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Structural Changes in Farm and Non-Farm Employment in Himachal Pradesh: A Case Study of Kot Village

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INTRODUCTION

It is now becoming fairly evident that in peasant economies, typically characterised by continuing population pressure, an ever declining land-man ratio, small and fragmented agricultural holdings, highly inequitous land distribution structures, increasing application of labour-saving farm production technologies, etc., agriculture alone cannot provide the ultimate answer for rural unemployment and under-employment. As a long-term strategy, non-farm avenues of employment and earnings are a must for rural households (Chadha, 1993). In this context, Vaidyanathan (1986) stressed earlier on the need to conduct micro studies for analysing the pattern of employment, structure of labour market and the way they change in different types of situations. According to Basu and Kashyap (1992), a number of studies and competing hypotheses have surfaced: growth led diversification vis-a-vis residual sector induced by population pressure. The emergence and growth of the non-farm sector vary across space, depending upon agro-climatic conditions (growth and level of land productivity, cropping pattern), compulsive conditions (population pressure, stagnancy of farm yield, oppressive institutional structure), and exogenous influences (rural-urban continuum and infrastructural accessibility, etc.). It may be important to identify regionally differentiated process so that appropriate policy support may be provided.

In Himachal Pradesh nearly nine-tenths of the people are rural and 70 per cent mainly depend on agriculture. The productivity of the land in the state is much below the national average because of small, terraced and fragmented fields on steep slopes, poor soil, inadequate irrigation, low input use, severity of climate, etc. Hence, people supplement their meagre income through non-farm activities. The share of the non-farm sector in the income of the rural people is more than fifty per cent of the total income, as reported in various studies of the Agro-Economic Research Centre. In the non-farm sector, wage labour and service occupations in public and private sectors are the major avenues of employment in the rural areas.

The village surveys are the only method to collect comprehensively available primary data and information for understanding the dynamics of changes in the rural economy with respect to employment, income, socio-economic conditions, occupational diversification, etc. A large number of village studies have been conducted in different parts of the country. In Himachal Pradesh, however, such studies are only a few (Swarup *et al.*, 1984; Sikka and Saraswat, 1993; Singh and Sikka, 1992; Vaidya and Sharma, 1993). These studies have mainly focused on the various aspects of the village economy at a point of time and the structural and transitional changes over a period of time have not been analysed since resurveys were not conducted in the sampled villages. The present study of Kot village in the state is mainly concerned with an in-depth analysis of structural and transitional aspects

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of employment, income, occupational diversification, farming system, etc. This paper presents the salient results pertaining to the structural changes that have occurred in the employment sector.

METHODOLOGY

The Agricultural Economics Research Centre, University of Delhi initiated a series of 'Village Surveys' in Kangra district (then in the Punjab State) in the late fifties. A socio-economic survey of village Kot located in Hamirpur tehsil (then in Kangra district) was conducted during November 1960 to March 1961. It was hypothesised that "Poor agricultural resources and increasing pressure on land have given rise to migration of large number of persons from rural areas of Kangra district." The survey thus aimed at studying the impact of migration on the socio-economic structure of the village. The agricultural year of 1959-60 was the reference period of the survey and census method of inquiry was adopted for collecting the data on pre-structured schedules through personal interviews from all the 124 households in the village.

A resurvey of the village was undertaken during 1991 and the reference year for this was 1989-90. Again the census method of investigation was followed and the data from all the 221 households were collected on pre-structured schedules through personal interview method. The data relating to family profile, land holding, cropping pattern, labour use in the farm sector and non-farm sector, wage rates in different occupations, income from different occupations, etc., were collected. Tabular method of analysis has been followed for drawing inferences and conclusion for the study.

