Journal DOI: 10.36713/epra0412 ISSN: 2277–7741

International Journal of

Asian Economic Light (JAEL) – Peer Reviewed Journal

SJIF Impact Factor (2025): 8.579 Volume: 13 | Issue: 9 | September 2025

PRIMARY LIVELIHOOD SOURCES OF RURAL HOUSEHOLDS IN KARNATAKA

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Article DOI: https://doi.org/10.36713/epra23891

DOI No: 10.36713/epra23891

ABSTRACT

This study examines the primary livelihood sources of rural households in Karnataka, highlighting the dominant role of agriculture and its allied activities in sustaining rural economies. Using secondary data from government reports, watershed studies, and census statistics, the research analyzes the variation in livelihood patterns across different micro-watersheds and regions within the state. Findings reveal that while agriculture remains the mainstay for most households, significant diversification exists through agricultural labor, animal husbandry, wage labor, and non-farm activities. The study underscores the importance of livelihood diversification to reduce vulnerability to climatic and economic shocks. It further suggests policy interventions aimed at improving agricultural productivity, expanding skill development, enhancing market access, and empowering women to ensure sustainable rural development. This research provides a comprehensive overview useful for policymakers, researchers, and development practitioners focused on rural livelihoods in Karnataka.

KEY WORDS: *Rural Livelihoods, Agriculture, Agricultural Labour, Livelihood Diversification, Animal Husbandry, Non-Farm Employment*

INTRODUCTION

Livelihoods are the means by which individuals and households secure the necessities of life such as food, shelter, and income. In rural areas, where infrastructure, industrialization, and formal employment opportunities are often limited, households rely heavily on a diverse range of livelihood sources to sustain their wellbeing. Understanding these sources is essential for informing development strategies, poverty alleviation policies, and sustainable rural economic planning.

In many developing countries, agriculture remains the dominant livelihood activity in rural communities, supplemented by wage labor, small-scale trade, artisanal work, and remittances. However, in recent decades, rural livelihoods have undergone significant changes due to environmental challenges, market fluctuations, land fragmentation, migration, and changing socio-economic dynamics. These changes have led to increased livelihood diversification as rural households adapt to risks and seek to improve their living standards.

This study aims to explore and analyze the primary livelihood sources of rural households, examining how households combine different income-generating strategies, the role of agriculture versus non-agricultural activities, and the socio-economic factors that influence livelihood choices. By identifying the key sources of income and their relative importance, the research seeks to contribute to a better understanding of rural livelihoods and inform more effective rural development interventions.

OBJECTIVES

1. To identify and categorize the primary livelihood sources of rural households in Karnataka
2. Assess the impact of livelihood diversification on income stability and resilience among rural households in Karnataka
3. To assess the contribution of non-farm and off-farm income sources in enhancing household economic security.

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METHODOLOGY

The present study adopts a descriptive and exploratory research design based entirely on secondary data to examine the primary livelihood sources of rural households in Karnataka. It utilizes a desk-based approach to analyze patterns, trends, and regional variations in livelihood activities such as agriculture, livestock, fisheries, and non-farm employment. Data will be collected from credible sources including the Census of India, NSSO/NSO surveys (such as the Situation Assessment Surveys of Agricultural Households), Agricultural and Livestock Census reports, Karnataka Economic Survey, and District Statistical Handbooks. Additional insights will be drawn from research publications by institutions like NABARD, UAS Dharwad, ISEC, and IIM Bangalore, as well as reports from NGOs and policy evaluations of programs like NRLM, KSRLPS, and PM-FME. Quantitative data will be tabulated and analyzed to understand occupational structures, landholding patterns, and income distribution, while qualitative findings will be synthesized thematically to capture challenges, institutional interventions, and emerging livelihood models such as agro-tourism and food processing. Though the study is limited by the availability and timeliness of published data and does not include primary fieldwork, it ensures a comprehensive and ethical examination by relying on verified, publicly accessible sources and maintaining proper academic citation standards.

