NON-FARM EMPLOYMENT: A HOUSEHOLD LEVEL STUDY IN WEST BENGAL

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Abstract

The scope of employment and its pattern is an important indicator of development of the livelihoods of the rural people. In single cropping pattern region, particularly in jungal mahal area of Paschim Medinipur district, non-farm sector provides a larger proportion of employment to the inhabitants. The share of rural non-farm workers (RNFW) to total estimated workers of sample households is found to be higher than that of agricultural workers in 50 percent villages of total sample villages. Rural male NFW dominate all sectors except household manufacturing sector. The workers of landless households and households with relatively low land holding are absorbed much more in rural non-farm activity. The participation in rural non-farm activity is affected by several factors. The factors like land insufficiency, poverty, heredity and high earnings are much more important than other factors like irrigation problems, transport facilities, role of government and urban linkage etc.
Key Words: Employment, non-farm worker, rural development, self-employment.

Introduction

In India most of the people live in rural areas. So development of India may be possible when we can develop our rural India. So development of rural India has come out as a distinctive field of policy, practice and of research. The scope of employment and its pattern is an important indicator of development of the livelihoods of the rural people. In single cropping pattern region, particularly in jungal mahal area of Paschim Medinipur district, non-farm sector provides a larger proportion of employment to the inhabitants. Our study area is jungal mahal of Paschim Medinipur district which is a part of drougt prone (DP) area of the district of West Bengal. The drought prone region is distinct from other parts of the state of West Bengal in terms of social consumption and has a relatively high proportion of scheduled tribes to total population with their own culture, language and style of living. It has been observed that overall productivity of the drought prone areas remained quite low and during the years of drought it become lowest. As a result, there is gradual and steady impoverishment among rural people, particularly among the weaker sections, namely marginal and small farmers, agricultural labourers and tribal people[0]. In a nutshell, the benefits of green revolution bypassed the drought prone area and weaker sections, namely the SCs and STs while noon-farm employment opportunities are gradually expanding.

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Review of Literature

Molulik[7] et al (1978), from a study of 100 entrepreneurs in Anand taluka of Kheda district in Gujrat revealed that entrepreneurs belonging to the locally dominant castes and the family's occupational background emerged as the important factor.

Chuta[3] and Liedholm (1979) showed that backward and forward linkages between rural non-farm sector and agriculture were quite strong. Production linkages, both backward and forward, would also emanate from the agricultural sector. The growth of non-farm sector would in turn stimulate the growth of agricultural productivity, via investment of surplus back into agriculture.

According to Ho[7] (1986), the decision of the rural households to participate in rural non-farm activities is determined by a combination of push and pulls factors. The push factors highlight the limited capacity of agriculture to absorb labour, especially given limited availability of land. These factors include an inadequate farm output to sustain the livelihoods, the risks of farming and also an absence or failure of farm input markets and input credit markets. The pull factors, on the other hand, are related to availability of attractive and more profitable opportunities of working in the non-farm sector.

Basant[2] (1993) and Basant (*et al*) (1998) on the basis of field survey noted that about 55 per cent of households reported non-agricultural activities as their major sources of household income. The diversification of sources of household income was a function of two processes: a) participation of household worker in single activity, and b) participation of a single worker in multiple economic activities. The number and nature of economic activities was influenced by their accesses to land and other assets, family size, nearness of the village to a town, etc.

The Gaps in the Existing Literature

From the brief review of the existing literature on rural non-farm employment (RNFE) at the macro and micro levels it is revealed that pattern of growth of RNFE, particularly in respect of male and female dimensions and at the sectoral levels of RNFE, has not been adequately analyzed. There are few studies on pattern of NFE across the districts of west Bengal and hardly any study in the drought prone (DP) blocks of jungal mahal area of the state. Structural changes within the RNFE have not been studied in detail in the existing literature. The present study seeks to remedy most of these gaps in existing literature.

Against this backdrop, this study seeks to examine the overall patterns of RNFE and the factors that affecting the participation of members of household in rural non-farm activities.

Significance f the Study

The study is helpful to know the trend and pattern of RNFE and households survival strategy in rural area. The study is relevant for policy making for rural development in general and employment generation in particular in not only West Bengal but also the whole India. Findings of the study will also helps in designing plans for reduce unemployment and poverty.

Objectives of the Study

The following objectives have been set for the present study.

a) To analyse the pattern of rural non-farm employment (RNFE) at the household level.
b) To examine the factors that affecting the participation of members of household in rural non-farm activities.

