



An Analysis of Income and Consumption Pattern among Agricultural Labourer Households in Rural Punjab

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Abstract: Pattern of income and consumption is an important parameter to study the economic conditions of people living in any society. The present analysis is based upon primary data which collected from three different agro-climate regions of Punjab (South-west, Central plain and Shivalik foot-hill). Income from casual activities in agricultural accounts more than 40 per cent of the total income for an average agricultural labourer household followed by permanent agricultural labour and non-farm employment in rural Punjab. South-west region has recorded the highest share of permanent agricultural labour income, while Central plain and Shivalik foot-hill region has recorded the highest share of casual agricultural labour income. The per capita income is the highest in South-west region of Punjab. In all regions, an average household spends higher proportion of total consumption on non-durable items followed by marriages & other socio-religious ceremonies, services and durable items. There are slightly a few point differences between the expenditure on education and intoxicants among the sampled households.

Keywords: Agricultural labourer, Consumption, Income, Per capita income, Rural Punjab

Punjab is one of those Indian states which experienced technological transformation in agriculture during the mid-sixties. This transformation had been in terms of increased the use of high yielding seed varieties, assured irrigation, fertilisers, insecticides, pesticides and new package of farm machinery. This technological transformation has successfully helped to increase the food grains production in the country. The total food grains production was 55 million tons at the very beginning of the planning era, which increased to 308.65 million tons in 2020-21 (GOI 2021). This new technology has completely replaced traditional mode of production and traditional agriculture was successfully given way to modern and commercial agriculture which result after a short time Punjab became the role model for other states in the country (Singh et al 2016). This leads to change in state's agrarian structure. However, it must be admitted that agrarian structure of Punjab would not have been what it is today if the country had not adopted technological change in encouragement to solve the food grains shortage which it was faced in late 1950's and early 1960's (Sidhu 2005). The agricultural labourers is a large rural worker category, accounting for 30.50 per cent of the total workers, marginally lower than that of India as a whole which is 31.80 per cent (Singh 2000). The share of agricultural labourers in total workforce of the Punjab state has increased from 20.10 per cent in 1971 to 22.16 per cent in 1981 and then to 23.82 per cent in 1991. However, in 2011, this proportion of workers has

recorded decline in their percentage to 16.32 (Singh and Singh 2015). Agricultural labourers constitute an important section of the rural community. But they are backward, illiterate, unorganised, and heavily indebted for insufficiency of non-agricultural occupations in villages and find seasonal employment in agriculture. Although agricultural labourers have contributed to Green Revolution, yet they have not benefited, at least in terms of betterment of their conditions (Singh and Toor 2018). Still after the seven decades of adaption of planning for economic development, the position of agricultural labourers and their economic conditions remains unchanged (Singh and Singh 2015). They are unable to fulfill their consumption requirements because of low income level. The social and economic status of agricultural labourers is weak as compared to the other workers and their economic condition has deteriorated remarkably (Chopra 2005). The debt trap is so vicious that more than 80 per cent of agricultural labourers of Punjab are indebted (Kaur et al 2021). The present study is an important attempt to empirically study the economic conditions of agricultural labourer households in rural Punjab.

MATERIAL AND METHODS

The present study is an empirical analysis of income and consumption pattern among agricultural labourer households in rural Punjab. For the analysis purpose the primary data has collected through a detailed schedule of

145 sampled households of agricultural labourer category from 6 villages two from each district belonging to three districts (Mansa, Fathegarh Sahib and Hoshiarpur) situated in three well defined agro-climate regions namely South-west region, Central plain region and Shivalik foot-hill region. District Mansa (29.9995° N, 75.3937° E) selected from South-west region, Fathegarh Sahib district (30.6435° N, 76.3970° E) from Central Plain region and Hoshiarpur district (31.6479° N, 75.8069° E) from Shivalik foot-hill region. To carry out the analysis, standard statistical tools like mean values and proportions have been used.

