

Advancing Livelihood Through Employment in Non-Farm Sector in Assam

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Abstract

The economy of Assam is largely based on agriculture. Along with traditional rural activities such as farming and agricultural labour, rural households can and do engage in a wide range of non-agricultural activities such as wage employment and self-employment in commerce, manufacturing and services. The Rural Non-farm sector has gained considerable importance now-a-days as an alternative strategy for generating employment, reducing poverty, for achieving higher rate of growth and for development of rural areas. As an emerging sector non farm sector attract attention of different researcher and policymaker. The study explores the Work Participation Rate and sectoral distribution of population in different Non-farm activities. Studies have shown that with the passage of development, the share of income and employment in non-farm activities of the rural household increases. The combination of both farm and non farm income at the household level also provides a cushion against adverse situations in agriculture.

Keywords: Non Farm Sector, Agriculture, Employment, Rural, Male

Introduction

During a developing country's economic transformation, the creation and rapid expansion of nonfarm activity in rural areas and the towns that serve them becomes a major source of revenue and employment growth. Since the early 1970s, there has been a focus on the importance of the non-farm sector in the rural Indian economy. Along with traditional rural activities such as farming and agricultural labour, rural households can and do engage in a wide range of non-agricultural activities such as wage employment and self-employment in commerce, manufacturing, and services. Such non-farm incomes can significantly add to the total income of farming households in developing nations. The Rural Non-farm sector (RNFS) has gained considerable importance now-a-days as an alternative strategy for generating employment, reducing poverty, for achieving higher rate of growth and for development of rural areas. Majority of rural population in developing countries are engaged in a variety of non-farm activities besides involving in farming which is their major activity. Some non-farm occupations are directly or indirectly tied to agriculture. Others are distinct, ranging from full-time but temporary wage employment in industry or construction to regular but part-time self employment in home based handicrafts and trading or other services¹. Economic opportunities in the non-farm sector have raised in India as well. The proportion of rural workers engaged in agriculture in relation to the total workforce remained stagnant at

around 78 percent until 1993-94 and then declined to 68 percent in 2009-10². In recent years, RNFS has received considerable attention from both policymakers and researchers in propounding and implementing rural development strategies³. The important factors in favour of RNFS are: its employment absorption capacity, growing potentiality, arresting rural-urban migration, and reducing inequality and poverty⁴.

Objective

As an emerging sector non farm sector attract attention of different researcher and policymaker. The main objective of the study to examine the male-female work participation rates .We also study the sectoral distribution of workers (disaggregated into males and females) with a particular emphasis on non-farm activities. Furthermore, the paper also seeks to identify potential strategies to maximize the positive effect of Non-farm sector in Assam as an emerging sector.

Literature Review

In recent years, RNFS has received considerable attention from both policymakers and researchers in propounding and implementing rural development strategies³.

It is widely acknowledged that India's agricultural sector cannot generate more chances for gainful employment on its own, and as a result, the emphasis for achieving long-term development in rural areas must centre on broadening the basis of non-farm activity⁴.

Although RNFS was viewed as a low productivity sector which produced low quality goods but over past couple of decades it has been observed that this sector has been instrumental in developing countries in creating employment opportunities, poverty reduction and more spatially balanced population distribution⁶.

Previous research had found that the income from non-farm activities was essential for the welfare of rural households⁷.

Employment patterns in the non-farm sector, based on National Sample Survey data and Census data, have been carefully examined the clear increase in the share of non-agricultural employment in the rural workforce during the 1980s, with the trend more clearly evident among male workers than among female workers⁸.

Economic opportunities in the non-farm sector have risen in India as well. The percentage of RNFE in total rural employment increased from 16.6 per cent in 1977-78 to 18.4 per cent in 1983, to 21.6 percent 1993-94 and to 23.8 per cent in 1999-2000 and 32.1 percent in 2009-10⁹

There is also evidence to suggest that productivity and profitability in the non-farm industry are generally higher than in the agriculture sector, as are average pay and working conditions¹⁰.

Data Collection

The present study is based on secondary data. Secondary data is used to understand some of the basic socio-economic characteristics of the study area. For collecting the secondary data, different publications of Directorate of Economics and Statistics, Government of Assam; District Rural Development Agency; National sample survey Organization, Ministry of Statistics and Programme implementation, Government of India; Central Statistical Organization, Ministry of Statistics and Programme implementation,

Government of India; and various volumes of population census is utilized. These secondary data is used to ascertain the structure of nonfarm employment opportunities available in Assam.

Employment opportunities in Non-farm Sector

Studies have shown that with the passage of development, the share of income and employment in non-farm activities of the rural household increases. The combination of both farm and non farm income at the household level also provides a cushion against adverse situations in agriculture. In the context of Assam, the RNFS is perceived to be a potent source of employment to the growing labour force in the face of heavy demographic pressure on land, small and fragmented land-holdings and iniquitous land distribution structure.

