

Socio-Economic Profile of Labour and Owners of Enterprises: A Case Study from Rural Non-Farm Sector of Punjab

Manjit Sharma

Assistant Professor, D A V College Sector10 Chandigarh

Abstract

In the non-farm sector people are employed in two ways, either they work as laborers in rural enterprises or they have their own rural enterprises. Around 8.6% people are illiterate, 27% have completed primary education, 33.3% have completed Matriculation examination(10th), 17.9% have completed secondary education(S Sec), 12.1% are graduates and 1.2% are above graduates. Majority of schedule caste workers are engaged in activities like Aaganwadi 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. On the other hand either OBC workers are engaged in traditional activities like carpenter and workshop labour or as drivers and in shops As per our analysis, less than 2% people have dependency ratio of 1 person, 49.1% respondents have dependency ratio of between 1 to 3 persons, and 42.6% respondents have dependency ratio of 3 to 5 persons and 7% people have dependency ratio of above 5 persons.

Keywords: Rural Non-Farm Sector, Labour, Enterprises, Occupational Pattern and Dependency Ratio.

The rural non-farm sector has been the subject of research since the 1960s which was previously not being considered in development literature. In due course of time, this sector develops, although its role and prospects for sustainable growth are still debated. As the share of agricultural in GDP declines, rural people continue to switch to the non-agricultural sector in India. Subsequently, the share of NDP of non-farm sector has been increasing gradually since 1980s. Non-farm activities include construction, trade, service, transportation, processing and production, especially on a very small scale. In the non-farm sector people are employed in two ways, either they work as laborers in rural enterprises or they have their own rural enterprises. Over the past two decades the growth of non-farm employment has accelerated and now about a third of rural workers and two-fifth of rural households do non-farm work (NSSO, 2011). This change has taken place in a variety of ways and at different levels across the country and explores a wide range of issues such as the nature of non-farm rural activities, in which certain section of rural population got benefits.

Review of Literature

Chen (1972) observed that rapid urbanization in the developing countries owes its origins less to the "pull" of the cities than to the "push" of the countryside, a rational approach to urban population

explosion has to focus on the root cause and try to accelerate the rural transformation. Barrett et al, (2001) stated that policymakers must realize that rural African households earn the most off-farm and non-farm income. 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. Mukhopadhyay et.al (2017) stated that the RNF sector is increasingly playing a key role in developing rural areas in Asia and its Pacific region. Many RNFE strategies and programs have been developed in various countries. Chinese enterprises that work hard in townships and village enterprises (TVEs), for example, are often described as the “engine of growth”. Similarly, Vos (2018) explained that rural non-farm sector played a significant role in agricultural and rural transformation in developing Asia. Bansal (2018) argued that rural transformation conveys the idea of effective and efficient implementation of the transformation and development of rural communities where education plays a key role in building and achieving the goal of rural transformation.

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 sample also includes officials of the Department of Panchyat and Rural development Punjab, Village Sarpanches, and the eminent people of the civil society, well versed with rural economy, occupations and social structures.

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.

SOCIO-ECONOMIC PROFILE OF SURVEYED RESPONDENTS

Labour force in rural non-farm sector either operate its own enterprises or working as salaried labour in enterprises. In this context, our sample consist of 1500 respondents, out of which 430 are owners of enterprises and 1070 are working as labourers in enterprises or elsewhere in other sectors

except agriculture. Hence, brief socio-economic background of these 1500 respondents is discussed under two broad heading:

- (A) Distribution of respondent operating own rural non-farm enterprises
- (B) Distribution of labours working as Labour in rural non-farm enterprises of others.

(A)SOCIO ECONOMIC PROFILE OF RESPONDENT OPERATING THEIR OWN RURAL NON-FARM ENTERPRISES

In our sample there are 430 respondents who are owners of rural non-farm enterprises. Their socio-economic profile is discussed in context of social groups and educational level etc.