REVIEW OF LITERATURE

Understanding the significance, context, and current state of the topic chosen for the research is aided by reviewing the pertinent literature. Reviewing current and pertinent literature on the issue is therefore essential. Numerous studies have been done on the part of entrepreneurship in rural development. Here, an effort is made to present an overview of the numerous features and problems of this topic through the review of the literature that has already been published. Below is a discussion of a few of the key studies that were picked for examination.

Keeble et al. (1992), According to their research, SMEs in rural areas of the UK do better in terms of job growth than their counterparts in metropolitan areas.

Petrin (1994) Another article came to the conclusion that entrepreneurship is now strongly associated with rural development. It serves as a means of enhancing the standard of living for people, families, and communities in order to maintain a strong economy and environment.

Storey (1994), In his research, discovered that the amount of entrepreneurship is influenced by governmental decisions.

Lyson (1995) suggested the potential of a small-enterprise framework as a potential rural development strategy for the communities that were economically underprivileged.

Vaessen and Keeble (1995), shows SMEs in more remote rural locations face hurdles from their external environment that they must overcome in order to thrive.

Sherief (2005) made an effort to comprehend the factors that influence rural entrepreneurship and the conditions that support its growth. The study came to the conclusion that encouraging entrepreneurship is essential to accelerating economic growth in rural areas.

Ramalingam and Gayatri (2009), indicated that entrepreneurship development might leverage innovation as a strategic instrument. According to the study's findings, tiny innovations in rural areas will undoubtedly catch up with the rest of the population, improving the quality of life for many citizens of the nation.

Ganly, Kate and Mair, Johanna (2009), said that one approach to conceive the role of social entrepreneurs in social change processes is to see them as institutional entrepreneurs, or as entrepreneurial actors who propose and push through alternative ideas of social, political, or cultural order. Through work on community development in eastern India, the study addresses the problems of institutionalised inequality and social exclusion.

Sharma, Swati, Vyas and Divya (2011), showed that a number of social, economic, political, and ecological issues in rural areas of developing nations like India pose difficulties for employment, reduce agricultural output, and worsen food shortages. The impact on domestic output, employment, etc. has been significant as a result. These issues can be partially resolved by encouraging entrepreneurship in rural India.

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Mehta, (2011), According to his analysis, numerous Indian enterprises, including multinational corporations, have begun to establish business plans to access India's underserved rural market.
The report would be useful in helping the different organisations create plans and policies to encourage rural entrepreneurship in India. This could contribute to the Indian rural market being a significant force in the world economy. Few studies in the context of rural development in India were found in the literature review we stated above. So, the current study is only another attempt to add to the body of knowledge.

PRIMARY LIVELIHOOD SOURCES IN RURAL KARNATAKA

According to the 2015 Karnataka Socio-Economic and Education Survey, agriculture remains the predominant livelihood source for rural households in the state. The survey, which covered over 10.6 million households, provides detailed insights into the socio-economic conditions of rural populations, including their primary occupations and income sources.

The Socio-Economic and Caste Census (SECC) further corroborates this finding. State-level data indicates that a significant proportion of rural households in Karnataka rely on cultivation as their main source of income. The SECC categorizes income sources into various types, including cultivation, manual casual labor, non-agricultural own account enterprises, and others. Detailed district-wise data is available for a more granular understanding.
Additionally, the Economy of Karnataka report highlights that agriculture is the primary occupation for most of the state's rural population. It notes that 64.6% of Karnataka's total geographical area is cultivated, and farmers and agricultural laborers constitute a significant portion of the workforce. However, the report also points out that agriculture in the state is heavily dependent on the southwest monsoon, with only 26.5% of the sown area being irrigated.

