

## Pattern of Employment in Rural Non-Farm Sector of Punjab

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**ABSTRACT:** Historical perceptives clearly show that agriculture cannot absorb all the growth of the rural workforce but the imperative role of non-agricultural activities is recognized recently. Majority of the rural workforce is giving up farming and moving to the non-agricultural sector in rural areas. A change in the structure of jobs in rural areas is a prerequisite for the process of rural transformation. Kerala remained at the top around 73 %, while Punjab exhibited second position at rural non-farm sector (RNFS) with a labor force of 46.36% in 2011. Intergenerational Change in Occupation is noted as per the present study, as nearly 90% respondents experienced change of occupations from father to respondents. Reliance on RNFS by rural families was significantly higher in the developed region compared to the developing or backward region.

**KEYWORDS:** Rural Non-Farm, Employment, Occupation, Intergeneration, Labour and Enterprises.

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**INTRODUCTION:** Agriculture cannot absorb all the growth in the rural workforce, the crucial role of non-farm activities in rural livelihoods was acknowledged in the 1980s. During the last two decades growth in non-farm work is increasing and now almost a third of rural workers and almost two-fifths of rural households do non-farm work (NSSO, 2011). Majority of rural workers are giving up agriculture and moving to non-farm sectors in rural areas. The changing occupational structure in rural areas is a prerequisite for the process of rural transformation. Non-farm activities in agricultural districts are growing rapidly in response to agricultural development and deserve special attention in rural development and urban development strategies. The poorest rural groups in the world include those who rely on non-farm work as a source of employment and income. Hence, changing nature of employment and type of employment in rural non-farm sector is discussed in this paper. But lower level of production activities indicates lower level of entrepreneurship and level of skills of any region. Another notable feature of the changes in the employment structure of people in rural areas is related to the changes occurring among various social groups.

Non-farm rural economic activities face limited expansion opportunities as the market is almost completely limited and locked to the local economy. Non-farm activities are emerging as a common phenomenon among educated people in landless households, whereas farm activities are considered to be the only source of employment for illiterate landless people. Participation in non-farm work is most likely in areas located near the urban centers. Finally, there are regional differences in employment patterns that appear to be associated with availability of resources.

### REVIEW OF LITERATURE

There is a significant amount of literature investigating the link between agricultural development and the non-agricultural sector. Most of the literature refers to Mellor's (1976) growth linkage theory which states that due to advances in agricultural technologies, increased productivity and income of farmers, growth is experienced in the agricultural and non-agricultural sector. Experts have broadly divided the employment available in the non-farm sector into two broad categories - 'high productivity' and 'low productivity'. Dennis and Mark (2015) have examined that in African countries, rural non-farm jobs account for more than three-quarters of non-farm work (urban and rural), in Asia for more than half, and in Latin America more than one-third (including jobs in rural cities). Dev (1990) observed that the growth of non-agricultural employment in some areas is due to agricultural growth linkages while in other areas it could be due to agricultural underdevelopment, unemployment and poverty. Bhalla (1993) and Chadha (1997) examined differences in non-farm sector in all states. Bhaumik (2007) noted that the non-farm sector created more jobs per household than the farm sector in the developed and backward regions, emphasizing the importance of this sector to rural families in Western Bengal. Vatta et al (2008) pointed out that not only about 70 percent of rural households receive RNF income but about 51 percent of households; it was a great source of income for them. Chand et al (2017) stated that a major concern in India's rural areas is the low level of per capita income due to the high reliance on low productivity and low income employment.

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### DATA, SAMPLE AND RESEARCH METHODOLOGY

The sample area for the study is rural Punjab. Geographically, Punjab is divided into three regions; Majha, Malwa and Doaba. In this study, sample is selected from all the three regions by proportionate random sampling technique.

Sample Distribution				
Name of the Region	No. of Districts	Districts to be included in sample	Block to be selected	Villages to be selected out of each block
Malwa	14	7	7	19
Majha	4	2	2	6
Doaba	4	2	2	6
Total	22	11	11	31

Out of all the three regions, the sample size from each district is taken proportionately as per its share in total rural population. A representative sample of 1500 rural labour force (out of which 430 are owners of enterprises and 1070 are working as labourers in enterprises) in the age group of 15-59 is selected in proportion to the population size of the village. Also the respondents of all social groups (General, Scheduled Caste and Other Backward Classes) is included proportionately as per their share in total rural population. Only those villages are included in the samples which are located at least at the distance of 15-20 Kilometers from the city. The analysis of Quantitative data is done with the appropriate statistical techniques. Qualitative information is gathered through the focused group discussions, observations and interview. Also to get the deeper insight the field observation techniques is employed. To understand the changing nature of rural non-farm employment and types of rural non-farm employment, present paper is divided into two parts :

#### A) Changing Nature of Rural Non-Farm Employment

#### B) Types of Rural Non-Farm Employment

##### A) Changing Nature of Rural Non-Farm Employment

##### 1. Distribution of Workers in Punjab

The Table 1 shows the distribution of workers on the basis of gender and type of workers i.e. total workers, cultivators and agricultural labourers during 1991 to 2011. The share of total male workers has remained almost stagnant and registered a minor increase constant (54.2% to 55.1%) during 1991 to 2011.