RESULTS AND DISCUSSION

Region-wise level of household income: In South-west region, an average agricultural labour household earns Rs. 53508, in Shivalik foot-hill region and Central Plain region are Rs. 51744 and Rs. 50845 respectively. The main source of income among agricultural labour households is hiring out casual labour in agricultural, followed by hiring out permanent labour in agricultural, hiring out labour in non-agricultural activities. Income from milk & milk product rank at fourth positioning, while job salary appears at the fifth position, followed by other sources, self-employment, farm income, sale of livestock and live poultry/egg production in rural Punjab (Table 1).

The region wise comparison shows that the main source of income in South-west region is hiring out permanent labour in agriculture, while in Central plain and Shivalik foot-hill region, the main source of households income from hiring out casual labour in agriculture. In Central plain region and Shivalik foot-hill region hiring out permanent labour in agriculture appears at second place, but in South-west region second place goes to hiring out casual labour in agricultural activities. It is also important to mention here that

salary income accounts very small part of household total income across the three regions. The analysis indicates that an average agricultural labour household from South-west region has higher income as compared to Shivalik foot-hill region and Central plain region of rural Punjab.

Pattern of household income: Average household from agricultural labour category earns 41.13 per cent of the total income by hiring out casual labour in agricultural followed by hiring out permanent labour in agricultural (36.76 per cent) and hiring out labour in non-agricultural activities (7.87 per cent). Only 2.57 per cent of the total income comes from job salary. The analysis further reveals that there is variation in the relative share of total income across the three sampled regions. In South-west region, it has recorded the highest share of hiring out permanent labour is agriculture (60.04 per cent), but in Shivalik foot-hill and Central plain region the highest share of the total income comes from hiring out casual labour in agriculture (51.06 and 43.56 per cent) respectively. An average household from agriculture labour category in South-west region gets 29.18 per cent of total income from hiring out casual labour in agriculture, while in Central plain region and Shivalik foot-hill region the relative share of hiring out permanent labour in agriculture are 36.34 per cent and 13.10 per cent respectively. In Shivalik foot-hill region, the relative share of hiring out labour in non-farm activities is the highest (11.87 per cent) as compare to Central plain region and South-west region (10.04 and 1.91 per cent only). The income from job salary is the highest in Shivalik foot-hill region and the lowest in South-west region. There is only Shivalik foot-hill region where an average household earns 3.38 per cent of total income from farm business activity (Table 2). The proportion share of self-employment source is the highest is Shivalik foot-hill region followed by Central plain region and South-west region. The

Table 1. Region-wise level of mean household income (Rs. per annum)

Source of income	Central plain region	Shivalik foot-hill region	South-west region	All sampled households
Farm business	0	1752	0	584
Milk and milk products	1560	2107	1757	1808
Live poultry/eggs production	276	314	127	239
Livestock/ livestock products	384	569	281	411
Hiring out permanent labour in agriculture	18474	6780	32129	19127
Hiring out casual labour in agriculture	22149	26421	15614	21395
Hiring out labour in non-agricultural activities	5134	6144	1018	4098
Salaries	769	2613	641	1341
Self-employment	531	1499	419	816
Other sources	1568	3545	1522	2212
Total	50845	51744	53508	52031

Source: Primary field survey

relative share of other sources, pensions, sale of manure, live poultry/ livestock get very low proportion of the total household income among the agricultural households in rural Punjab. The analysis reveals that an agricultural labourer household in three regions of rural Punjab supplements their income with different activities.

Region-wise per capita income: Per capita income among an average household of agricultural labourer category is Rs. 12125 in rural Punjab (Table 3). An agricultural labour household in South-west region earns the highest (Rs. 12588) per capita annually and the lowest in Central plain region (Rs. 10314) of rural Punjab.

Region-wise household consumption expenditure: An average household from agricultural labourer category spends the highest amount on non-durables items (Rs. 43454) of consumption expenditure, followed by marriages & other socio religious ceremonies (Rs. 8824), services (Rs. 6002) and durable items (Rs. 4060). The study reveals that out of total consumption expenditure on non-durables, an average household spends higher amount on food grain (Rs. 16949), followed by milk & milk products (Rs. 8220) and

intoxicant & drugs (Rs. 3842). The other important components of non-durables items include teas leaves, fuel & light, clothing & bedding, footwear, LPG, edible oils etc. As far as consumption expenditure on durable items is concerned, the highest amount spends on house construction/major repair (Rs. 1764). Out of total consumption expenditure on different kinds of services, an average household spends the highest amount on healthcare, followed by conveyance, education, telephone communication, entertainment and so on. The analysis reveals that an average household spends less on education as compare to telephone communication services (Table 4).

