



Income and Expenditure Pattern of Agricultural Labour Households in South-Western Region of Punjab

Shaminder Kaur^{1*}, Manjeet Kaur², Rohit Saini³ and H S Kingra⁴

Department of Economics and Sociology, Punjab Agricultural University, Ludhiana-141004 (Punjab)

ABSTRACT

The present study analyzed the income and expenditure pattern of agricultural labourers in South-Western Punjab. A sample of 60 households were selected from the region and primary data were collected by personal interview. The average agricultural labour household earned Rs.1,01,409/- and their expenditure was estimated at Rs. 1,20,046/- annum. Their annual expenditure was higher than income. The farmers preferred employing agricultural labourers as casual workers instead of permanent workers depicting casualization of labour engagement in agriculture. The economic surplus came-out to be negative. MGNERGA, health schemes for these households are required to provide immediate relief under such existing situation.

Key Words: Agriculture, Labourer, Economics Surplus, Employment, Income, Indebtedness.

INTRODUCTION

Agricultural labourers account for more than 88 per cent of rural labour in state of Punjab and about 25 per cent are permanent whereas rest (75%) casual labourers (Singh, 2003). With the increase in mechanization of major farm operations, inflow of migrant labour, slowdown in the agricultural growth and non-viability of marginal and small holdings, unemployment is prevailing among the local labourers. In the absence of growth in alternative employment opportunities, labour household witnessed severe economic squeeze and their livelihood is adversely affected. On the other hand, there was no perceptible growth in industries pushing demand for labour. The south-west region popularly known as cotton belt of the state is reeling under the severity of crisis with the failure of cotton crop during nineties and attack of white fly on Bt cotton during 2014-15 onwards. This has eroded the economic conditions of cotton growers. Consequently, the agricultural labourers mostly of them belong to SC families having low socio-economic profile and burdened with huge indebtedness. On the account of this hazardous

condition of agricultural labourers, their socio-economic condition needs to be examined so that some suitable policies be designed and implemented for their livelihood security. Thus, the present study was undertaken to analyze the socio-economic conditions of agricultural labour households in South-Western region with special emphasis on level of education, employment structure, income, consumption expenditure, housing conditions and indebtedness.

MATERIALS AND METHODS

The South-Western region of Punjab state is comprised of five districts namely Sri Muktsar Sahib, Bathinda, Mansa, Fazilka and Ferozepur districts. Multistage sampling technique was used for the selection of sample households in the study area. Two districts namely Sri Muktsar Sahib and Faridkot districts were selected at the first stage of sampling with the highest number of agricultural labour households in the study region. One block was selected randomly from the selected districts at the second stage of sampling and two villages from selected blocks at third stage of sampling. From

*Corresponding Author's Email: rohitsaini-aes@pau.edu

¹M.Sc. Research Scholar, ²Principal Agricultural Economist, ³Junior Research Fellow and ⁴Senior Agricultural Economist, Punjab Agricultural University, Ludhiana-141004 (India)

Table 1. Socio-economic characteristics of agricultural labour households in South-Western region of Punjab.

Particular	Number	Percentage
1. Family size	4.75	-
Number of earners	2.23	46.95
a) Males	1.47	-
b) Females	1.38	-
Dependents*	2.52	53.05
2. Schedule caste (SC)	60	100
3. Age distribution of family members (years)		
a) less than 15	71	24.73
b) 15-59	191	66.55
c) 59-65	21	7.32
d) greater than 65	4	1.4
4. Education level		
a) Illiterate	84	30.11
b) Primary to matriculate	155	55.55
c) Senior secondary and above	40	14.34
5. Households with dairy animals	32	53.33

*Children below 15 years and elderly/other members who were not contributing to family income

each village, 15 agricultural labour households were selected randomly, thus making a sample of 60 agricultural labour households in the study area.

RESULTS AND DISCUSSION

Socio-economic characteristics of agricultural labour households

The brief profile of the selected labour households such as family size, caste, age and education status family members, dependency status, is presented in Table 1. The family size, age and education level are most important factors which affects the income and consumption level of family. Average family size of the selected households was about 4.75 members; the number of earners and dependents were 2.23 and 2.52 members, respectively. All the respondents belonged to SC category. This was in conformity with Singh and Singh (2015) for Ludhiana and Bathinda districts of Punjab in which they have reported that majority of respondents belonged to SC family.