**Table 1. Distribution of Workers in Punjab (in %)**

Worker	1991	2001	2011
Total Workers	30.9	37.5	35.6
Male	54.2	53.6	55.1
Female	14.4	19.1	13.9
Cultivators			
Total	31.4	22.6	19.6
Male	34.5	25.3	21.7
Female	8.7	13.9	9.9
Agricultural Labourers			
	23.8	16.3	16.0
Male	23.8	15.9	15.3
Female	24.3	17.8	19.1

**Source:** Various Reports of Census of India

Total female workers also witnessed the constant but low share (14.4% to 13.9%) in total workforce. The share of male cultivators decreased from 34.5% in 1991 to 21.7% in 2011. Share of female cultivators increased marginally from 8.7% to 9.9%. Similarly, share of total agricultural labourers fell from 23.8% to 16%, share of male agricultural labourers fell from 23.8% to 15.3% during 1991 to 2011. Female agricultural labourers fell at a higher pace (from 24.3% to 19.1%) in the corresponding period.

##### 2. Share of Different Sectors in Rural Employment

Table 2 shows gender wise distribution of non-farm workers in different economic sectors. In 1993-94, the share of males in agriculture reduced from 68.1% to 40.7% during 1993-94 to 2017-18. The share of females also drastically reduced from 92.7% to 40.6% in the same period.

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**Table 2. Share of Different Sectors in Rural Employment (in %)**

Sector	Male		Female		Total	
	1993-94	2017-18	1993-94	2017-18	1993-94	2017-18
Agriculture	68.1	40.7	92.7	40.6	74.7	40.7
Industry	7.7	11.3	1.5	17.4	6.1	12.2
Construction	4.7	18.8	-	5.3	3.5	16.9
Service	19.5	29.1	5.7	6.37	15.7	30.2
Total	3.8(100)	4.9(100)	1.4(100)	0.8(100)	5.2(100)	5.7(100)

Source: Various round of NSSO

In industry, the share of males and females increased from 7.7% to 11.3% and 1.5% to 17.4% respectively during 1993-94 to 2017-18. The construction sector also witnessed the rise in male workforce from 4.7% to 18.8% in study period. The service sector witnessed rise in male work force and marginal rise for female in rural employment. This shows that most of the rural workers are giving up agriculture and moving in to non-farm sectors like industry, construction and service sector.

### 3. Intergenerational Change in Occupation (from Father to Respondents) in Rural Non-Farm Enterprises among Social Groups

As per our field notes and empirical analysis of primary data, Table 3 shows that the change of occupation from father to respondent and Grand-father to father. Nearly 90% respondents experienced change of occupations from father to respondents.

**Table 3. Change in Occupation from Father to Respondent in Rural Non-Farm Enterprises Among Social Groups**

Category	No Change	Changed	Total
General	16 (9.6)	151 (90.4)	167 (100)
SC	13 (8.4)	142 (91.6)	155 (100)
OBC	12 (12.1)	87 (87.9)	99 (100)
Other	0 (0)	9 (100)	9 (100)
Total	41 (9.5)	389 (90.5)	430 (100)
Change in Occupation From Grandfather to Father in Rural Non-Farm Enterprises Among Social Groups			
Category	No Change	Changed	Total
General	129 (77.2)	38 (22.8)	167 (100)
SC	103 (66.5)	52 (33.5)	155 (100)
OBC	54 (54.5)	45 (45.5)	99 (100)
Other	8 (88.9)	1 (11.1)	9 (100)
Total	294 (68.4)	136 (31.6)	430 (100)

Source: Author's Calculation from Primary Survey Note: figures in parentheses are percentages.

