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**Structural Transformation of an Agrarian Society:
Case Studies from Punjab, India**

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cultivators who take the loyalty option tend to seek permanent migration. Pursuing large operational holdings and seeking permanent migration concurrently implies distress-coping options that vary from one generation to the next.

It should be noted that migration to developed countries does not necessarily assure decent employment, because migrants from Punjabi villages are not well-qualified workforce by the standards of the destinations. They can only find poorly paying jobs, such as that of drivers, salespeople, restaurant staff, mechanics, positions in the dairy industry, and engaging in small businesses, and so on.

VIII. Household Income and Expenditure

The structural transformation of Punjabi agrarian societies so far discussed up to this point can be confirmed from the annual source-wise income (Table 13). Income from farming does not consider land rent. When land rent is subtracted from agricultural income, the net income is Rs. 105,619 per year for the farmers and Rs. 67,045 per year for landless farmers.

Table 13 Source-wise Annual Income (Rs.)

	Monthly wages	Daily wages	Remittance	Agriculture	Milk	Land Rent received	Land rent Paid	Total Income
Farmers	78,681	0	23,753	328,900	5,555	5,423	223,281	219,031
Landless Farmers	112,500	0	0	451,316	4,513	0	384,271	184,058
Give-up HHs	57,808	0	33,538	0	69	96,273	0	187,688
Non-Farmers	70,120	28,736	19,914	0	124	0	0	118,896
Average	71,004	19,817	21,851	81,333	1,188	11,264	47,657	153,675
Bihari Migrant	0	113,348	0	0	0	0	0	113,348

Note: 1) High monthly income of the landless farmer is mainly owing to pensions received by retired veterans (Rs. 30,000 per month). 2) Daily wages include those from the NREGA. Agricultural income is net income, Income from agriculture minus production costs calculated (please refer to the tables in the Annexure).

Note that give-up households receive land rent of Rs. 96.273. Because semi-formal occupations in neighboring towns offer incomes ranging from Rs. 8,000–10,000 per month, land rent assures similar income levels from working in the semi-formal sector.

High land rent makes it possible for cultivators to leave agriculture without experiencing a drastic deterioration in their income.

Non-farmers do not work as agricultural laborers. According to KM cooperative officers, local scheduled castes withdrew from the agricultural labor market sometime around 1990. They took up jobs similar to that of Jat–Sikh workers in neighboring towns. Bihari migrants work as agricultural wage laborers in place of the local scheduled castes. A striking finding is that the annual income levels of Bihari households are similar to those of non-farmers, primarily because local women are not employed outside the home, whereas Bihari women actively work as agricultural laborers with their spouses.

Table 14 shows the source-wise per capita annual expenditure. Note that the education expenditure of non-farmers is significantly lower than that of farmers and give-up households, which results in a diverse picture on overseas migration.

Table 14 Household Annual Expenditure (Rs.)

	Food	Clothes	Educational	Medicine	Transportation	Ceremony	Electricity	Fuel	Debt Repay
Farmers	59,239	11,592	35,239	25,375	22,609	20,724	15,766	3,790	15,715
Landless Farmers	68,750	14,312	30,050	11,750	23,175	10,875	6,000	1,200	1,237
Give-up HHs	53,201	12,178	23,134	19,615	14,061	12,528	3,717	3,732	0
Non-Farmers	40,607	8,408	14,521	15,462	15,899	10,845	3,344	1,914	1,149
Average	45,988	9,537	19,589	17,690	17,039	12,845	5,702	2,456	3,673
Bihari Migrants	42,751	3,496	1,481	7,028	3,430	4,533	1,437	0	1,133

Note: The Bihari settlement is not electrified. Electricity is free for SC households up to 200 units since 1997. Some Biharis living on the outskirts of NRI premises as caretakers pay the unsubsidized electricity fee.

Migrants' educational attainment in terms of years of schooling does not differ much among migrants of the four household classes (Table 9). However, a clear difference seems to exist in the quality of the schools that their children attend. As Table 14 indicates, educational expenditures are higher for farmers and give-up households and low for non-farmers. Applying for visas to developed countries requires a high score on the IELTS (International English Language Testing System), generally higher than grade 6 (IELTS has levels from 1 to 9). To obtain a higher grade, youngsters need to attend a language school, which typically charges high school fees. Migration to Middle Eastern countries does not require an IELTS certificate. Accordingly, high-quality education facilitates permanent migration, whereas villagers who cannot afford high quality

schooling cannot help but resort to an incomplete “exit” in the form of temporary migration.

IX. Conclusion

This article examined the overall situation of cultivators’ responses to the adverse agrarian milieus in India. Depeasantization has been a relevant phenomenon in Punjabi agriculture. In the process of industrialization, depeasantization expresses itself as a transfer of the workforce to the manufacturing sector. However, in Punjab, a considerable proportion of cultivators who left farming either chose to continue residing in villages or sought employment in foreign countries. The structural transformation of Punjabi agrarian society, thus, takes a distinct route. To examine this route, we classified rural households into four groups. The major findings are summarized in Fig. 10.

