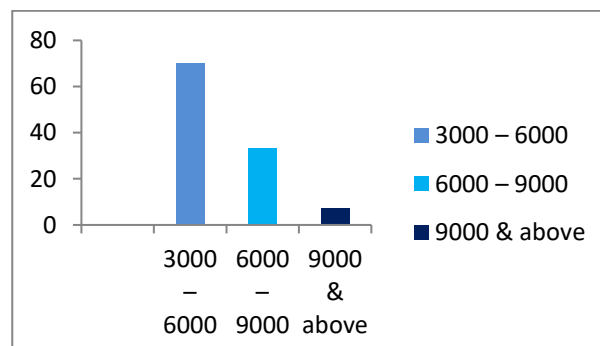


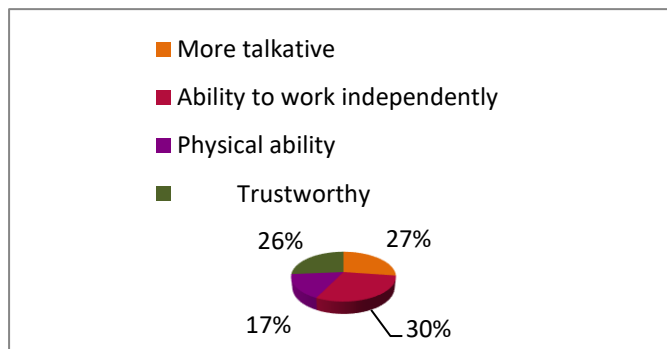
Table: 4

Most important skills of domestic workers

S. No	Important skills	No. of the respondents	Percentage
1	More talkative	30	26%
2	Ability to work independently	33	30%
3	Physical ability	18	16%
4	Trustworthy	29	28%
	Total	110	100%

Source: Primary data

The table presents data on the most important skills as perceived by the 110 respondents. (30%) 33 respondents consider the ability to work independently as the most important skill. (28%) 30 respondents value trustworthiness highly.(26%) 29 respondents think being more talkative is essential. (16%) 18 respondents believe physical ability is the most critical skill.



HYPOTHESES

RELATIONSHIP BETWEEN MONTHLY INCOME AND EXPENDITURE OF THE SAMPLE RESPONDENTS

Co- efficient Correlation:

The Pearson correlation coefficient between Monthly Savings and Household Expenditure is -0.82 (approximately).

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

$$r = -0.82$$

Interpretation:

This indicates a strong negative correlation, meaning that as household expenditure increases, monthly savings tend to decrease. When to variable like income and expenditure move in opposite direction. Therefore the above hypothesis proved.

Hypothesis:

Domestic scale business workers often face challenging socioeconomic conditions such as

- Earnings are generally low and irregular
- Most of the workers operate with minimal profit margins.
- No fixed salary (Income depends on orders and market demand)
- Lack of proper workspace or infrastructure
- Long working hours.
- Limited access modern technology or tools
- Many workers have limited formal education
- Lack of awareness about online platforms
- Lack of support in legal registration, branding or export

FINDINGS

1. Flour grinding is the (25%) maximum occupation among respondents.
2. The majority (36%) of the respondents saving amount is Rs. 3000-5000
3. The Highest proportion of the respondents (64%) their monthly expenditure category is Rs. 3000-6000.
4. 30% of the respondents their skill is ability to work independently

SUGGESTION

1. Offering microloans or grants to expand small business to improve economic stability.
2. Encourage skill development side businesses and financial planning to improve savings potential.
3. Compare monthly income and expenditure for each respondents to determine if there is any surplus for savings
4. Promoting skill development, job training, and entrepreneurship can help increase household income and improve financial stability.

CONCLUSION

Domestic small-scale home business workers often operate in informal or semi-formal sectors, facing both opportunities and challenges. Their socio-economic conditions are shaped by factors such as income stability, market access, education, gender roles, and government support.

Small-scale home businesses are essential for economic development, providing self-employment opportunities to marginalized communities. However, these workers face significant socio-economic challenges, including financial instability, lack of market access, and inadequate policy support. Strengthening financial aid, digital skills training, and social security programs can enhance their sustainability and economic contribution.

Many home-based workers earn minimal and fluctuating incomes, making financial stability difficult. Due to a lack of formal recognition, many struggle to obtain loans or business funding. Especially for women, balancing household responsibilities with business operations is a common issue.

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