Methodology

Since secondary data available at present are not adequate to serve our purpose, we resort to primary data. Jungal Mahal area of Paschim Medinipur district of West Bengal is purposely chosen for this study. Multistage stratified random sampling methods are used to find ultimate sample frame. Blocks of the jungal mahal area of drougt prone region of the district are segregated into two strata, namely relatively developed

and backward blocks on the basis of Human Development Index. Two sample blocks are drawn from each stratum based on random sampling without replacement. Gopiballavpur-II and Sankrail blocks are selected from the developed strata while Jambani and Nayagram blocks from the backward strata have been selected in the 1st stage of sampling. After that, two (2) villages are selected randomly from each sample blocks i.e., 8 villages (Kalinja and Taradiha villages of Gopiballavpur – II block, Fulboni and Naihat villages of Sankrail block Belia and Gidhni villages of Jambani Block, and Banspat & Narasinghpur villages of Nayagram block) are selected in the 2nd stage. And in the last stage 25 households are selected randomly from each village and total number of sample households comes to 200. Questionnaire and survey methods are used to collect primary data from sample households.

Findings of the Study

Section I - Pattern of RNFW of Sample Households of Sample Villages

Distribution of workers of 200 sample households of 8 sample villages in four sample drought prone (DP) blocks of Jungal Mahal of Paschim Medinipur district by usual activity status of employment is shown in **Table 1**. First, the share of rural non-farm workers to total estimated workers of sample households is higher than that of farm workers in 4 villages out of 8 villages. As a whole, 47.41 % of workers of sample villages are engaged in non-farm activity. The percentage of RNFW is highest in Gidhni village (63.46 per cent), followed by Belia (56.45 per cent), Naihati (52.08 per cent) and the village Fulboni (31.67 per cent) registered lowest percentage of RNFW. Most of the villages registered higher percentage share of non-farm wage labourers (NFWL) than that of non-farm self-employment[5] (NFSE). The sample village Gidhni (30.77 per cent) registered highest share of NFSE for business activity, followed by Naihati (20.83 per cent) and Belia (17.74 percent).

Table 1 Percentage Share of Workers of Sample Households by Usual Activity Status in Sample Villages of Sample Blocks of Paschim Medinipur District

Name of Sample Block	Name of Sample Village	Non- Farm Employment			Farm (agriculture) Employment	Total Workers	Total Estimated Workers
		NFSE	NFWL	All			
Gopiballavpur – II	Kalinja	9.8	31.37	41.18	58.82	100	51
	Taradiha	10.61	28.79	39.39	60.61	100	66
Sankrail	Fulboni	8.33	23.33	31.67	68.33	100	60
	Naihati	20.83	31.25	52.08	47.92	100	48
Jambani	Belia	17.74	38.71	56.45	43.55	100	62
	Gidhni	30.77	32.69	63.46	36.54	100	52
Nayagram	Bans Pat	16.18	35.29	51.47	48.53	100	68
	Narasinghapur	10.53	35.09	45.61	54.39	100	57
Over all		15.3	32.11	47.41	52.59	100	464

Note: 1. Main and Marginal workers taken together.
2. NFSE = Non-Farm Self Employed, 3. NFWL = Non-Farm Wage Labour
Source: Field Survey, 2014 - 2015.

Table 2 highlights the number and percentage share of rural non-farm workers (RNFW) of sample households by sector of non farm employment (NFE). The share of tertiary sector workers to total estimated RNFW of sample households is higher than that of secondary workers for rural males[4]. The share is 60.61 per cent for the former and 39.39 per cent for the latter. For females, these shares are 32.14 per cent and 67.86 per cent respectively, which indicates that for rural female workers the share of secondary sector employment is higher than that of tertiary sector employment. The share of RNFW is highest in manufacturing (31.81 per cent), followed by Trade and Commerce (28.60 per cent) and Other Services (12.36 per cent).

Table 2 Number and Percentage Share of Rural Non-Farm Worker (RNFW) of Sample Households by Sector of NFE

Sector	Number of RNFW			Percentage Share of RNFW		
	Person	Male	Female	Person	Male	Female
1. Mining & Quarrying	19	13	6	8.47	8.42	8.57
2. Manufacturing	70	32	38	31.81	21.21	54.29
a. Household Manufacturing	57	23	34	25.86	15.15	48.57
b. Non-Household Manufacturing	13	9	4	5.95	6.06	5.71
3. Construction	18	15	4	8.24	9.76	5.00
Secondary Sector (1-3)	107	59	48	48.51	39.39	67.86
4.Trade and Commerce	63	44	19	28.6	29.29	27.14
5.Transport, Storage & Communication	23	23	0	10.53	15.49	0.00
6.Other Services	27	24	4	12.36	15.82	5.00
Tertiary Sector (4-6)	113	91	23	51.49	60.61	32.14
Total Non- Farm (1-6)	220	150	70	100	100	100

Note: Main and Marginal workers taken together.
Source: Field Survey, 2014 - 2015.