In table 3, it was noticed that out of a total of 430 respondents 41 (9.5 %) of respondents have shown no change in their occupation, and 389 (90.5 %) of respondents have changed their occupation from the occupation of their respective fathers' occupation. According to this table, 9.6 % of general category respondents didn't change their occupation from their father's occupation while 90.4 % of respondents changed the occupation. However, respondent from SC data shows that 8.4 % of respondents have not changed their occupation and 91.6 % of respondents have changed in occupation. Whereas OBC data shows that 87.9 % of respondents have changed and 12.1 % of respondents have not changed their occupation from their father's occupation.

To understand the change in occupation from grandfather to father It was observed that out of a total of 430 respondents 294 (68.4 %) of respondents have shown no change in their occupation, and 136 (31.6 %) of respondents have changed their occupation from their grandfather to father. However, 77.2 % of general category respondents didn't change their occupation from their grandfather to father occupation and 22.8 % of respondents have changed their occupation. According to this table, around 66.5 % of respondents have not changed their occupation and 33.5 % of respondents have changed occupation. Whereas, OBC data shows that 54.5 % of respondents have changed and 45.5 % of respondents haven't changed their occupation from their grandfather to their father's occupation.

### (B) TYPES OF EMPLOYMENT

#### 1. Types of Occupation in Rural Non-Farm Enterprises among Social Groups

In rural social structure of Punjab land is owned by general castes and scheduled caste people worked as labourers. The same trend is visible in Table 4. It clearly shows that in Agriculture and Allied Activities, 66.7% people belong to general category, 29.6% people belong to schedule caste while just 3.7% people belong to other backward class.

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**Table 4. Types of Occupation in Rural Non-Farm Enterprises Among Social Groups**

Occupation of the Respondent	General	SC	OBC	Other	Total
Agriculture & Allied activities	18(66.7)	8(29.6)	1(3.7)	0	27(100)
Car, Bike Repair Shop	7(29.2)	7(29.2)	10(41.7)	0	24(100)
Construction & Maintenance	2(25.0)	5(62.5)	1(12.5)	0	8(100)
Driver	2(14.3)	8(57.1)	1(7.1)	3(21.4)	14(100)
Electronics & Electrical Repair/sale	5(23.8)	8(38.1)	8(38.1)	0	21(100)
Food & Beverages	15(31.9)	24(51.1)	5(10.6)	3(6.4)	47(100)
Medical	12(48.0)	7(28.0)	6(24.0)	0	25(100)
Mobile, Telecom & Computers	7(33.3)	11(52.4)	3(14.3)	0	21(100)
Personal Services & Entertainment	5(16.7)	21(70.0)	4(13.3)	0	30(100)
Processing of Raw Material	6(40.0)	3(20.0)	5(33.3)	1(6.7)	15(100)
Professional Service & Education	7(87.5)	0	1(12.5)	0	8(100)
Retail	56(48.3)	33(28.4)	26(22.4)	1(0.9)	116(100)
Scrap	0	1(50.0)	0	1(50.0)	2(100)
Shoe Making	1(25.0)	3(75.0)	0	0	4(100)
Tailor	7(35.0)	8(40.0)	5(25.0)	0	20(100)
Wood Working	6(33.3)	2(11.1)	10(55.6)	0	18(100)
Workshop	8(30.8)	5(19.2)	13(50.0)	0	26(100)
Other	3(75.0)	1(25.0)	0	0	4(100)
Total	167(38.8)	155(36.0)	99(23.0)	9(2.1)	430(100)

**Source:** Author's Calculation from Primary Survey Note: figures in parentheses are percentages.

Majority of schedule caste workers are engaged in activities like Construction and Maintenance (62.5%), Driver (57.1%), Personal Services & Entertainment (70%), shoe making (75%). On the other hand, general category workers are engaged in activities like Professional Service & Education (87.5%), Agriculture & Allied activities (66.7%), Medical services (48.5%) and other (75%). OBC workers are engaged in traditional activities like wood work and workshop, Car, Bike Repair Shop.

Types of employment of labour working in rural non-farm enterprises are discussed in following. There are 1070 labourers surveyed in our study.

### 2. Occupation of The Labours Among Social Groups in Rural Non-Farm Sector of Punjab

Table 5 depicts that 74.56% of respondents belongs to Schedule caste category whereas 12.54% belongs to general category and followed by OBC category with only 8.89%.

