

## NATURE OF RURAL NON-FARM EMPLOYMENT: A STUDY IN MOYNA BLOCK OF PURBA MEDINIPUR DISTRICT

**Dr. Chittaranmjan Das\***

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### **Abstract**

One of the potential avenues of employment for the rural people is engagement in Rural Non-Farm Sector (RNFS). It is realized that the rural non-farm employment (RNFE) in West Bengal has significantly and gradually increased for both the corner of male and female. The questions that have thus arisen are: What are the overall patterns of RNFE? Is self-employment (rather than wage labour) dominant in RNFS? Does RNFE have any impact on rural poverty alleviation? This paper tries to seek the answers to these questions through analyzing the nature, extent and pattern of rural non-farm employment in west Bengal, more particularly in a block of Purba Medinipur which has a glorious and artistic cottage industry as well as adequate multi crop fertile land. The share of RNFW to total estimated workers of sample households is higher than that of agricultural workers in all the sample villages. Most of the sample villages register low share of non-farm wage labour relative to that of non-farm self-employment. Rural male non-farm workers dominate all sectors except household manufacturing sector. The share of non-farm income to total income is less than 50 percent for 56.67 percent households.

**Keywords:** Employment, income, non-farm, self-employment, worker.

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\* Associate Professor in Commerce, Vivekananda Satavarshiki Mahavidyalaya, Manikpara, Jhargram, West Bengal, India, Email: [chitta1966@gmail.com](mailto:chitta1966@gmail.com)

## 1. Introduction

Sectors are majorly divided into three categories primary, secondary and tertiary. Based on the employment conditions these are further classified as organised and unorganised sector, where the former is related to business, government, industry involving large scale operations while the latter include small scale operation, petty trade, private business, etc. The sector which is not registered with the government and whose terms of employment are not fixed and regular is considered as unorganised sector. In this sector, no government rules and regulations are followed. Entry to such sector is quite easy as it does not require any affiliation or registration.

The development of the rural non-farm sector (RNFS) in India in general and in West Bengal in particular was realized. West Bengal has successfully implemented land reforms programme and decentralized planning. Besides, the numbers of self-help groups are also significantly increased in West Bengal. Therefore, rural non-farm employment (RNFE) in West Bengal has significantly increased for both male and female. It is recognized that 27.5 per cent rural male workers were engaged in RNFE in 1983. This share increased to 35.3 per cent in 1993-94 and further to 36.1 per cent in 2004-05. Besides, the share of rural female workers in RNFE significantly increased from 23.9 per cent in 1983 to 41.1 per cent in 1993-94 and further to 42.2 per cent in 2004-05. So, one of the potential avenues of employment for the rural population should be engaged in RNFS. The questions that have thus arisen are: What are the overall patterns of RNFE? Is self employment (rather than wage labour) dominant in RNFS? Does RNFE have any impact on rural poverty alleviation? This study seeks to find answers to these questions and examines some related issues.

## 2. Review of Literature

Anthony P. D'souza (2013) focused the status and contribution of unorganized sector focused more on the challenges and problems faced by the youth in selecting job as self-employment. It is found that larger number of workers was getting their livelihood from this sector and entrepreneur plays a vital role in bringing up unorganized sector at the better position in the country.

Lanjouw and Shariff (2004) using data of 32000 households in 1765 villages across India showed that non-farm incomes accounted for a significant proportion of household income in rural India, with considerable variations across quintiles and across India's major states. Education, wealth, caste, village level agricultural conditions, population densities and other regional effects influenced access to non-farm occupations.

Saleth (1996) using household level data from villages in Tamil Nadu argued that 'pull' factors such as asset ownership and education, play a greater role in non-farm participation of better endowed groups, whereas 'push' factors like unemployment play a role among poor groups.

Dr. Vandana Dave (2012) made an attempt to understand the socioeconomic condition of women laborers, nature of their work, their working conditions, wage pattern, wage discrimination and other difficulties faced by them at their work place. It was carried out with 350 respondents including women construction workers, agriculture labourers and domestic helpers working in the unorganized sector. The results showed that majority of the migrant women were engaged in the construction industry and were only employed in unskilled and low paying jobs as coolies, laborers and helpers and women were exploited to a greater degree as they were paid less compared to men for similar nature of work and hours spent on work. The conditions of work in the unorganized sector were unsatisfactory and the problems confronted by them were acute. And that their illiteracy, poverty and indebtedness forced them to work for lower wages and under unjust conditions.

Vasudev and Romica (2012) conducted a study amongst working women of the organized and unorganized sector for understand their status within the family by looking at their involvement in key decision making areas including distribution of household duties and money related decisions.