RESULTS AND DISCUSSION

Socio-Economic Features

According to Sharma (1961), the village Kot and two adjoining hamlets of Karah and Bharwana were treated as one unit and called village Kot for the socio-economic survey. Out of a total of 124 households in the village, the number of cultivating households and non-cultivating households was 74 and 26 per cent respectively. The nucleus families (54 per cent) outnumbered joint families (46 per cent).¹ Caste structure indicates that it is a Rajput-dominated village (65 per cent) and the remaining castes (35 per cent) comprised Dhiman, Khatri, Chamar, Sanhai, Doomna and Julaha. Most of the land resources were owned by the Rajputs; Sanhais, Chamar, Julaha and Doomna stand lowest in the caste hierarchy. The working force of the village formed about 46 per cent of the total population of 658 and the dependency rate was quite high (54 per cent). The sex ratio (females per 1000 males) was 924. Excluding children below 5 years from the total population, the literacy rate was found to be 22 per cent. As compared with the other parts of the Kangra district, the proportion of the working population to the total population was very much lower, mainly because of the migration of a large number of adult males from the village.

Over the three decades, the number of households increased sharply by 78 per cent. Population growth and the break-up of the joint family system are the reasons for this phenomenon. The average family size was 5.31 and 6.6 persons in 1959-60 and 1989-90 respectively. The sex ratio had gone down from 924 to 863 over the study period, indicating a disturbing trend in this respect. The literacy rate for males and females was found to be

78.5 and 43.7 per cent respectively showing the availability of more skilled manpower for the different occupations. The average holding size has been reduced drastically from 2.9 ha in 1959-60 to 1.4 ha in 1989-90, registering a decline of 52 per cent. The marginalisation of holdings could be attributed to the increasing population pressure and the marginal category of farmers alone accounted for 83.6 per cent of the total 189 cultivating households during the resurvey. Over the years, the average number of livestock per household decreased from 3.2 to 2.5 probably due to decreasing pasture lands, since more land appears to have been brought under the plough.

Change in Occupational Structure

The data presented in Table I show the various occupations: sole, main and subsidiary in which the households were engaged. Agriculture was the sole and main occupation of 66 per cent of the households in 1959-60 while service was the principal subsidiary occupation (72.6 per cent). Other occupations included rural crafts, dairying, wage labour, trade, professional occupations, etc. Wage employment was the sole and main occupation for 7.3 per cent of households but 15.3 per cent depended on wage labour as a subsidiary occupation.

TABLE I. OCCUPATIONAL STRUCTURE OF HOUSEHOLDS IN KOT VILLAGE, HIMACHAL PRADESH
(percentages of total households)

Occupation (1)	1959-60 ¹			1989-90 ²		
	Sole occupation (2)	Main occupation (3)	Subsidiary* occupation (4)	Sole occupation (5)	Main occupation (6)	Subsidiary* occupation (7)
1. Agriculture	8.06	58.06	23.39	3.17	16.74	56.11
2. Dairying	-	-	2.42	-	-	-
3. Rural crafts	2.42	4.84	4.84	0.90	5.88	2.26
4. Trade	1.61	0.81	7.26	1.81	3.17	0.91
5. Service	2.42	9.68	72.58	6.79	41.63	41.63
6. Professional occupations	-	4.84	6.45	-	0.45	-
7. Wage labour	1.61	5.65	15.32	4.52	14.03	4.07
8. Other occupations	-	-	0.81	-	0.45	0.45

Sources: 1. Agricultural Economics Research Centre, University of Delhi, Delhi.

2. Own Survey.

Total households: 1959-60 = 124; 1989-90 = 221.

* Multiple responses and as such do not add up to 100.

Due to the enabling, compulsive and exogenous reasons (Basu and Kashyap, 1992) the occupational distribution has undergone a sea-change in three decades. Service has supplanted agriculture as the number one occupation since 48.4 per cent of the households reported service as the sole and main occupation and only about 20 per cent did so in the case of agriculture. In fact, agriculture has been relegated to the place of the principal subsidiary occupation. A decline in the percentage of households dependent on rural crafts has been observed but the percentage of households engaged in trade and business witnessed an increase consistent with the expansion of activities in the tertiary sector. The marginalisation of holdings has led to substantial increase of wage labour from 7.3 per cent (1959-60) to 18.6 per cent (1989-90) of the households depending on this employment as their sole and main occupation.