An average household from agricultural labourer household category in South-west region spends the highest amount (Rs. 67804) on consumption expenditure, followed by Central plain region (Rs. 61474) and Shivalik foot-hill region (Rs. 60644). In South-west region an average households spends the highest amount on non-durable items (Rs. 48572), followed by Central plain region (Rs. 46655) and Shivalik foot-hill region (Rs. 42625). In case of durable items of consumption expenditure, an average household from South-

Table 2. Region-wise pattern of household income (Percentage)

Source of income	Central plain region	Shivalik foot-hill region	South-west region	All sampled households
Farm business	0.00	3.38	0.00	1.12
Milk and milk products	3.06	4.08	3.28	3.47
Live poultry/eggs production	0.55	0.61	0.24	0.46
Livestock/ livestock products	0.76	1.09	0.53	0.78
Hiring out permanent labour in agriculture	36.34	13.10	60.04	36.76
Hiring out casual labour in agriculture	43.56	51.06	29.18	41.13
Hiring out labour in non-agricultural activities	10.09	11.87	1.91	7.87
Salaries	1.51	5.05	1.19	2.57
Self-employment	1.04	2.89	0.78	1.57
Other sources	3.09	6.87	2.85	4.26
Total	100.00	100.00	100.00	100.00

Source: Primary field survey

Table 3. Region-wise per capita value of household income (Rs. per annum)

Source of income	Central plain region	Shivalik foot-hill region	South-west region	All sampled households
Farm business	0	404	0	136
Milk and milk products	316	486	416	421
Live poultry/eggs production	56	72	30	55
Livestock/ livestock products	78	131	66	96
Hiring out permanent labour in agriculture	3748	1564	7620	4459
Hiring out casual labour in agriculture	4494	6097	3703	4987
Hiring out labour in non-agricultural activities	1041	1418	241	955
Salaries	156	603	0	312
Pensions	94	197	152	126
Self-employment	107	346	73	190
Other sources	318	816	439	514
Total	10314	11937	12588	12125

Source: Primary field survey

Table 4. Region-wise level of household consumption expenditure (Rs. per annum)

Items of consumption	Central plain region	Shivalik foot-hill region	South-west region	All sampled households
Non-Durables				
Food grains	17329	16458	17084	16949
i. Cereals	15842	15191	15755	15539
ii. Pulses	1487	1267	1329	1410
Condiments and spices	987	770	997	940
Fruits	326	412	210	279
Vegetables	1418	1310	1363	1259
Milk and Milk products	8816	8135	9196	8220
Edible oils	1289	976	1512	1042
Sugarcane products	3016	2663	3519	3071
Meat, fish and eggs	289	175	122	197
Tea leaves	1708	1243	2041	1664
Biscuits/bread and sweets	672	503	515	563
Pickles	228	127	278	211
Intoxicants and Drugs	4065	4289	6171	3842
Fuel and Light	783	727	590	700
Clothing and Bedding	2985	2529	2651	2168
Soaps and Detergents	937	794	874	869
Footwear	1536	1273	1336	1272
LPG	148	66	33	82
Others	123	175	81	126
Sub-total	46655	42625	48572	43454
Durables				
House construction/repairs	1363	1772	1743	1764
Radio/TV/VCR/Tape records/CD	623	266	271	387
Watches/Clocks	80	6	474	187
Electric fans/cooler	349	370	447	388
Sewing machine	104	84	88	92
Furniture	24	30	47	34
Utensils	135	97	122	118
Scooter/Motorcycles	252	333	420	410
Bicycles	351	297	535	405
Others	116	374	297	275
Sub-total	3397	3629	4444	4060
Services				
Education	573	527	379	565
Healthcare	2443	2014	4123	3093
Conveyance	980	1049	1322	1126
Telephone/ mobile	808	736	902	823
Entertainment	111	248	135	165
Others	24	37	175	230
Sub-total	4939	4611	7036	6002
Marriages and other Socio-religious ceremonies	6483	9779	7752	8824
Total	61474	60644	67804	62340