Age-wise classification of family members depicted that younger person were more capable of performing labourious work. About one-fourth family members were below 15 yr of age and dependent. There was 66.55 per cent members in the working age of 15 to 59 yr and about 10 per cent above 59 yr of age.

Better education enables better comprehension and employment opportunities of a person. Among sample households about 30 per cent adult members were illiterate and about 56 per cent members acquired education ranging from primary to matriculate. Only 14 per cent members were senior secondary and above. About 53.33 per cent households having dairy animals for alternative source of income.

Housing conditions

Living conditions of a family can be gauged from the type of house, possession of basic necessities and comforts within the house etc. The information

Income and Expenditure Pattern of Agricultural Labour

Table 2. Housing conditions and possession of comforts and necessities of life of agricultural labours in South-Western region of Punjab 2016-17.

Particular	Number of households	Percentage
A. Housing conditions		
1. Number of rooms		
a) One	16	26.67
b) Two	37	61.67
c) Three	7	11.67
Average number of rooms	1.85	-
2. Status of house		
a) Semi-pucca	48	80.00
b) Pucca	12	20.00
3. Kitchen		
a) Covered	7	11.67
b) Not available	53	88.33
4. Bathroom		
a) Covered	23	38.33
b) Uncovered	19	31.67
c) Not available	18	30.00
5. Toilet		
a) Covered	28	46.67
b) Uncovered	17	28.33
c) Not available	15	25.00
6. Drinking water facilities		
a) Tap water	16	26.67
b) Hand pump	42	70.00
c) Others*	2	3.33
B. Possession of necessities and comforts		
Cycle	33	55.00
Fan	51	78.33
Bed	39	65.00
Pressure cooker	6	10.00
Refrigerator	32	53.33
T.V.	39	65.00
Motorcycle	12	20.00

*others – households takes water from their neighbours

Table 3. Employment pattern of agricultural labour households in South-Western region of Punjab, 2016-17.

Occupation	Number of members	Percentage
Permanent agricultural labour	18	13.53
Casual agricultural labour	42	31.58
Domestic servants	9	6.77
MGNREGS	34	25.56
Non-agricultural labour	27	20.30
Private services	1	0.75
Govt. services	1	0.75
Self-employed (shopkeeper)	1	0.75
Total	133	100.00

on status of house, having separate kitchen, personal toilet facilities at home, availability of water and possession of some comforts of life such as cycle, fan, bed, pressure cooker, refrigerator, motorcycle T.V etc. among the selected households has been incorporated (Table 2). The majority of labour households (80%) were possessing semi-pucca house; no separate kitchen was available in case of 88.33 per cent household. There were only 30 percent household had separate bathroom at their premises. It was shocking to note that about one-fourth of households having no availability of toilet at their home. Almost all families have their own source of drinking water either hand pumps or tap water. About 55 per cent labour families have cycle, 78.33 per cent have fans, 65 per cent have bed, 80 per cent have refrigerators and 65 per cent have T.V. It was also important to note that only few families hold some of the comforts as pressure cooker (10%) and motorcycle (20%) etc. This indicates that the living conditions of local labourers in Punjab state particularly the South-Western region were not very good. These living conditions have been reported earlier by Kaur & Kaur (2020) and Singh & Singh (2016) for agricultural labourers in Punjab.

Employment structure of working members of agricultural labour households

There were 133 working members among selected sample households; about 45 per cent

were engaged as agricultural labourers; among the agricultural workers about 13.53 per cent were permanent agricultural labourers and 31.58 per cent were casual agricultural labourers (Table 3).

Similar observations were made by Sharma (2016) who reported that majority of agricultural labourers were casual workers. About 55 per cent were engaged in other activities such as domestic servants (6.82%), MGNREGS (25.76%), non-agricultural labour (20.45%), private services (0.76%), govt. services (0.76%), self-employed (0.76%). The highest percentage of labourers were working as casual agricultural labourers followed by workforce engaged in MGNREGS (26%). The data further showed that about 26 per cent were engaged in MGNREGS and about seven per cent were working as maids. Approximately 92 per cent of females were working as casual labourer in agriculture in peak season of cotton picking and transplanting of paddy.