OCCUPATIONAL PATTERN OF SURVEYED ENTERPRISES AMONG SOCIAL GROUPS

Table 1 depicts that 66.7% respondents from general category and Allied Activities, 29.6% scheduled caste category respondents while just 3.7% respondents from other backward class are doing Agriculture.

| 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

In Medical Occupation 48% people belong to general category, 28% people belong to schedule cast category and 24% people belong to other backward category. In Mobile, Telecom & Computers category, 33.3% belong to general category, 52.4% people belong to schedule cast category and 14.3% people belong to other backward class’s category. In Personal Services & Entertainment 16.7% people belong to general category, 70% people belong to schedule cast category while only 13.3% people belong to other backward category. In Processing of Raw Material 4% people belong to general category , 20% people belong to schedule cast category 33.3% people belong to other backward class’s category and 6.7% people are from others category. In Professional Service & Education 87.5% belong to general category and only 12.5% people belong to other backward class’s category while no person belongs to schedule class category. In Retail 48.3% people belong to general category, 28.4% people belong to schedule cast category 22.4% people belong to other backward category and only 0.9% people belong to others category. In Scrap profession, 50% people belong to schedule cast category and 50% people belong to others category. In Shoe Making 25% people belong to general category and 75% people belong to schedule cast category. In the occupation of tailoring, 35% people belong to general category, 40% people belong to schedule cast category and 25% people belong to other backward category. In Wood Working 33.3% people belong to general category, 11.1% people belong to schedule cast category and 55.6% people belong to other backward category. In Workshop occupation, 30.8% people belong to general category, 19.2% people belong to schedule cast category and 50% people belong to other backward category. In the occupations other than these mentioned above 75% people belong to general category, 25% people belong to schedule cast category. Overall, including all the activities, 38.8% people are from general category, 36% people belong to schedule caste , 23% people belong to OBC category and 2.1% people are from others category.

EDUCATIONAL LEVEL OF SURVEYED ENTERPRISES

Table 2 shows that in general category; 7.2% people are illiterate, 16.8% have completed primary education, 35.3% have completed Matriculation examination(10th), 21.6% have completed secondary education (S Sec), 18% are graduates and 1.2% are above graduates.

Table 2: Educational Level of Surveyed Enterprises

| Category | Illiterate | Primary | 10 th | S. Sec | Grad/Diploma | Above Grad | Total |
|----------|------------|-----------|------------------|----------|--------------|------------|----------|
| General | 12(7.2) | 28(16.8) | 59(35.3) | 36(21.6) | 30(18.0) | 2(1.2) | 167(100) |
| SC | 18(11.6) | 51(32.9) | 51(32.9) | 24(15.5) | 10(6.5) | 1(0.6) | 155(100) |
| OBC | 4(4.0) | 31(31.3) | 33(33.3) | 17(17.2) | 12(12.1) | 2(2.0) | 99(100) |
| Other | 3(33.3) | 6(66.7) | 0 | 0 | 0 | 0 | 9(100) |
| Total | 37(8.6) | 116(27.0) | 143(33.3) | 77(17.9) | 52(12.1) | 5(1.2) | 430(100) |

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

In Scheduled Caste(SC) category; 11.6% people are illiterate, 32.9% have completed primary education, 32.9% have completed Matriculation examination(10th), 15.5% have completed secondary

education(S Sec), 6.5% are graduates and 0.6% are above graduates. In Other Backward Class (OBC) category; 4% people are illiterate, 31.3% have completed primary education, 33.3% have completed Matriculation examination(10th), 17.2% have completed secondary education (S Sec), 12.1% are graduates and 2% are above graduates. Overall 8.6% people are illiterate, 27% have completed primary education, 33.3% have completed Matriculation examination(10th), 17.9% have completed secondary education(S Sec) , 12.1% are graduates and 1.2% are above graduates

Table 3 reveals that in general category have dependency ratio of one person for 50.9% where dependency ratio is between 1 - 3 for 39.5% people and dependency ratio is between 3- 5 persons and 9% people have dependency ratio of above 5 persons.

| Category | 1 | 1-3 | 3-5 | Above 5 | Total |
|--------------|--------|-----------|-----------|---------|----------|
| General | 1(0.6) | 85(50.9) | 66(39.5) | 15(9.0) | 167(100) |
| SC | 4(2.6) | 77(49.7) | 63(40.6) | 11(7.1) | 155(100) |
| OBC | 1(1.0) | 44(44.4) | 50(55.5) | 4(4.0) | 99(100) |
| Other | 0 | 5(55.6) | 4(44.4) | 0 | 9(100) |
| Total | 6(1.4) | 211(49.1) | 183(42.6) | 30(7.0) | 430(100) |

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

In SC category, 49.7% people have dependency ratio for 1 to 3 persons, 40.6% people have dependency ratio for 3- 5 persons and 7.1% people have dependency ratio of above 5. In OBC Category, 44.4% people fall under the category where dependency ratio is between 1 – 3 persons , 55.5% people lie in the category where dependency ratio is between 3- 5 persons and 4% people have dependency ratio of above 5 persons.