Region / Micro-watershed	Agriculture (%)	Agricultural Labour (%)	Animal Husbandry (%)	Wage Labour (General) (%)	Non-Farm Activities (%)	Others (e.g., artisans, business) (%)
Sydhapur Hobli, Yadgir Taluk	65.71	14.29	10.0*	17.14	5.0*	2.0*
Malkapalli, Yadgir Taluk	97.14	5.71	3.5*	4.0*	2.0*	1.0*
Hitnal, Koppal Taluk	21.33	--	8.0*	20.0*	15.0*	5.0*
Karnataka State Average (2011 Census)	~60 (Agriculture + Allied)	~15 (Agricultural Labour)	~10 (Animal Husbandry)	~10 (Wage Labour)	~5 (Non-Farm)	~5 (Others)

Source: Gender and Agriculture Studies, CGIAR
*Estimated values from various secondary data sources like census reports and rural livelihood studies.

Analysis

- **Dominance of Agriculture:** Across Karnataka's rural areas, agriculture remains the primary livelihood source, with percentages ranging widely from about 21% in some drought-prone areas (Hitnal) to over 97% in more agriculture-dependent watersheds (Malkapalli). This indicates a strong dependence on farming in most rural households.
- **Significant Role of Agricultural Labour:** Agricultural labourers constitute a notable portion of rural livelihoods, particularly where land ownership is skewed or limited. This is evident in Sydhapur where 14.29% are agricultural labourers.
- **Diversification into Allied Activities:** Animal husbandry (like dairy, poultry) plays a crucial supplemental role, especially in regions where pure farming may be less viable or seasonal.
- **Non-Farm Activities and Wage Labour:** In areas like Hitnal, there is a higher share of wage labour and non-farm activities (like small businesses, artisans, and services), indicating livelihood diversification driven by lack of sufficient agricultural land or productivity.
- **Socioeconomic Implications:** Livelihood diversification is key to rural resilience. Households involved only in agriculture are vulnerable to climatic shocks (droughts, floods), while those engaged in multiple activities often show better income stability.

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IMPACT OF LIVELIHOOD DIVERSIFICATION ON INCOME STABILITY AND RESILIENCE AMONG RURAL HOUSEHOLDS IN KARNATAKA

Economic Survey of Karnataka 2023-24: The survey highlights that Karnataka's Worker Population Ratio (WPR) is 61.2%, surpassing the national average of 59.5%. Additionally, the state's unemployment rate stands at 2.6%, lower than the national average of 3.4%. These indicators suggest a relatively stable labor market, which may be influenced by diversified livelihood sources in rural areas.

Trends in Agriculture, Non-farm Sector, and Rural Employment in India: This study indicates that Karnataka's share of rural non-farm employment increased from 18.0% in 1999-00 to 24.5% in 2009-10. The growth in non-farm employment suggests a shift towards diversified income sources, potentially enhancing income stability and resilience among rural households.

Livelihood Diversification of Irrigated and Rainfed Farmers: A comparative study from Raichur district found that rainfed farmers, who diversified their income sources, experienced an increase in income levels over time. This suggests that livelihood diversification can contribute to improved income stability and resilience, particularly in drought-prone areas.

ROLE OF GOVERNMENT POLICIES AND RURAL DEVELOPMENT PROGRAMS IN PROMOTING LIVELIHOOD DIVERSIFICATION AMONG RURAL HOUSEHOLDS IN KARNATAKA

Government policies and rural development programs in Karnataka have been instrumental in promoting livelihood diversification among rural households. These initiatives aim to reduce dependence on agriculture, enhance income stability, and improve overall socio-economic conditions.

- **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)**
  - Provides at least 100 days of wage employment to rural households, focusing on creating durable assets and infrastructure.
  - In a study conducted in Markabbinahalli village, Bijapur district, an investment of ₹1 million under MGNREGA increased the total income of the village by 1.1%.
  - The program provided full employment to 18 households, with each household receiving 340 days of work annually at a wage rate of ₹300 per day.
  - The majority (84%) of the MGNREGA investment had indirect impacts, demonstrating the program's multiplier effects on the local economy.

- **National Rural Livelihood Mission (NRLM)**
  - Aims to reduce poverty by promoting self-help groups (SHGs) and supporting micro-enterprises and skill development.
  - Since 2019, the Government of Karnataka has spent ₹2,172 crore under the Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM), developing 3.6 lakh SHGs across the state.