Income of agricultural labourers

The household income was grouped into two sources such as agriculture and non-agricultural sources. An average income earned by agricultural labour was estimated at Rs. 1,01,409/- annum per household from which Rs. 68,571/- (68%) was from agriculture and Rs. 32,838/- (32%) from non-agriculture. Singh *et al* (2017) have reported the income of agricultural labour in the south-western

Income and Expenditure Pattern of Agricultural Labour

Table 4. Source wise income of agricultural labour households in South-Western region of Punjab, 2016-17. (Rs/annum)

Sources of wage income	Income	Per capita income	Percentage
A. Agriculture			
Permanent agricultural labour	24897	5751.57	24.55
Casual agricultural labour	41572	9295	40.99
Income from sale of animals	2100	442	2.07
Sub-total (A)	68571	15490	67.62
B. Non-agriculture			
Labour wages	26100	5494	25.74
MGNREGS	1557	327	1.53
Domestic servants	2458	517	2.42
Pension	1200	252	1.18
Private service	283	59	0.28
Government service	240	50	0.23
Self-employed (shopkeeper)	1000	210	0.99
Sub-total (B)	32838	6912	32.38
Total income (A+B)	101409	22402	100.00

region to be around Rs 80,000/- which marginally increased in the present study (Rs. 1,01,409/- per annum). It is worrisome that the per capita income of agricultural labour in south-western region was very low (Rs. 22402/- capita/annum) than the annual per capita income (Rs. 154996/-) for Punjab 2018-19 (Anonymous, 2019). Casual agricultural labour forms the highest in income (41%) followed by permanent agricultural labour Rs. 24,897/- (24.55%), sale of animals contributed 2.07 per cent share. The casualization of labour in Punjab agriculture has been reported by Singh and Bhogal (2020) also. Amongst non-agriculture sector, the maximum income was earned as wages labourers i.e., Rs.26,100/- (25.74%) followed by domestic servants at Rs. 2458/- (2.42%). Income earned by female workers as domestic servants constituted 2.42 per cent. MGNREGS (1.53%), pension (1.18%), shop (0.99%), private service (0.28%), government service (0.23%) were the other sources of non-agricultural income.

The per capita income of the agricultural labourer households has also been estimated. The

data show that per capita income of agricultural labour in south-western region was Rs. 13,231/- from agriculture and Rs. 6,912/- from non-agriculture. Amongst the agricultural labour, the maximum per capita income from was casual labour i.e., Rs. 8,137/- followed by permanent labour i.e., Rs. 4,651/-. Amongst non-agricultural labour, the main source of per capita income was labour i.e., Rs. 5,494/- followed by domestic servants i.e., Rs. 517/-. The other source of per capita income of non-agricultural labour was MGNREGS (Rs. 327/-), pension (Rs. 252/-), private service (Rs. 59/-), govt service (Rs. 50/-) and shop (Rs. 210/-).

Consumption Pattern

Consumption expenditure includes expenditure on food items, non-food items, services expenses and durable assets during the period of study. The annual consumption expenditure of an average agricultural labour household was Rs.1,20,046/- (Table 5). Generally, it was observed that higher the level of income, higher the consumption and vice-versa. The maximum proportion of the income of agricultural labour households was spent on

Table 5. Average annual consumption expenditure of agricultural labour households in South-Western region of Punjab, 2016-17. (expenditure in Rs.)

Item of consumption	Number	Percentage
A. Food items	37231	31.01
Wheat flour + Rice	6625	5.52
Sugar + Tea + Spices + Ghee and oil	12894	10.74
Spices	900	0.75
Pulses	2060	1.72
Vegetables	5250	4.37
Milk and milk products	8400	7.00
Meat/Egg	1102	0.92
B. Non-food items expenses	55052	45.86
Intoxicants	9720	8.10
Washing soap and surf	2699	2.25
Clothes and shoes	7475	6.23
Social and religious ceremonies etc.	35158	29.29
C. Services expenses	22557	18.79
Electricity + Mobile bill + Bus fair	7208	6.00
Health treatment	11493	9.57
Education	1913	1.59
Court disputes	1941	1.62
D. Durable expenses	5205	4.34
Vehicle	2266	1.89
T.V. + Refrigerator + Coolar/Fan	2005	1.67
Cooking Gas + Utensils	659	0.55
Miscellaneous	275	0.23
Total	120046	100.00

non-food items (45.86%), followed by food items (31.01%), and service expenses (18.79%). The milk and milk products accounted for the second largest proportion of expenditure among the food

items (7.00%). Out of total expenditure on services, the small section was spent on education (1.59%). Similar observation was observed by Kaur (2018).