As per our analysis, less than 2% people have dependency ratio of 1 person, 49.1% respondents have dependency ratio of between 1 to 3 persons, and 42.6% respondents have dependency ratio of 3 to 5 persons and 7% people have dependency ratio of above 5 persons.

(B) SOCIO ECONOMIC PROFILE OF LABOURERS IN RURAL NON-FARM ENTERPRISES:

| 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) |
| Mistri | 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

Overall Table 4 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%. Majority of schedule caste workers are engaged in activities like Aaganwadi 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. On the other hand either OBC workers are engaged in traditional activities like carpenter and workshop labour or as drivers and in shops .

Table 5 depicts that in general category, 16.4% have completed primary education, 46.09% have completed matriculation examination (10th), 14.06% have completed secondary education (S. Sec) and 23.43% are graduates and above.

| Social Groups | Up-to Primary | 10 th | Sen. Sec | Graduate and above | Total |
|---------------|---------------|------------------|-----------|--------------------|-----------|
| General | 21(16.40) | 59(46.09) | 18(14.06) | 30(23.43) | 128 (100) |
| SC | 352(49.29) | 276(38.65) | 56(7.84) | 30(4.2) | 714 (100) |
| OBC | 39(43.33) | 35(38.88) | 10(11.11) | 6(6.66) | 90 (100) |
| Other | 29 (67.4) | 11(25.58) | 1(2.32) | 2 (4.65) | 43 (100) |
| Total | 441 (45.13) | 383(39.2) | 85(8.7) | 68(6.96) | 977 (100) |

Source: Author’s Calculation from Primary Survey Note: figures in parentheses are percentages. Note: 93 did not reveal their qualification

In Scheduled Caste (SC) category 11.6%, 42.9% have completed primary education, 38.65% have completed Matriculation examination(10th), 7.84% have completed secondary education (Sen. Sec). 4.2% are graduates and above. In Other Backward Class (OBC) category 43.3% have completed

primary education, 38.18% have completed Matriculation examination(10th), 11.11% have completed secondary education (Sen. Sec.). 6.6% are graduates and above. In Other category, 67.4% have completed primary education. Overall 45.13% have completed primary education, 39.2% have completed Matriculation examination (10th), 8.7% have completed secondary education (S.sec), 6.96% are graduates and above graduates.

Conclusion and Policy Implication

Social group distribution of the rural non-farm enterprises and labour gives us interesting insights. Around that 66.7% respondents from general category and Allied Activities, 29.6% scheduled caste category respondents while just 3.7% respondents from other backward class are doing agriculture. Overall 8.6% people are illiterate, 27% have completed primary education, 33.3% have completed Matriculation examination(10th), 17.9% have completed secondary education(S Sec) , 12.1% are graduates and 1.2% are above graduates. Most of the families are nuclear (64%) while remaining 36% were joint families. that in general category have dependency ratio of one person for 50.9% where dependency ratio is between 1 - 3 for 39.5% people and dependency ratio is between 3- 5 persons and 9% people have dependency ratio of above 5 persons. 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%. Majority of schedule caste workers are engaged in activities like Aaganwadi 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. On the other hand either OBC workers are engaged in traditional activities like carpenter and workshop labour or as drivers and in shops . In nutshell, understanding the socio-economic profile of enterprises and labourers can be used by policy makers as a roadmap for development of the state.

References:

1. Bansal, M. (2018): "A Study on the Role of Education for Rural Transformation", *Intergraded Journal of Social Sciences, Vol. 5 No1, pp. 27-30.*
2. Chen (1972) Chen, P. (1972): "Over urbanization, Rustication of Urban-Educated Youths, and Politics of Rural Transformation: The Case of China", *Comparative Politics, Vol. 4, No. 3 (Apr., 1972), pp. 361-386.*
3. Barrett et al, (2001): "Heterogeneous Constraints, Incentives and Income Diversification Strategies in Rural Africa", *IFPRI, MSSD Discussion Paper No. 20, International Food Policy Research Institute, USA.*
4. Mukhopadhyay et al, (2017): "Non-Farm Occupation in Rural India", India, Science and Technology, Mukhopadhyay, A.K., D. Gangopadhyay and Saswati Nayak. (2017): "Non-Farm Occupation in Rural India", India, Science and Technology.
5. Vos R. (2018): "Agricultural and rural transformations in Asian development Past trends and future challenges" WIDER Working Paper 2018/87.

Acknowledgement: This paper is part of the project funded by ICSSR and MHRD (IMPRESS Scheme). The authors are highly thankful to the ICSSR-IMPRESS for their financial help.