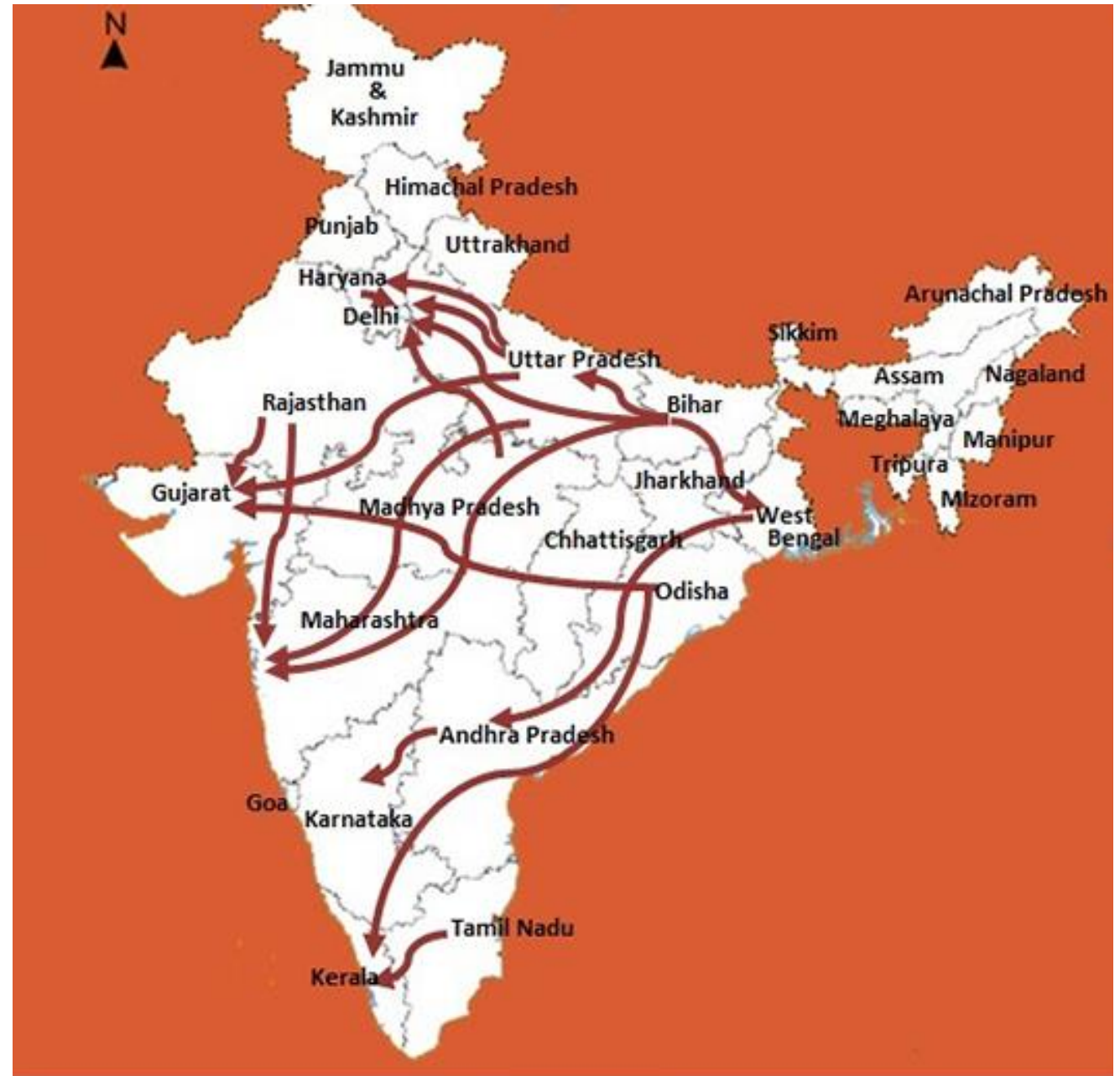


# Labour, Migration and Occupational Diversification

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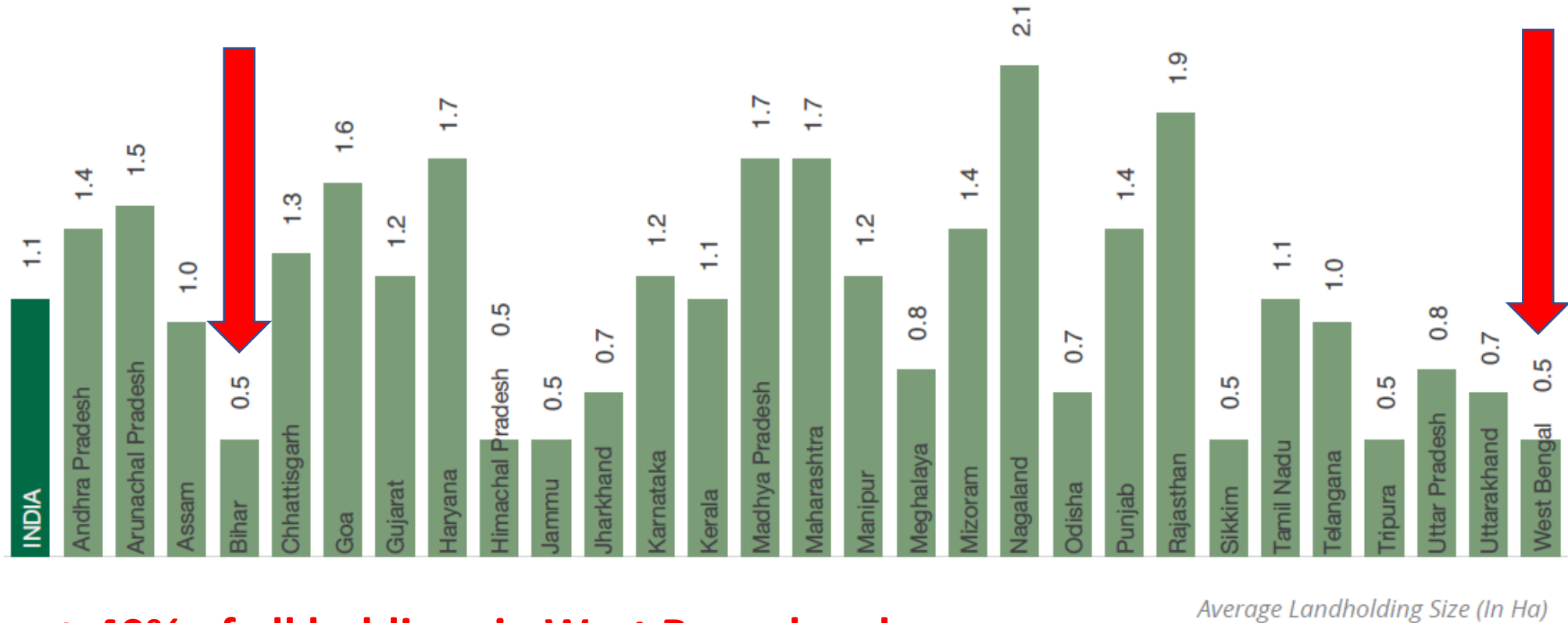
Avinash Kishore, IFPRI