Table 6. Economic surplus and indebtedness among agricultural labourers in South-Western region of Punjab, 2016-17

Particular	South-Western region
Economic Surplus	
Economic surplus	-18637
Households with negative economic surplus.	45
Percentage of households with negative economic surplus	75.00

Income and Expenditure Pattern of Agricultural Labour

Economic surplus

The data (Table 6) depict economic surplus which was calculated by subtracting annual expenditure from annual income during the year for each household. The result revealed that the average economic surplus came out to be negative by Rs. 18,637/- i.e., consumption expenditure of agricultural labourers was much higher than their annual income during the survey year in South-Western region of Punjab. Seventy-five per cent of households were unable to meet their daily needs due to meagre income. There were 45 households in number whose income was lower than their expenditure which were 75 per cent of selected sample households.

CONCLUSION

The present study analyzed socio-economic conditions of agricultural labour households in South-Western Punjab. The earners among the agricultural labourers households were mainly working as casual agricultural workers (31.58%). Main source of earning of the households was from agricultural wages. An average household earned about Rs. 101409/- annually. The most important component of income of these agricultural labourers was hiring out of casual labourers in agriculture about 41 per cent of total income was earned from this source and about 23 per cent from hiring out labour as permanent labourers. It was observed that farmers preferred to employ labour on casual basis rather than permanent worker because of mechanization of farm operations. Per capita income for the agricultural labourers was Rs. 22,402/-. The average annual consumption expenditure of the households was Rs. 1,20,046/-. The economic surplus comes out to be negative by Rs. 18,637/- i.e., consumption expenditure of agricultural labourers was much higher than their income, which was 75 per cent of selected sample. Their level and pattern of income was so low to basic requirements for living.

The government should provide sufficient financial help to them at low rate of interest so that they may be able to establish their own venture. A mass campaign should be launched against intoxicants and conservative social values, the symbol of social status which imposes unbearable expenditure for unproductive purposes such as marriage and other social ceremonies. Government should launch more employment generation programmes like MGNREGA. Expenditure on health is an unforeseen burden that leads to heavy borrowing largely from informal sources by affected families. The implementation of a health scheme for all rural people should be there.

REFERENCES

- Anonymous (2019) *Statistical abstract of Punjab 2019*. Economic and Statistical Organisation, Government of Punjab, India.
- Kaur G and Kaur A (2020). Poverty amongst agricultural labourer, marginal and small farmers in central Punjab. *J Agri Dev Pol* **30**(1):34-39.
- Kaur A (2016). Poverty among agricultural labourers in Punjab a case study of district Ropar. *Int J Busi Admin* **1**(1): 92-96
- Punjab Khet Majdoor Union (2017). A survey report on indebtedness of agricultural labour household in Punjab.
- Sharma H (2016). Seasonal employment: A study of agricultural labourers in Punjab, India. *Int J Dev Res* **6**(6): 8024-8028
- Singh G and Singh K (2015). Deplorable conditions of agricultural labourers in rural Punjab. *J Econ and Soc Dev* **11**(2): 44-55
- Singh G and Singh K (2016). Employment pattern among agricultural labourers in rural Punjab. *Social Change* **46**(3):409-427.
- Singh G, Anupama, Kaur G, Kaur R and Kaur S (2017). Levels, pattern and distribution of income of farmers and agricultural labourers in rural Punjab: Inter-regional analysis. *Indian J Econ Dev* **13**(1):39-52.
- Singh S and Bhogal S (2020). A longitudinal study of three decades Punjab's agricultural labourers in transition. *Econ Pol Wkly* **55** (26-27):126-134.

Received on 20/2/2022

Accepted on 15/3/2022