Structural Change in Farm and Non-Farm Employment

Unemployment and disguised unemployment on a significant scale are the characteristic features of rural areas in India. In the context of hilly regions, Singh and Bhati (1985) reported that a male worker was without work for 151 days on marginal farms, for 128 days on small farms and for 129 days on medium size farms. The female labour unemployment was 157 days, 130 days and 160 days per annum on marginal, small and medium farms respectively. The data presented in Table II confirm the prevalence of unemployment both for non-cultivators and cultivators during 1959-60 and 1989-90. The agricultural sector contributed 62 to 92 per cent of the total man-days worked on marginal to large farms in the base year, while its contribution in 1989-90 decreased to about 48 per cent on marginal farms, to 53 per cent on small farms and to 67 per cent on medium farms, indicating the shrinking role of agriculture for generating employment opportunities directly for the marginal, small

TABLE II. CHANGING STRUCTURE OF FARM AND NON-FARM EMPLOYMENT
IN KOT VILLAGE, HIMACHAL PRADESH
(man-days per year per household)

Category of farm	Farm sector				Non-farm sector				Total employment	Per worker employment
	Field crops	Wage labour	Other	Total	Craft	Service and profession	Wage labour	Total		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1959-60										
Landless	-	79.17	53.46	132.63	11.74	66.51	33.04	111.29	243.92	186.20
	(-)	(32.45)	(21.92)	(54.37)	(4.81)	(27.27)	(13.55)	(45.63)	(100.00)	
Marginal	21.76	65.00	92.68	179.44	69.30	12.50	29.37	111.17	290.61	171.92
	(7.48)	(22.38)	(31.89)	(61.75)	(23.84)	(4.30)	(10.11)	(38.25)	(100.00)	
Small	44.08	20.38	144.33	208.79	11.53	9.81	15.38	36.72	245.51	125.77
	(17.95)	(8.30)	(58.79)	(85.04)	(4.70)	(4.00)	(6.26)	(14.96)	(100.00)	
Medium	55.25	-	148.93	204.18	-	18.64	-	18.64	222.82	116.65
	(24.79)		(66.84)	(91.63)		(8.37)		(8.37)	(100.00)	
Large	121.52	-	221.24	342.76	-	22.97	8.65	31.62	374.38	195.98
	(32.46)		(59.10)	(91.56)		(6.13)	(2.31)	(8.44)	(100.00)	
Average	71.35	27.35	143.73	242.43	13.53	26.18	15.72	55.43	297.86	167.33
	(23.95)	(9.18)	(48.26)	(81.39)	(4.54)	(8.79)	(5.28)	(18.61)	(100.00)	
1989-90										
Landless	-	28.44	49.56	78.00	48.42	72.66	60.00	181.08	259.08	128.25
	(-)	(10.98)	(19.13)	(30.11)	(18.69)	(28.04)	(23.16)	(69.89)	(100.00)	
Marginal	20.30	18.80	85.79	124.89	46.39	35.00	55.00	136.39	261.28	129.99
	(7.78)	(7.19)	(32.83)	(47.80)	(17.75)	(13.40)	(21.05)	(52.20)	(100.00)	
Small	50.75	36.36	111.42	198.53	13.65	82.73	80.00	176.38	374.91	158.86
	(13.54)	(9.69)	(29.72)	(52.95)	(3.64)	(22.07)	(21.34)	(47.05)	(100.00)	
Medium	99.56	-	173.77	273.33	66.67	-	66.67	133.34	406.67	221.02
	(24.48)		(42.73)	(67.21)	(16.39)		(16.39)	(32.79)	(100.00)	
Large	210.89	-	229.55	440.44	-	-	-	-	440.44	165.57
	(47.88)		(52.12)	(100.00)	(-)	(-)	(-)	(-)	(100.00)	
Average	25.13	21.18	87.42	133.73	43.34	43.78	57.78	144.90	278.63	142.32
	(9.02)	(7.60)	(31.37)	(47.99)	(15.57)	(15.70)	(20.74)	(52.01)	(100.00)	

Source: As in footnote to Table I.