**Table 5. Occupation of The Labours Among Social Groups in Rural Non-Farm Sector of Punjab**

Category	General	SC	OBC	Other	Total
Aaganwadi and Asha worker	15 (16.67)	61 (67.78)	9 (10)	5 (5.56)	90 (100)
Auto-mobile repair	1 (16.67)	5(83.33)	0 (0)	0 (0)	6 (100)
Barber	0 (0)	3 (100)	0 (0)	0 (0)	3 (100)
Brick Kiln worker	0 (0)	74 (100)	0 (0)	0 (0)	74 (100)
Carpenter	0 (0)	5 (50)	5 (50)	0 (0)	10 (100)
Casual Labour	34 (7.56)	349 (77.56)	38 (8.44)	29 (6.44)	450 (100)
Domestic labour	0 (0)	18 (100)	0 (0)	0 (0)	18 (100)
Driver	13 (33.33)	19 (48.72)	6 (15.38)	1 (2.56)	39 (100)
Electrician	0 (0)	7 (70)	3 (30)	0 (0)	10 (100)
Factory Labour	8 (12.7)	52 (82.54)	3 (4.76)	0 (0)	63 (100)
Govt Job Regular	27 (50)	24 (44.44)	2 (3.7)	1 (1.85)	54 (100)
Medicine	5 (62.5)	2 (25)	0 (0)	1 (12.5)	8 (100)
Mason	0 (0)	58 (75.32)	14 (18.18)	5 (6.49)	77 (100)
Other	4 (8.33)	43 (89.58)	1 (2.08)	0 (0)	48 (100)
Pvt. Job	9 (33.33)	13 (48.15)	4 (14.81)	1 (3.7)	27 (100)
Religious Work	0 (0)	8 (88.89)	1 (11.11)	0 (0)	9 (100)
Sanitation	0 (0)	13 (100)	0 (0)	0 (0)	13 (100)
Security	6 (28.57)	14 (66.67)	1 (4.76)	0 (0)	21 (100)
Shop Labour	9 (40.91)	11 (50)	2 (9.09)	0 (0)	22 (100)
Tailor	2 (20)	6 (60)	2 (20)	0 (0)	10 (100)
Workshop Labour	1 (5.88)	12 (70.59)	4 (23.53)	0 (0)	17 (100)
Total	134 (12.54)	797 (74.56)	95 (8.89)	43 (4.02)	1069 (100)

**Source:** Author's Calculation from Primary Survey Note: figures in parentheses are percentages. Note: One respondent didn't reveal his caste

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Majority of schedule caste workers are engaged in activities like Anganwadi and Asha worker, Auto-mobile repair, Brick Kiln worker, casual worker, domestic worker, factory labour and religious work. On the other hand, general category workers are engaged in activities like Govt. Job Regular, Medicine, and shop labour. OBC workers are engaged in traditional activities like carpenter and workshop labour.

### CONCLUSION AND POLICY IMPLICATIONS

Rural non-farm is panacea to do away with unemployment and to appendage their low farm incomes. The share of total agricultural workers decreased from 23.8% to 16%, the share of male agricultural workers decreased from 23.8% to 15.3% whereas female agricultural workers decreased at a higher pace (from 24.3% to 19.1%) during the period 1991 and 2011. The total rural non-agricultural labour force increased by only 1% i.e. from 26.72% of the total rural workforce to 27.72% at all India level from 2001-2011. In primary survey it is observed that out of total 430 rural enterprises, 9.5% showed no change in their occupation and 90.5% respondents changed their occupation from their father's occupation. Less than 10% of respondents in the general category did not opt their father's occupation while 90.4% of respondents opted their father's occupation. However, 8.4% of respondents from scheduled caste do not choose their father's occupation. The corresponding figure for OBCs is 87.9%. However, 77.2% of respondents in the general category did not change their occupation from grandfather to father, and 22.8% of respondents did change occupation whereas SC category data show that 66.5% of respondents did not change their occupation and 33.5% of their respondents changed their occupation. Around 58.80% of all respondents had no change in their occupation during their lifetime. Further, very few respondents have changed occupations more than twice.

As per disaggregate analysis of rural non-farm enterprising activities, retail service is the main enterprising activity of 27% of the total respondents in non-agricultural sector followed by Food and beverages (10.9%). About 7.0% of respondents are engaged in personal and entertainment services in rural areas of Punjab. Nearly 6.3% of the respondents are engaged in agriculture and related activities. About 6% and 5.8% of respondents worked in rural non-agricultural activities at workshop and in medicine, respectively. However, according to occupational classification of labourers, the primary occupation of labourers is casual work (42.09%) followed by Anganwadi and Asha worker (8.41%). Mason (7.20%) and Brick Kiln work (6.92%) are the other major occupations in the rural non-farm sector.

Lower level of manufacturing, production and processing activities at rural level is a serious cause of concern and demands the attention of policy makers. Hence policy makers should set up the infrastructure set up along with providing raw material at reasonable time and price. Government should procure all finished products from rural enterprises at minimum support price and should arrange.

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