In Indian literature there are relatively few studies available that analyse micro level data at the household or individual level, statistically or econometrically, to understand the rational and processes of participation in RNFE (Unni 2000). We have hardly any such study concerning RNFE at household level in West Bengal. Moreover, in the existing micro level studies the relationship between non-farm employment and the factors influencing RNFE has not been analysed in depth. The relation between RNFE and rural poverty at the household levels has hardly been explored and established.

### **3. Need and Significance of the Study**

The Indian Economy is characterized by the existence of a vast majority of informal or unorganized labour employment. As per the Economic Survey 2007-08, 93% of India's workforce include the self employed and employed in unorganized sector. The Ministry of Labour, Government of India, has categorized the unorganized labour force under four groups in terms of Occupation, nature of employment, specially distressed categories and service categories.

This study is helpful to know the 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. It is relevant for bypass the problems which are emerged due to large-scale industrialisation-led displacement. Findings of the study will also helps in designing plans for reduce unemployment and poverty.

### **4. Objectives of the Study**

The present study set the following objectives for itself

- :i) To highlight the non-farm employment (RNFE) in the context of West Bengal.
- ii) To analyse the pattern of rural non-farm employment (RNFE) at the household level.
- iii) To examine the impact of RNFE on sustained livelihood and poverty alleviation.

### **5. Methodology Used for the Study**

Since secondary data available at present are not adequate to serve our purpose, we resort to primary data. Moyna block of Purba Medinipur district in West Bengal is purposely chosen for this study. Multistage stratified random sampling methods are used to find ultimate sample frame. In the 1<sup>st</sup> stage of sampling eight (8) villages are selected randomly from 85 villages in the block. And in the next stage 15 households are select randomly from each village and total number of sample households are 120. Questionnaire and survey methods are used to collect primary data from sample households. Simple statistical techniques are used to analyze the data.

### **6. Data Analysis**

Firstly, it is needed to know the Pattern of Rural Non-Farm Employment of Sample Households in the block area. The distribution of workers of 120 sample households of 8 sample villages by usual activity status of employment is shown in Table1. The share of rural non-farm workers to total

workers of sample households is higher than that of farm workers in all the 3 villages and in 5 cases it is lower. The share of RNFW to total workers of sample households is highest in Harduachak (51.29 per cent) followed by Hajarichak (43 percent), Ramchandra Pur (41.68 percent), on the other hand NFW is lower in Tilkhoja (38 percent), Radhaballavchak (37.7 percent), Mathurichak (33.73 percent), Charandaschak (33.22 percent) and Rashikpur (31.1 percent). The share of non-farm self employed (NFSE) workers of sample households is highest in Harduachak village (34.38 per cent) followed by Hajarichak (33.3 percent), Tilkhoja (24.5 percent), Mathurichak (19.48 percent), Ramchandra Pur (18.25 percent), Radhaballavchak (22.08 percent), Charandaschak (15.41 percent) and Rashikpur (14.61 percent).

Actually, the soli of this area is fertile as a result generally double cropped, triple cropped and few remaining are of single cropped land and in most cases workers engaged themselves in farm work. Another feature is that all the villages register lower share of non-farm wage labour (NFWL) than non-farm self employed (NFSE).

**Table 1: Nature of Activity of the Workers of Sample Households in Sample Villages (in percentage)**

| Name of Sample Villages | Non Farm Employment (%) |       |       | Farm Employment (%) | Total Workers |
|-------------------------|-------------------------|-------|-------|---------------------|---------------|
|                         | NFSE                    | NFWL  | TOTAL |                     |               |
| Harduachak              | 34.38                   | 16.91 | 51.29 | 48.71               | 41            |
| Hajarichak              | 33.3                    | 18.7  | 43    | 57                  | 33            |
| Ramchandra Pur          | 18.25                   | 23.43 | 41.68 | 58.32               | 36            |
| Tilkhoja                | 24.5                    | 13.5  | 38    | 62                  | 40            |
| Radhaballavchak         | 22.08                   | 15.62 | 37.7  | 62.3                | 39            |
| Mathurichak             | 19.48                   | 14.25 | 33.73 | 66.27               | 28            |
| Charandaschak           | 17.41                   | 15.81 | 33.22 | 66.78               | 44            |
| Rashikpur               | 16.61                   | 14.49 | 31.1  | 68.9                | 37            |
| <b>TOTAL</b>            |                         |       |       |                     | <b>298</b>    |

Note: 1. Main and Marginal workers taken together.

2. NFSE = Non-Farm Self Employed, 3. NFWL = Non-Farm Wage Labour

Source: Field Survey, 2015.