Assam is a northeastern Indian state located south of the eastern Himalayas, along the Brahmaputra and Barak River valleys. Assam has a total land area of 78,438 km² (30,285 sq mi). The state is bounded to the north by Bhutan and Arunachal Pradesh; to the east by Nagaland and Manipur; to the south by Meghalaya, Tripura, Mizoram, and Bangladesh; and to the west by West Bengal via the Siliguri Corridor, a 22-kilometer (14-mile) strip of land that connects the state to the rest of India.

1. Work Participation Rates (WPRs)

Work Participation Rates shows the proportion of population that actively contributes to the production of goods and services of a country. This ratio is useful in analyzing the employment situation of a country¹⁰. The data pertaining to WPR in India and Assam are shown in Table 1

Table:1 WPR in Assam and India:1993-94 to 2020-21 (in percentage)

Years	Assam		India	
	Male	Female	Male	Female
1993-94	51.6	15.9	55.3	32.8
1999-00	52.9	14.6	53.1	29.9
2004-05	55.1	20.9	54.6	32.7
2009-10	55.3	15.8	54.7	26.1
2020-21	57.1	13.5	57.5	25.1

Source: NSSO, Various Rounds, Government of India.

Data from secondary sources show that the non-farm sector is an important element of the rural economy in Assam, giving employment to the rural workforce. WPR is comparatively low in Assam with significant gap between the WPR of males and females'. The percentage of male work participation rate shows an increasing trend during these 28 years of time period. On the other hand female work participation rate in all over the country is not so satisfactory and shows a decreasing trend. This may be because of lack of awareness, illiteracy and social norms.

WPR gives an overview of the employment situation of a region, information on unemployment situation is important to acquire a better understanding of the nature of distribution of labour in Assam.

2. Sectoral Distribution of Workforce

Table 2 Distribution of population of Assam in different sector (in percentage)

	Male			Female		
	Primary Sector	Secondary Sector	Tertiary Sector	Primary Sector	Secondary Sector	Tertiary Sector
Rural	38.4	24.7	36.9	63.6	10.1	26.3
Urban	3.0	20.9	76.1	7.9	12.2	79.9

Source: Annual Report, PLFS, 2020-21

The economy of Assam is largely based on agriculture. The primary sector employs the majority of rural male and female population of Assam (38.4 and 63.6 percent, respectively). According to data, the majority of females in rural areas work in the primary sector. In contrast to the rural population, males in urban areas are primarily employed in the tertiary sector. In comparison to the primary and secondary sectors, the number of females enrolled in tertiary is quite high, accounting for 79.9% of the urban population.

To map the changes in the structure of employment it is necessary to analyse the structural distribution of workers. Such an analysis is important from the perspective of undertaking policy initiatives in such activities where employment has slackened. Table 3 presents data on the percentage distribution of workers in two broad categories—farm and non-farm, along with a further break-up of non-farm activities into a number of sub-sectors.

Table 2 Distribution of Rural Workers in Farm and Non-Farm Sectors (Assam)

NSS Rounds	Male				Female			
	50th	55th	61st	66th	50th	55th	61st	66th
Year	93-94	99-00	04-05	09-10	93-94	99-00	04-05	09-10
Farm sector	78.2	64.7	69.7	66.6	83.2	79.4	88.3	86.2
Non-Farm sector	21.8	35.3	30.4	33.4	16.8	20.6	11.7	13.8
1.Mining & Quarrying	0.2	0.3	0.3	0.4	0	0	0	0
2.Manufacturing	2.2	2.9	2.9	3.7	8.7	8.3	3.7	2.8
3.Electricity, water etc	0.3	0.1	0.2	0.1	0	0	0	0
4.Construction	0.8	2.2	3.0	4.1	0.1	0.2	0.8	0.9
Total 1-4	3.5	5.5	6.4	8.3	8.8	8.5	4.5	3.7
5.Trade,Hotels,Restaurants	8.2	9.9	11.6	11.2	1.9	1.5	1.1	2.8
6.Transport,Storage,Community	1.6	3.3	3.2	3.3	0.1	0.3	0.2	0
7.Financial,Insurance,etc	0.3	0.3	0.2	0.5	0.1	0.2	0.1	0.2
8.Community& other services	8.2	16.3	8.8	10.1	5.8	10.2	5.7	7.2
Total 5-6	18.3	29.8	23.8	25.1	7.9	12.2	7.1	10.2

Source: NSSO, Various Reports, Government of India.

The types and patterns of nonfarm employment differ between richer and poorer farming households. This allows everyone to participate in non-farm activities. The poor engage in low paid employment,

often as wage labourers, or they are self-employed at home. The rich are often engaged in industry, commerce and trade as entrepreneurs and employers.