The percentage share of secondary sector workers to total estimated RNFW of sample households is lower in two less developed blocks like Jambani and Nayagram than that in two relatively developed blocks like Gopiballavpur - II and Sankril. The share of tertiary employment is lower in relatively developed blocks than that of less developed blocks[6].

The percentage share of male non-farm workers of sample households in different sectors (except in household manufacturing) is higher than that of female workers in the sample DP blocks. Of the sectors of non-farm secondary employment the share of manufacturing workers is highest. The other major sector that contributes largely to non-farm employment is construction. Within the manufacturing employment the share of non-household manufacturing workers is higher than that of household manufacturing workers for male while it is reverse for females. The share of construction workers to the total non-farm workers is higher for male than that for female.

The percentage share of male tertiary workers of sample households is higher than that of male secondary workers. Within the tertiary employment, the percentage shares of trade & commerce and 'other services' are high relatively to those of transport, storage and communications. For female the percentage share of trade and commerce is high, relative to that of 'other services' and transport, storage and communications.

Rural Non-Farm Employment (RNFE) in Relation to Characteristics of Sample Households

About 50.57 per cent of 'other than SC & ST' workers to total estimated non-farm workers of the sample households belong to the non-farm economy while the percentages for SC and ST workers are 28.15 per cent and 21.28 per cent respectively. The percentage share of 'other than SC & ST' RNFW is high in Taradiha (65.38 per cent) followed by Kalinja (57.14 per cent), Belia (51.43 per cent) and Banspat (51.43 per cent). On the whole, 30.91 per cent of RNFW of sample households belong to scheduled caste (SC) category. This share is relatively high in Narasinghapur (57.69 per cent), followed by, Kalinja (42.86 per cent), Taradiha (34.62 per cent) and Banspat (28.57 per cent).

The share of scheduled tribe (ST) RNFW of sample households is 25.45 per cent as a whole and this share is relatively high in Fulbani (68.42 per cent), followed by Gidhni (51.52 per cent), Naihat (32 per cent) and Belia (20 per cent). In the Fulbani village people depend on the primitive type of non-farm activities for their livelihood. In most of the villages they are employed in agriculture as agricultural labourers. In some villages participation in non-farm activities is observed to be hereditary and primitive in nature.

RNFW in Relation to Level of Education of Sample Households

While analysing RNFW in relation to education level of sample households we observe that share of RNFW having secondary education level to total RNFW of sample households is highest 38 per cent, followed by illiteracy and primary education. About 28 per cent of RNFW is illiterate. It is note that relatively low number

of rural non-farm workers having education level graduate (8.82 per cent) and post graduate (3.60 per cent) or technical education (1.89 per cent) and hence the share of RNFW having these education levels is relatively low.

Land Distribution of Sample Households in Relation to RNFW

Distribution of RNFW of sample households by size class of operational land holdings is presented in **Table 3**. Among 200 sample rural households of four drought prone blocks of Paschim Medinipur district, the share of marginal land holding households is highest (31.25 per cent), followed by small (more than 1acre to 2 acre) (27.5 per cent), landless (27.25 per cent). The share of medium (more than 2 acre to 4 acre) size land holding households and that of large land holding households are relatively low. From the last column of the Table**,** it is to note that number of RNFW per household gradually decreases with the increase in the size class of land holding. That is, the workers of landless households and households with relatively low land holding are absorbed much more in rural non-farm activity.

Table 3 Percentage of Rural Non-Farm Workers in Relation to Size Class of Operational Land Holdings of Sample Household (HH) in Sample Blocks

Size Class of HH's Land Holding	Percentage Share of RNFW of Sample HH					% Share of HH	Number of RNFW per HH
	Gopiballavpur - II	Sankrail	Jambani	Nayagram	Total		
Landless	37.63	36.4	33.1	37.19	35.93	27.25	1.43
Marginal (< 1 acre)	29.03	31.30	29.80	26.45	29.06	31.25	1.02
Small (1+ to 2 acre)	23.66	22.20	25.80	26.45	24.71	27.5	0.99
Medium 2+ to 4 acre	7.53	7.07	9.68	9.09	8.46	10.25	0.90
large (4+ acre)	2.15	3.03	1.61	0.826	1.83	3.75	0.53
Total	100 (47)	100 (50)	100 (62)	100 (61)	100 (220)	100 (200)	1.09

Note: 1. Figure in parenthesis indicates the absolute number.
*   2. Main and Marginal workers taken together.*
Source: Field Survey, 2014 - 2015.