Note: Figures in parentheses are percentages to total employment.

and medium farms. However, in the case of large farms it increased from 92 per cent in 1959-60 to 100 per cent in 1989-90, showing that the large farms solely depended on the farm sector for employment because of the increase in holding size. The occupational diversification is marked by availability of more work opportunities in the non-farm sector, particularly in the service sector. A worker belonging to the non-cultivating category, and marginal and large farms experienced more days of unemployment in 1989-90 compared to the bench-mark level. But small and medium farms made significant gains in securing more work, thanks to better opportunities in the non-farm sector.

Changing Employment Avenues in the Non-Farm Sector

In Kot village, which is located at a distance of about 16 kilometres away from the district town of Hamirpur, the non-farm occupations are very important in providing gainful employment to the working force. Rural crafts, services, professional occupations and wage labour are the components of the non-farm sector (Tables III and IV).

TABLE III. EMPLOYMENT PATTERN IN VARIOUS CRAFTS IN KOT VILLAGE DURING
BASE YEAR (1959-60) AND THE STUDY YEAR (1989-90)
(days per year for a sample household)

Category of farm	Carpen-try	Black-smithy	Gold-smithy	Basket-making	Shoe-making	Tailor-ing	Mason	Electri-cian	Total	Average per worker employ-ment
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1959-60										
Landless	8.70 (74.11)	-	-	3.04 (25.89)	-	-	-	-	11.74 (100.00)	8.96
Marginal	34.37 (49.60)	6.25 (9.02)	15.62 (22.54)	3.69 (5.32)	-	9.37 (13.52)	-	-	69.30 (100.00)	41.00
Small	6.92 (60.02)	-	-	-	4.61 (39.98)	-	-	-	11.53 (100.00)	5.91
Medium	-	-	-	-	-	-	-	-	-	-
Large	-	-	-	-	-	-	-	-	-	-
Average	7.50 (55.43)	0.80 (5.91)	2.02 (14.93)	1.04 (7.69)	0.97 (7.17)	1.20 (8.87)	-	-	13.53 (100.00)	7.60
1989-90										
Landless	14.06 (29.04)	9.37 (19.35)	-	9.37 (19.35)	3.12 (6.44)	12.50 (25.82)	-	-	48.42 (100.00)	23.97
Marginal	22.09 (47.63)	5.70 (12.29)	-	1.26 (2.72)	-	7.59 (16.37)	7.21 (15.54)	2.53 (5.45)	46.39 (100.00)	23.08
Small	13.63 (100.00)	-	-	-	-	-	-	-	13.63 (100.00)	5.77
Medium	67.67 (100.00)	-	-	-	-	-	-	-	67.67 (100.00)	36.77
Large	-	-	-	-	-	-	-	-	-	-
Average	20.99 (48.43)	5.43 (12.53)	-	2.26 (5.21)	0.45 (1.04)	7.24 (16.71)	5.16 (11.90)	1.81 (4.18)	43.34 (100.00)	22.13

Source: As in footnote to Table I.

Note: Figures in parentheses are percentages to total employment.

TABLE IV. ANNUAL EMPLOYMENT AVAILABILITY FROM SERVICE AND PROFESSIONAL OCCUPATIONS IN KOT VILLAGE, HIMACHAL PRADESH
(man-days per farm and per worker)