Internal Migration Flows, 2001 (Source: IIPS, Mumbai)

# Issue 1. The smallest landholdings in India

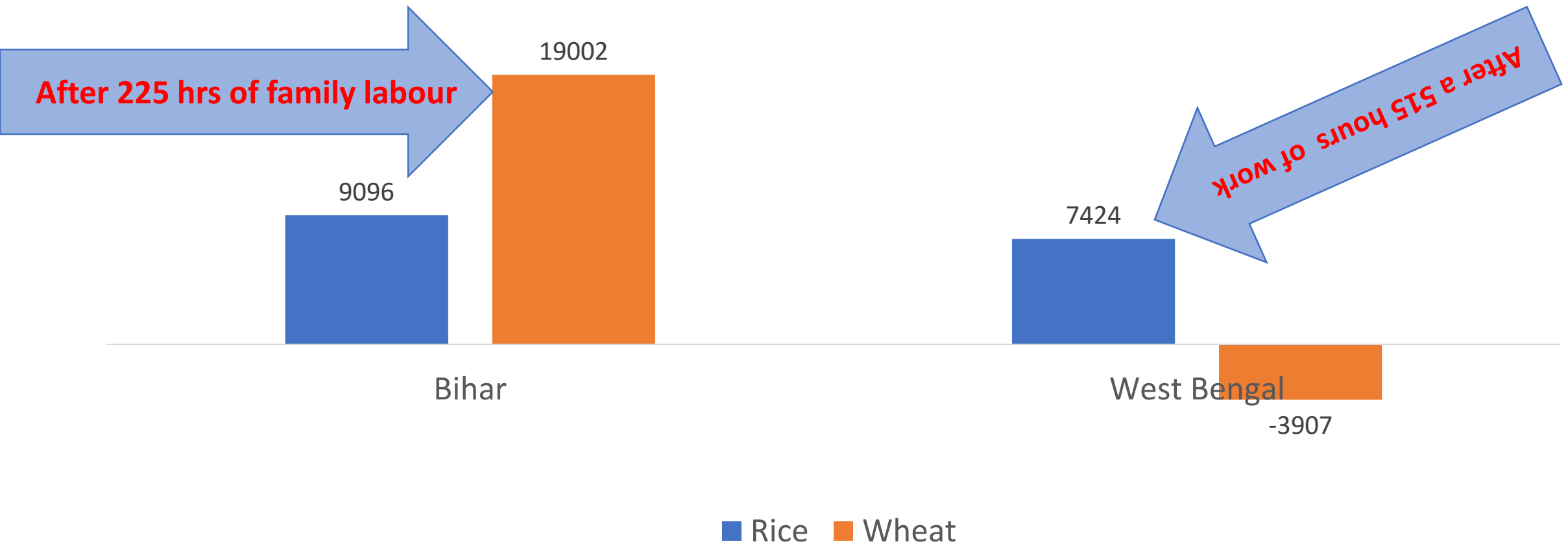
Figure 3.3 Average Size of Land Possessed by Agricultural Households by States (in hectares)



