NON-FARM WAGE RECEIPTS OF FARM FAMILIES

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An important finding of the All-India Rural Credit Survey which deserves greater attention, is that the farm business in India, generally speaking, depends to a considerable extent on the wages that the farm families earn by working outside their own farm businesses. The Rural Credit Survey points out that this dependence on the outside wages earnings is not confined to the small farms only, but that larger farms also show not much less dependence on similar earnings. These receipts of the farm families are earned partly by their doing wage work on other than their own farms. To that extent, the receipts do not come from outside agriculture or outside farm business as a whole, though they involve wage work on the part of the farm families. But, in part, these receipts also arise from wage work outside agriculture or in other words from non-farm wage work. To that extent, not only the several farm families but the entire farm business as a whole may be said to depend upon outside wage earnings. The purpose of the present paper is to examine the available data with a view to assessing the extent of this dependence. We shall chiefly draw on the data from the Rural Credit Survey (RCS) and the Agricultural Labour Enquiry (ALE).

There are two sets of wages data contained in the RCS. One is the wages received by the farm families; the other is the wages paid by the farm families. The RCS data regarding the wages received by the farm families are available in the Intensive Enquiry District Table 9 of the RCS Technical Report. There are two points to note about the cash data. Firstly, the reported receipts cover only the cash wages and thus exclude all receipts of wages in kind. We shall presume that the payment of wages in kind prevail mainly in farm work and that such payment would be small and negligible in non-farm wage work. In other words, we shall presume that the reported wage receipts cover (a) cash farm wages and (b) cash, and hence practically all, non-farm wages received by the farm families. The second point is that in the reported receipts, (a) and (b) above, are not distinguished and are not shown separately. To separate the two is our chief concern in this paper.

The other set of data contained in the RCS, namely, of wages paid by the farm families relates to the wages paid for farm work. We propose to examine it with a view to seeing whether it would furnish even a rough estimate of the (a) above, namely of the cash farm wages received by the farm families. The RCS data on wages paid by the farm families appear in the Intensive Enquiry District Table 17 of the RCS Technical Report.