Source: Primary field survey

Table 5. Region-wise pattern of household consumption expenditure (Percentage)

Items of consumption	Central plain region	Shivalik foot-hill region	South-west region	All sampled households
Non-Durables				
Food grains	28.19	27.13	25.19	27.18
i. Cereals	25.77	25.04	23.23	24.92
ii. Pulses	2.42	2.09	1.96	2.26
Condiments and spices	1.60	1.27	1.47	1.51
Fruits	0.54	0.68	0.31	0.45
Vegetables	2.30	2.16	2.01	2.02
Milk and Milk products	14.29	13.41	13.56	13.18
Edible oils	2.09	1.61	2.23	1.67
Sugarcane products	4.89	4.39	5.19	4.92
Meat, fish and eggs	0.48	0.29	0.18	0.32
Tea leaves	2.78	2.05	3.01	2.67
Biscuits/bread and sweets	1.09	0.83	0.76	0.90
Pickles	0.38	0.21	0.41	0.34
Intoxicants and Drugs	6.59	7.07	9.10	6.16
Fuel and Light	1.27	1.20	0.87	1.13
Clothing and Bedding	4.87	4.17	3.91	3.48
Soaps and Detergents	1.58	1.32	1.29	1.39
Footwear	2.49	2.10	1.97	2.05
LPG	0.25	0.11	0.05	0.13
Others	0.21	0.29	0.12	0.20
Sub-total	75.89	70.29	71.64	69.70
Durables				
House construction/repairs	2.21	2.92	2.57	2.83
Radio/TV/VCR/Tape records/CD	1.01	0.44	0.40	0.62
Watches/Clocks	0.13	0.01	0.70	0.30
Electric fans/cooler	0.89	0.61	0.66	0.62
Sewing machine	0.17	0.14	0.13	0.15
Furniture	0.04	0.05	0.07	0.05
Utensils	0.22	0.16	0.18	0.19
Scooter/Motorcycles	0.41	0.55	0.62	0.66
Bicycles	0.57	0.49	0.79	0.65
Others	0.19	0.62	0.44	0.44
Sub-total	5.82	5.98	6.55	6.52
Services				
Education	0.93	0.87	0.56	0.91
Healthcare	3.96	3.32	6.08	4.96
Conveyance	1.59	1.73	1.95	1.80
Telephone/ mobile	1.31	1.21	1.33	1.32
Entertainment	0.18	0.41	0.20	0.26
Others	0.04	0.06	0.26	0.38
Sub-total	8.04	7.61	10.38	9.63
Marriages and other Socio-religious ceremonies	10.55	16.12	11.43	14.15
Total	100.00	100.00	100.00	100.00

Source: Primary field survey

Table 6. Per capita value of household consumption expenditure (Rs. per Annum)

Items of consumption	Central plain region	Shivalik foot-hill region	South-west region	All sampled households
Non-Durables				
Food grains	3516	3798	4052	3951
i. Cereals	3214	3505	3736	3623
ii. Pulses	302	293	316	328
Condiments and spices	200	177	236	219
Fruits	66	95	49	65
Vegetables	287	302	323	293
Milk and Milk products	1788	1877	2181	1916
Edible oils	261	225	358	242
Sugarcane products	612	614	834	715
Meat, fish and eggs	58	40	28	46
Tea leaves	346	287	484	388
Biscuits/bread and sweets	136	116	122	131
Pickles	46	29	65	49
Intoxicants and drugs	824	989	1463	895
Fuel and light	158	168	139	163
Clothing and bedding	605	583	628	505
Soaps and detergents	190	183	207	202
Footwear	311	294	316	296
LPG	30	15	8	19
Others	25	40	19	29
Sub-total	9459	9832	11512	10124
Durables				
House construction/repairs	276	409	413	411
Radio/TV/VCR/Tape records/CD	126	61	64	90
Watches/Clocks	16	1	112	43
Electric fans/cooler	70	85	106	90
Sewing machine	21	19	20	21
Furniture	5	7	11	7
Utensils	27	22	28	27
Scooter/Motorcycles	51	77	99	95
Bicycles	71	68	127	94
Others	22	85	69	63
Sub-total	685	834	1049	941
Services				
Education	116	121	90	131
Healthcare	495	464	978	721
Conveyance	199	242	313	262
Telephone/ mobile	163	169	213	191
Entertainment	22	57	32	38
Others	4	8	41	53
Sub-total	999	1061	1669	1396
Marriages and other Socio-religious ceremonies	1315	2256	1838	2057
Total	12458	13983	16066	14518