Section –II Factors Influencing RNFE and Their Importance

Distribution of rural non-farm worker (RNFW) by factors that influence rural non-farm employment (RNFE) is presented in **Table 4**. The participation in rural non-farm activity is affected by several factors. The factors like heredity, land insufficiency, poverty and high earnings are much more important than other factors like irrigation problems, transport facilities, role of government/ institutions/ self help group (SHG) and urban linkage & others factors. About 15.1 per cent of RNFW (to total sample RNFW) participates in rural non-farm activities by heredity. The share of RNFW by heredity is higher in relatively less developed blocks like Jambani (17.75%) and Nayagram (16.53 %) than that in relatively developed blocks like Gopiballavpur –II (13.14 %) and Sankrail (11.83%). Some traditional types of non-farm activities (pottery, handloom, hair salon etc) are carried on by households by heredity.
Land insufficiency includes 23.12 percent RNFW (to total sample RNFW) participates in rural non-farm activities. This share is highest in Sankrail block (26.26 per cent), followed by Gopiballavpur – II (25.81 per cent), Nayagram (22.31 per cent) and Jambani (19.35 per cent). Land insufficiency factor is much more important than any other factor. Landless and marginal land holding workers spill over to non-farm activities.
Poverty includes 19.45 per cent of RNFW participates in rural non-farm activities. The share of workers who participate in non-farm activity due to poverty is relatively high in relatively less developed blocks like Jambani (20.16 per cent) and Nayagram (19.01 per cent) than that in relatively developed blocks like Gopiballavpur –II (19.35 per cent) and Sankrail (19.16 per cent).
About 14.87 per cent RNFW is attached in non-farm sector on account of higher income. This share is relatively high in relatively developed blocks like Gopiballavpur –II (15.98 per cent) and Sankrail (16.16 per

cent) than that in relatively less developed blocks like Jambani (14.32 per cent) and Nayagram (13.05 per cent). This factor is more important in relatively developed blocks than in relatively less developed blocks.

Irrigation problems includes 9.15 percent RNFW participates in rural non-farm activities. The share of workers who participate in non-farm activity due to irrigation problems is relatively high in relatively less developed blocks like Jambani (11.48 per cent) and Nayagram (10.74 per cent) than that in relatively developed blocks like Gopiballavpur –II (5.45 per cent) and Sankrail (8.08 per cent).

About 7 per cent RNFW participates in rural non-farm activities due to availability of transportation facilities. This share is relatively high in relatively developed blocks like Gopiballavpur –II (10.75 per cent) and Sankrail (7.07 per cent) than that in relatively less developed blocks like Jambani (5.65 per cent) and Nayagram (5.79 per cent).

Table 4 Percentage Distribution of Sample Household (HH) by Reason for Undertaking Non-Farm Activity in Sample Blocks

Factors	Percentage of RNFW				Total
	Gopiballavpur - II	Sankrail	Jambani	Nayagram	
Heredity	11.83	13.14	17.75	16.53	15.1
Land insufficiency	25.81	26.26	19.35	22.31	23.12
Poverty	18.35	19.19	20.16	20.01	19.45
High earnings	15.98	16.16	14.32	13.05	14.87
Irrigation problems	5.45	8.08	11.48	10.74	9.15
Transport facilities	10.75	7.07	5.65	5.79	7.09
Role of government/ Institutions/ self help group (SHG)	4.30	5.05	6.45	6.61	5.73
Urban Linkage & Others factors	7.53	5.05	4.84	4.96	5.49
Total	100.00	100.00	100.00	100.00	100.00

Note: 1.Main and Marginal workers taken together.

   2. Others factors = Education, training or technical skill, credit facilities etc.

.*Source*: Field Survey, 2014 - 2015.

A number of government programmes is implemented in rural   areas. One of the objectives of these programmes is to provide wage employment for the beneficiaries. The programmes are different in respect of proper implementation and fund availability. Therefore, the share of RNFW due to government or institutional assistance is relatively low. Inspite of that some self help groups are functioning in some sample village by which some workers are engaged in RNFE.

Conclusion

The share of rural non-farm workers (RNFW) to total estimated workers of sample households is found to be higher than that of agricultural workers in 50 percent villages total sample villages. Rural male NFW dominate all sectors except household manufacturing sector. The scheduled tribe and scheduled caste workers dominate non-farm activities. Landless and marginal land holding households participate in rural non-farm activities to a greater extent to sustain their livelihoods. The share of secondary employment to total estimated rural non-farm workers of sample households is higher than that of tertiary employment for both rural male and female workers. More than 50 percent of female workers of the sample households are employed in manufacturing sector.   Rural male non-farm workers dominate all sectors of economic activities (except in household manufacturing).The proximity of bricks manufacturing units, commercial centre and main road with better communication in sample villages of relatively developed blocks make possible high share of noon-household manufacturing to total RNFW. The percentage share of RNFW is relatively high in those households whose size varies from 4 to 7. The participation in rural non-farm activity is affected by several factors. The factors like land insufficiency, poverty, heredity and high earnings are much more important than other factors like irrigation problems, transport facilities, role of government/ institutions/ self help group (SHG) and urban linkage etc.

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