Table 2 highlights the number and percentage share of rural non-farm workers (RNFW) of sample households in the Moyna block of Purba Medinipur district by sector of non-farm employment (NFE). Among six sectors of NFE the share of manufacturing workers to total RNFW of sample households is highest (61.07 percent), followed by Household Manufacturing (54.36 percent), Trade & commerce (18.46 percent), Non House Hold Manufacturing (15.77 percent). For males RNFW, manufacturing sector is 71.68 percent, followed by House Hold Manufacturing 45.09 percent, 24.86 percent, 16.76 percent 9.82 percent respectively. For females RNFW, manufacturing sector is also much more important than any other sector it is 81.6 percent, followed by House Hold Manufacturing 67.2 percent, 14.4 percent, 9.6 percent 4.8 percent respectively. So, within manufacturing sector, the share of household manufacturing is higher than that of non-household manufacturing for both males and females. For females, the share of household manufacturing is substantially higher (50 percent) than that of non-household manufacturing (14.4 percent) because in this block handloom and carpet weaving are the major non-farm activities and generally female members of the household are involved in these work at their slack and leisure time.

**Table 2: Sector-wise Number of Rural Non-Farm Worker (RNFW) in Sample Households**

| Sector                       | Number of Rural Non-Farm Workers |                    |                         |
|------------------------------|----------------------------------|--------------------|-------------------------|
|                              | Male                             | Female             | Total                   |
| House Hold Manufacturing     | 78 (45.09%)                      | 84 (67.2%)         | 162<br>(54.36%)         |
| Non House Hold Manufacturing | 29 (16.76%)                      | 8 (14.4%)          | 47 (15.77%)             |
| Construction                 | 17 (9.82%)                       | 6 (4.8%)           | 23 (7.72%)              |
| <b>Total Manufacturing</b>   | <b>124 (71.68%)</b>              | <b>120 (81.6%)</b> | <b>226<br/>(61.07%)</b> |
| Trade – Commerce             | 43 (24.86%)                      | 12 (9.6%)          | 55 (18.46%)             |
| Other Services               | 6 (3.47%)                        | 5 (4%)             | 11 (3.69%)              |
| <b>Total Non-Farm</b>        | <b>173 (100%)</b>                | <b>125 (100%)</b>  | <b>298 (100%)</b>       |

Note: Main and Marginal workers taken together.

Source: Field Survey, 2015.

Distribution of RNFW by size group of sample households for 8 villages is shown in Table 3. In the sample villages most of the households belong to the size group 4 to 5. On an average, 56.47 percent households (168 out of 298) have 4 to 5 members and 21.31 percent households (64 out of 298) have 6 and above members and the rest 22.22 percent households (66 out of 298) have 2 to 3. The percentage share of RNFW is relatively high in those households whose size varies from 4 to 5 and above 5.

**Table 3: Household Size by No. of Family Member of RNFW in Sample Villages**

| Sample Village  | Household Size by No. of Family Member |              |              |            | Total RNFW |
|-----------------|--|--------------|--------------|------------|------------|
|                 | Up to 3                                | 4 to 5       | 6 and above  | Total      |            |
| Harduachak      | 21.48                                  | 52.6         | 25.92        | 100        | 41         |
| Hajarichak      | 30.05                                  | 55.7         | 14.25        | 100        | 33         |
| Ramchandra Pur  | 27.52                                  | 47.98        | 24.5         | 100        | 36         |
| Tilkhoja        | 10.69                                  | 68.23        | 21.08        | 100        | 40         |
| Radhaballavchak | 25.33                                  | 54.28        | 20.39        | 100        | 39         |
| Mathurichak     | 11.6                                   | 57.08        | 31.32        | 100        | 28         |
| Charandaschak   | 25.19                                  | 61.1         | 13.71        | 100        | 44         |
| Rashikpur       | 25.88                                  | 54.82        | 19.3         | 100        | 37         |
| <b>TOTAL</b>    | <b>22.22</b>                           | <b>56.47</b> | <b>21.31</b> | <b>100</b> | <b>298</b> |

Note: Main and Marginal workers taken together.

Source: Field Survey, 2015.

The distribution of rural non-farm worker of sample households by level of education of members is shown in Table 4. The share of rural non-farm worker (RNFW) having secondary education level to total RNFW of sample households is highest (52.51 percent), followed by the primary education (29.16 percent) and about 7.87 percent of RNFW is illiterate. The share of RNFW is relatively low for above secondary education (10.46 percent).