Source: Primary field survey

west region spends the highest amount, followed by Shivalik foot-hill region and Central plain region. In South-west region, an average household from agricultural labourer category spends the highest amount on different types of services as compared to other two regions as Central plain and Shivalik foot-hill region. In Shivalik foot-hill region, an average household spends the highest (Rs.9779) on marriages & other socio-religious ceremonies, followed by South-west region (Rs. 7752) and Central plain region (Rs. 6483).

Region-wise pattern of household consumption expenditure: The relative share of household consumption expenditure has recorded the highest share of the total consumption expenditure spends on non-durable items of consumption expenditure (69.70 per cent). In Central plain region, the highest share (75.89 per cent) spends on non-durable items, while the lowest (70.29 per cent) in Shivalik foot-hill region spends on non-durable items of consumption. The analysis has found that the expenditure on marriages & other socio-religious ceremonies appears the second place where the relative share is the highest (16.12 per cent) in Shivalik foot-hill region, followed by South-west region (11.43 per cent) and Central plain region 10.55 per cent of the total consumption expenditure. An average household spends 14.15 per cent on marriages & other socio-religious ceremonies of consumption expenditure (Table 5).

The proportion of consumption expenditure on services is the highest (10.38 per cent) in South-west region, followed by Central plain region (8.04 per cent) and Shivalik foot-hill region (7.61 per cent) while in all sampled regions an average household spends 9.63 per cent on different kinds of services. The highest percentage consumption expenditure appears on healthcare services in three sampled regions under study. As far as consumption expenditure on durable items is concerned, it has recorded 6.52 per cent of the total consumption. In South-west region, an average household spends higher proportion on durable items, followed by Shivalik foot-hill region and Central plain region.

Per capita household consumption expenditure: The analysis has found that an average household from agricultural labourer household category in rural Punjab consumer annually Rs. 14518 per capita on different items of consumption. Further, the study reveals that an average household from South-west region has the highest per capita consumption, while the lowest in Central plain region (Table 6).

CONCLUSIONS

The present study analysed that the main source of income among agricultural labourer households is hiring out

causal labour in agriculture. But region-wise analysis reveals that an average household in South-west region earns the highest proportion of total income from hiring out permanent labour in agriculture, while in Shivalik foot-hill region and Central plain region, the higher relative share of total incomes comes from hiring out casual labour in agriculture. An average household spends large proportion of their income on non-durables items of consumption expenditure, followed by marriages & other socio-religious ceremonies, services and durables. The present level of income of agricultural labourer households in rural Punjab is not enough to support their daily consumption requirements. The foregoing analysis shows that there is declining permanent labour and rise in casualization of labour in agricultural activities in rural Punjab. To meet their basic needs, they are forced to borrow from non-institutional agencies and they fell in debt trap and their debt continued to increase day by day. The government should make a strong policy regarding subsidiary occupations and provide financial support at reasonable interest rate. The analysis has found the dairying is one of the main sources of household's income in rural Punjab, but the price of milk is very low. So the Government should come forward with appropriate policy in this regard to increase their level of income. To uplift the poor non-farming households in rural areas, there is a strong need to establish agro-based industries in rural areas. These households can get employment in these industries for a reasonable number of days and at decent wage rate. The proper implementation of MGNREGA would be milestone helpful to overcome the problems of agricultural labourer households.

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