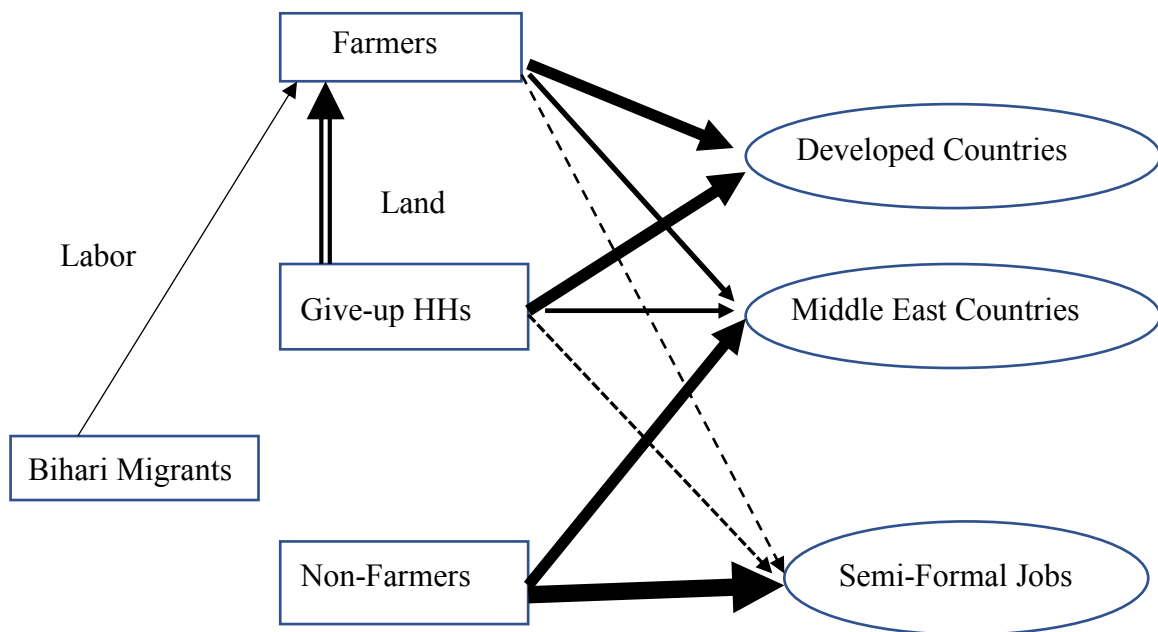


Figure 10 Responses of Different Rural Groups

Seeking employment in foreign countries is a major exit option that is dichotomized into permanent and temporary migration. Middle Eastern countries do not accept permanent migration, whereas developed countries may permit it if migrants have high IELTS scores. Thus, the choice of permanent and temporary “exit” depends strongly on educational attainments. Households’ income levels are strongly associated with educational expenditure. Youngsters with higher educational attainment have opted for

permanent migration, whereas their fathers tend to remain in their villages. Thus, the complete exit option takes an intergenerational turn.

The farmer and the give-up households that can afford high education expenses can seek permanent employment in developed countries. In contrast, non-farm households are obliged to migrate to Middle Eastern countries even though they do not possess farmland as immobile property.

A “neglect” option can be a feasible solution because leasing out land assures high land rent, which compensates considerably for the loss of agricultural income. However, this option is not sustainable in the long term. The number of landowners who take an “exit” option is expected to increase because Punjabi agriculture shows few signs of recovering. Then, the supply of land will increase, and future land rent will decrease.

An important question is whether a “loyalty” option guarantees a bright future. A further increase in subsidies to the agricultural sector is not realistic as long as India is self-sufficient in terms of food. The most plausible way to enhance cultivators’ welfare will be to reduce land rent. Ironically, facilitating an exit from farming that results in an expansion of operational landholdings through the land-lease market will help maintain Punjabi cultivators’ existence.

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Annex Table: Crop production cost and profit per acre

Village KM

Crops		Rice		Potato		Wheat
Tractor		Owned	Unowned	Owned		
				Seed potato	Table potato	
Land preparation		1,200	1,800	2,510	2,510	1,900
Seed/Seedlings		640	640			1,313
Making mound		-	-	3,805	3,805	-
Transplanting		2,800	2,800	-	-	-
Herbicides		400	400	500	500	500
Chemical fertilizers	Urea	562	562	713	713	670
	DAP	1,000	1,000	3,150	3,150	1,375
	Potash	275	275	550	550	-
	Zinc	275	275	-	-	-
	Ammonia	-	-	650	650	-
Pesticides		438	438	950	950	200
Spray of growth-promotion agent		350	350	-	-	-
Irrigation						
Harvesting		2,500	2,500	5,405	5,225	1,200
Straw preparation		-	-	-	-	2,800
Transportation		150	150	-	-	-
Depreciation cost of motor		5,000	5,000	-	-	-
Total cost		15,590	16,190	18,233	18,053	9,958
Yield (Q/acre)		27	27	95	85	16.5
Price per Quintal		1,510	1,510	225	300	1,575
Straw		-	-	-	-	6,500
Gross income		40,770	40,770	21,375	25,500	32,488
Net income		25,180	24,580	3,142	7,447	22,530

Village NK

Crops		Rice		Wheat	
Tractor		Owned	Unowned	Owned	Unowned
Land preparation		2,200	3,000	800	1,000
Seed/ seedlings		550	440	2,250	2,300
Transplanting		2,500	2500		
Herbicides		400	250	850	500
Chemical fertilizers	Urea	870	667	870	580
	DAP	600	480	1,800	1,700
	Potash				
	Zinc		200		
	Ammonia				
Pesticides		3,000	2,800	600	1,000
Growth promoting agent		1,000	500		
Irrigation					
Harvesting		1,200	1,200	1,200	1,200
Straw preparation					
Transportation		160	320	160	160
Depreciation of motor					
Total cost		12,480	12,357	8,530	8,440
Yield (Q/acre)		33	32	19	19
Price per Quintal		1,510	1,510	1,575	1,575
Straw				3,000	3,000
Gross income		49,830	48,320	32,925	32,925
Net income		37,350	35,963	24,395	24,485