**Table 4 Distribution of RNFW by Education Level in Sample Villages**

| Sample Village  | Percentage Share of Non-Farm Workers |              |              |                 |            | Total RNFW |
|-----------------|--------------------------------------|--------------|--------------|-----------------|------------|------------|
|                 | Illiterate                           | Primary      | Secondary    | Above Secondary | Total      |            |
| Harduachak      | 2.62                                 | 40.4         | 52.54        | 4.44            | 100        | 41         |
| Hajarichak      | 8.38                                 | 35.85        | 48.38        | 7.39            | 100        | 33         |
| Ramchandra Pur  | 11.00                                | 28.39        | 50.58        | 10.03           | 100        | 36         |
| Tilkhoja        | 9.67                                 | 29.63        | 45.22        | 15.48           | 100        | 40         |
| Radhaballavchak | 7.21                                 | 32.01        | 51.07        | 9.71            | 100        | 39         |
| Mathurichak     | 7.50                                 | 22.28        | 61.4         | 8.82            | 100        | 28         |
| Charandaschak   | 6.27                                 | 23.33        | 57.17        | 13.23           | 100        | 44         |
| Rashikpur       | 10.29                                | 21.39        | 53.69        | 14.63           | 100        | 37         |
| <b>TOTAL</b>    | <b>7.87</b>                          | <b>29.16</b> | <b>52.51</b> | <b>10.46</b>    | <b>100</b> | <b>298</b> |

Note: Main and Marginal workers taken together.

Source: Field Survey, 2015.

### 6.1 Income from Rural Non-Farm Employment

The distribution of sample rural households having rural non-farm activities by the level of annual per capita income from non-farm activities is shown in Table 5. There are 19.17 percent sample households to total sample households having non-farm activities with annual per capita non-farm income up to Rs. 5000. Among those households the per capita non-farm income of 32.5 percent households lies between Rs 5001 to 10000, another 36.66 percent lies between Rs. 10001 to 15000, 7.5 percent lies between Rs. 15001 to 20000 and the rest 4.17 percent lies above Rs. 20000.

**Table 5 Distribution of Sample Households by the level of Annual Per-Capita Non-Farm Income**

| Annual per capita Non-Farm Income (Rs) | No. of Households | %             |
|--|-------------------|---------------|
| Up to 5000                             | 23                | (19.17%)      |
| 5001 to 10000                          | 39                | (32.5%)       |
| 10001 to 15000                         | 44                | (36.66%)      |
| 15001 to 20000                         | 9                 | (7.5%)        |
| 20001 and above                        | 5                 | (4.17%)       |
| <b>Total Households</b>                | <b>120</b>        | <b>(100%)</b> |

Note: Main and Marginal workers taken together.

Source: Field Survey, 2015.

The distribution of non-farm income to total income of sample households is shown in Table 6. The share of non-farm income to total income is more than 50 percent for 43.33 percent households. Among total sample households having rural non-farm activities 3.33 percent entirely depend on non-farm sector for their livelihood and therefore the share of nonfarm income to total income is 100 percent for them. The share of non-farm income to total income lies between 51 percent and 75 percent for 29.17 percent households and between 76 percent and 99 percent for 10.83 percent households. Remarkably, 56.67 percent sample households for whom the share of non-farm income to total income is less than 50 percent i.e. farm activity is their main economic activity. On the other hand many of the sample households (68.55 percent) recorded multiple occupations. Less than 50 percent households engaged in nonfarm activity as a subsidiary activity. Nonfarm activity supports farm activity to maximize total income. Therefore, the rural non-farm employment has a great impact by generating the income for sustainable livelihood and poverty alleviation of rural people.

**Table 6 Distribution of Sample Households by Share of Non-Farm Income to Total Income**

| Share of NF Income (%) | Number     | Percentage | Cumulative Total |
|------------------------|------------|------------|------------------|
| Up to 25               | 17         | 14.17      | 14.17            |
| 26 to 50               | 51         | 42.5       | 56.67            |
| 51 to 75               | 35         | 29.17      | 85.84            |
| 76 to 99               | 13         | 10.83      | 96.67            |
| 100                    | 4          | 3.33       | 100              |
| <b>Total</b>           | <b>120</b> | <b>100</b> |                  |

Note: Main and Marginal workers taken together.

Source: Field Survey, 2015.

## 7. Conclusion

The study has revealed that the share of non-farm income to total income is less than 50 percent for 56.67 percent households though the number of rural farm workers has gradually been moving to nonfarm activities. Most of the sample villages register low share of non-farm wage labour relative to that of non-farm self-employment. For each sector of non-farm employment, number of male workers is larger than that of female workers except household manufacturing sector. That is, rural male non-farm workers dominate all sectors except household manufacturing sector. Among total sample households having rural non-farm activities 3.33 percent entirely depend on non-farm sector for their livelihood. With rising population, declining land-man ratio, gradually degraded soil fertility and apathy for farm work of new generation move to nonfarm activities to supplement the farm income of the rural households. Rather than raising inequality, the non-farm sector can neutralize or at least reduce income inequality in the rural areas. Thus, the household with more family members or capital can opt for some skilled wage earning activities including self-employment. The rural non-farm employment as well as farm employment has a great impact by generating the income for sustainable livelihood and poverty alleviation of rural people. Therefore, it will be appropriate to follow an integrated approach for the development of both farm and non-farm sectors by developing appropriate infrastructures and other income-generating facilities in the non-farm sector.

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