Category	Band playing	Water carrier	Mail carrier	Vaid/doctor	Laboratory assistant	Wage labour in non-agricultural job	Trade	Other	Total per farm	Average per worker employment
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1959-60										
Landless	1.30 (1.30)	- (-)	13.04 (13.10)	- (-)	- (-)	33.04 (33.19)	52.17 (52.41)	- (-)	99.55 (100.00)	75.99
Marginal	- (-)	- (-)	- (-)	- (-)	- (-)	29.37 (70.15)	12.50 (29.85)	- (-)	41.87 (100.00)	24.77
Small	0.19 (0.75)	1.92 (7.63)	- (-)	- (-)	- (-)	15.38 (61.05)	7.70 (30.57)	- (-)	25.19 (100.00)	12.92
Medium	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	18.64 (100.00)	- (-)	18.64 (100.00)	9.75
Large	- (-)	- (-)	- (-)	6.76 (21.38)	8.11 (25.65)	8.65 (27.35)	5.40 (17.08)	2.70 (8.54)	31.62 (100.00)	16.46
Average	0.28 (0.67)	0.40 (0.95)	2.42 (5.78)	2.01 (4.80)	2.43 (5.80)	15.72 (37.53)	17.83 (42.56)	0.80 (1.91)	41.89 (100.00)	23.53
1989-90										
Landless	5.47 (4.12)	- (-)	- (-)	- (-)	- (-)	60.00 (45.23)	42.19 (31.80)	25.00 (18.85)	132.66 (100.00)	65.67
Marginal	0.44 (0.49)	- (-)	- (-)	- (-)	2.28 (2.54)	55.00 (61.11)	28.48 (31.64)	3.80 (4.22)	90.00 (100.00)	44.77
Small	- (-)	- (-)	- (-)	- (-)	- (-)	80.00 (49.16)	68.18 (41.90)	14.55 (8.94)	162.73 (100.00)	68.95
Medium	- (-)	- (-)	- (-)	- (-)	- (-)	66.67 (100.00)	- (-)	- (-)	66.67 (100.00)	36.23
Large	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	-
Average	1.11 (1.09)	- (-)	- (-)	- (-)	1.63 (1.60)	57.78 (56.89)	33.26 (32.75)	7.78 (7.67)	101.56 (100.00)	51.88

Source: As in footnote to Table I.

Note: Figures in parentheses are percentages to total employment.

Rural crafts such as carpentry, blacksmithy, goldsmithy, basket-making, shoe-making and tailoring are the occupations of the marginal and small farmers and non-cultivating households only. Carpentry was the most important craft, followed by goldsmithy, tailoring, shoe-making and blacksmithy. Services for the medium farmers and large farmers absorbed the maximum number of workers and contributed the most in creating work opportunities. Wage employment was equally important for the marginal and small farmers and non-cultivating households.

In 1989-90, the rural craft occupations appeared to have gained more importance since these absorbed 10.7 per cent of total workers and contributed 12.7 per cent of man-days. Carpentry had been taken up by medium farmers as well, indicating occupational diversification. The marginal farms accounted for 73.7 per cent of total workers engaged in services and 73.5 per cent of man-days. Labour employment was the second most important occupation for all categories of farmers excepting large farmers and non-cultivating farmers.

CONCLUSION AND SUGGESTIONS

The craft of goldsmithy was found to have been eliminated during the resurvey while two craft occupations such as mason and electrician were introduced. The foregoing analysis leads us to arrive at the conclusion that the non-farm sector employment holds the key to creating remunerative employment in the rural areas. This could be attributed to the (i) increasing population pressure and consequent marginalisation of holdings, which are not able to sustain them and simultaneously these compulsive factors force the workers to seek alternative avenues of employment, (ii) proximity to urban areas and (iii) structural changes in the economy both at the micro and macro levels. In this backdrop, it is imperative to promote better skill formation for the jobs offered by the non-farm sector and take other measures to improve their productivity. In the farm sector, more employment opportunities could be generated through introduction of high-value and labour-intensive vegetable crops if this could be supported by increased irrigation facilities, improvement of infrastructural as well as marketing facilities. Per capita man-days of gainful employment had declined over the three decades, despite occupational diversification. This disturbing trend needs to be checked through creation of more work in the rural areas both in the traditional craft sub-sector and the emerging new craft sub-sector.

NOTE

1. Since we have analysed the data with different objectives in view, the number of cultivating and non-cultivating households was 81 and 19 per cent respectively. It may be explained that out of the total households, nine were found to be cultivating land on leasehold basis and hence they have been clubbed with the category of cultivating households.

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