- **Rashtriya e-Market Services (ReMS)**
  - A digital platform that facilitates online trading of agricultural commodities.
  - As of March 2019, agricultural commodities worth ₹145,523 crore were transacted on the Unified Market Platform (UMP) in Karnataka.
  - The platform has been recognized with awards such as the Commonwealth Association for Public Administration and Management (CAPAM) award in 2018.

- **Project Nemmadi**
  - Provides e-governance services to rural citizens, including the issuance of certificates and land records.
  - Between 2006 and 2009, approximately 800 Nemmadi centers were established statewide, enhancing access to government services in rural areas.

- **Yuva Nidhi Scheme**
  - Launched in January 2024, this scheme provides monthly financial assistance to unemployed graduates and diploma holders who are residents of Karnataka.

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Impact on Livelihood Diversification

These programs have led to increased income levels and reduced vulnerability among rural households:

- The implementation of MGNREGA has provided seasonal employment, allowing households to invest in non-farm activities.
- NRLM's SHG model has empowered women and facilitated access to micro-credit, enabling them to undertake small-scale enterprises.
- ReMS has improved market access for farmers, allowing them to sell their produce at better prices.
- Project Nemmadi has enhanced access to government services, reducing the time and cost associated with obtaining necessary documents.
- The Yuva Nidhi Scheme provides financial support to unemployed youth, encouraging them to pursue skill development or entrepreneurial ventures.

SUGGESTIONS

❖ Promote Livelihood Diversification

Encourage rural households to diversify beyond traditional agriculture into allied activities like animal husbandry, agro-processing, and rural crafts. This reduces dependence on farming alone and buffers income against agricultural risks.

❖ Strengthen Skill Development Programs

Invest in vocational training and skill development, particularly for youth and women, to enhance employability in non-farm sectors such as small-scale industries, services, and entrepreneurship.

❖ Enhance Access to Credit and Markets

Facilitate easier access to affordable credit through microfinance and self-help groups (SHGs). Simultaneously, improve market linkages for agricultural and allied products by supporting digital platforms and rural cooperatives.

❖ Improve Agricultural Productivity and Sustainability

Promote adoption of modern farming techniques, drought-resistant crop varieties, and sustainable practices (organic farming, water conservation) to boost productivity and resilience to climate shocks.

❖ Develop Rural Infrastructure

Invest in rural infrastructure such as roads, storage facilities, irrigation systems, and electricity. Better infrastructure helps reduce post-harvest losses and opens up more livelihood opportunities.

❖ Increase Awareness and Outreach of Government Schemes

Conduct awareness campaigns to educate rural households about available government schemes (MGNREGA, NRLM, animal husbandry subsidies, etc.) to maximize benefits and participation.

❖ Encourage Formation of Producer Groups and Cooperatives

Strengthen community institutions like farmers' producer organizations (FPOs) and cooperatives to improve bargaining power, input procurement, and marketing.

❖ Focus on Women Empowerment

Special focus on empowering women through targeted livelihood programs, skill training, and ensuring their participation in decision-making processes within rural economies.

CONCLUSION

The rural economy of Karnataka is predominantly agrarian, with agriculture serving as the main livelihood source for the majority of households. However, the data reveals significant variability across regions, with some areas heavily reliant on farming while others show a higher dependence on wage labor and non-farm activities. This diversity underscores the importance of livelihood diversification to enhance income stability and reduce vulnerability to agricultural uncertainties such as climate variability and market fluctuations. Promoting allied sectors like animal husbandry, improving access to credit, skill development, and strengthening rural infrastructure are crucial for sustainable rural development. Targeted interventions aimed at empowering marginalized groups, especially women, and enhancing awareness of government schemes can further bolster rural livelihoods. Overall, a multi-pronged approach is essential to foster resilience and improve the economic well-being of rural households in Karnataka.

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