Male members migrate to non-farm activities. Within the non-farm sector, it is the tertiary sector that provides more employment opportunities. The secondary sector provided employment only to 8.3 per cent of rural males and 3.7 per cent of females in 2009-10, as against the corresponding figures of employment of 25.1 per cent and 10.2 per cent respectively for males and females in the tertiary sector. In the secondary sector, manufacturing is the major contributor of rural non-farm employment. However, during the period from 1999-2000 to 2009-10, there has been an increase in the share of employment in the construction sector, absorbing a large number of rural casual and seasonal labours. There has also been a greater emphasis on this sector by the government which implemented many employment generating schemes like National Rural Livelihood Mission (NRLM), Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Jawahar Rozgar Yojana (JRY) now Jawahar Gram Samridhi Yojana (JGSY), Integrated Rural Development Programme (IRDP) now Swarnajayanti Gram Swarozgar Yojana (SGSY), etc. Within the tertiary sector, trade, hotels and restaurants, transport and communication, community and other services absorb a certain percentage of the labour force. In Trade, hotels and restaurants sector employment growth rate for males increased because of the growth of rural roads and increased flow of tourists into the state.

Females, the proportion of workers engaged in the farm sector has remained high, with a fluctuating trend in the range of 80 to 88 percent. There has been a gradual increase in the proportion of male workers in the non-farm sector from 21.8 per cent in 1993-94 to 33.4 per cent in 2009-10, whereas for females, the same has fluctuated at around 12 to 20 percent. Thus, employment of females is heavily tilted in favour of agriculture. The employment situation of females worsened due to their social exclusion and exploitation on account of their lack of access to education, information and mobility¹¹.

Psychological Effect

Capital and foreign exchange are generally limited in emerging countries such as India, whereas unskilled labour is comparatively abundant. More labor-intensive activities and production techniques would provide the most employment per unit of scarce factor and hence appear to be the most appropriate for their factor endowments. The findings indicate that RNF income is an essential aspect in both household economy and food security, as it provides for increased access to food. RNF activity influences agricultural performance by providing farmers with cash to invest in productivity-enhancing inputs. A vast number of studies have found a favourable association between the rise of agricultural productivity and non-agricultural employment in all regions of the ^{16,17}. Non-farm activities contribute to the development of favourable social and psychological attitudes among workers by increasing employment options and increasing labour productivity through the utilisation of local agricultural raw resources. This sector contributes to increased female participation, lower migration, reduce rural poverty, improve food security for the poor, and promote equality and justice. As a result, the non-farm sector has a favourable economic, social, and psychological impact.

Conclusion

The agricultural sector is unlikely to provide gainful employment opportunities to the rural labour force. At the same time, employment growth in the organized sector has been waning. Under these circumstances, the rural labour market is facing a daunting challenge with a large number of unemployed youths flooding the market. The RNFS has the potential to be a significant source of employment in Assam. The role of RNFS is important here because it is generally organized on a small scale and it provides employment opportunities, mostly using local labour and local resources as well as labour intensive techniques. Therefore, as concern about employment expansion and poverty alleviation in rural areas has grown, and since urban-based industrialization cannot provide a solution, attention has therefore shifted towards the rural non-farm sector, which, as an intermediate sector, straddles the urban economy, on the one hand, and the rural agriculture economy on the other.

The RNFS provides an opportunity for women to combine household obligations with work, including care of children, with additional employment and income, especially if these activities can be carried out at or nearer to home. This is important for the poorer households. Thus, growth is inclusive by providing an opportunity for all to take part in the growth of the economy. It can also lead to women's empowerment as it provides paid work. Rural areas cover a very important economic and social territory, both in terms of size and in terms of significant human and natural resources. Putting into consideration the limited capability of the agricultural sector in providing gainful employment to increasing rural labour force and sustainable income to the farming households, it would be necessary to initiate a policy for developing a long term planning approach towards the development of various potential non-farm economic activities. Non-farm activities thus contribute to giving the rural economy a multi-sector dimension.

Suggestions

1. Non-farm routes must be created in rural areas, which will help to alleviate the problem of rural youth job-seeking in adjacent towns. Temporary job creation through various employment generation strategies will only give a short-term answer. In rural areas, there are enormous natural and human resources, as well as the potential for the development of nonfarm activities and enterprises. Various manufacturing and food processing businesses could be established.
2. In order to improve rural employment elasticity, adequate measures such as increased investment in non-farm subsectors through public-private partnerships must be implemented. Simply increasing investment in subsectors would not provide good results; the government must also restructure the educational system in Assam's rural areas in order to develop a sufficient productive workforce capable of meeting the demands of emerging marketing-driven trades.
3. For inclusive economic growth, parallel expansion in both the farm and non-farm sectors is critical. As a result, suitable extension techniques must be implemented to teach farmers about the sources from which they can obtain agricultural inputs on time, as well as the sensible use of inputs. Agricultural credit should be made available not only for the purchase of inputs, but also for other post-harvesting operations such as processing and marketing, so that farmers receive a good return on their hard work. The government should take steps to encourage farmers to practise integrated farming in order to reduce production risk by providing training on managing several operations on the same farm.

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