**~ 40% of all holdings in West Bengal and Bihar are <500 m<sup>2</sup> in size**

## Issue 2. Agriculture is not profitable

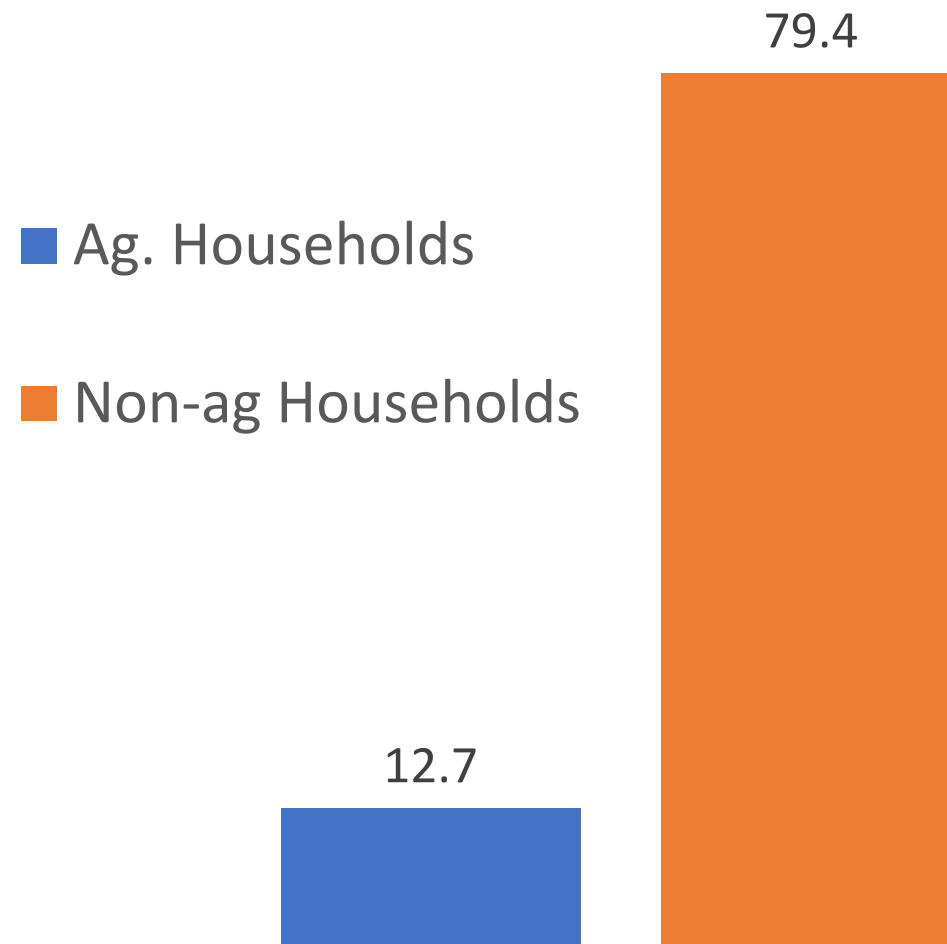
Operational Profits (Rs/ha) from Rice and Wheat in 2015-16



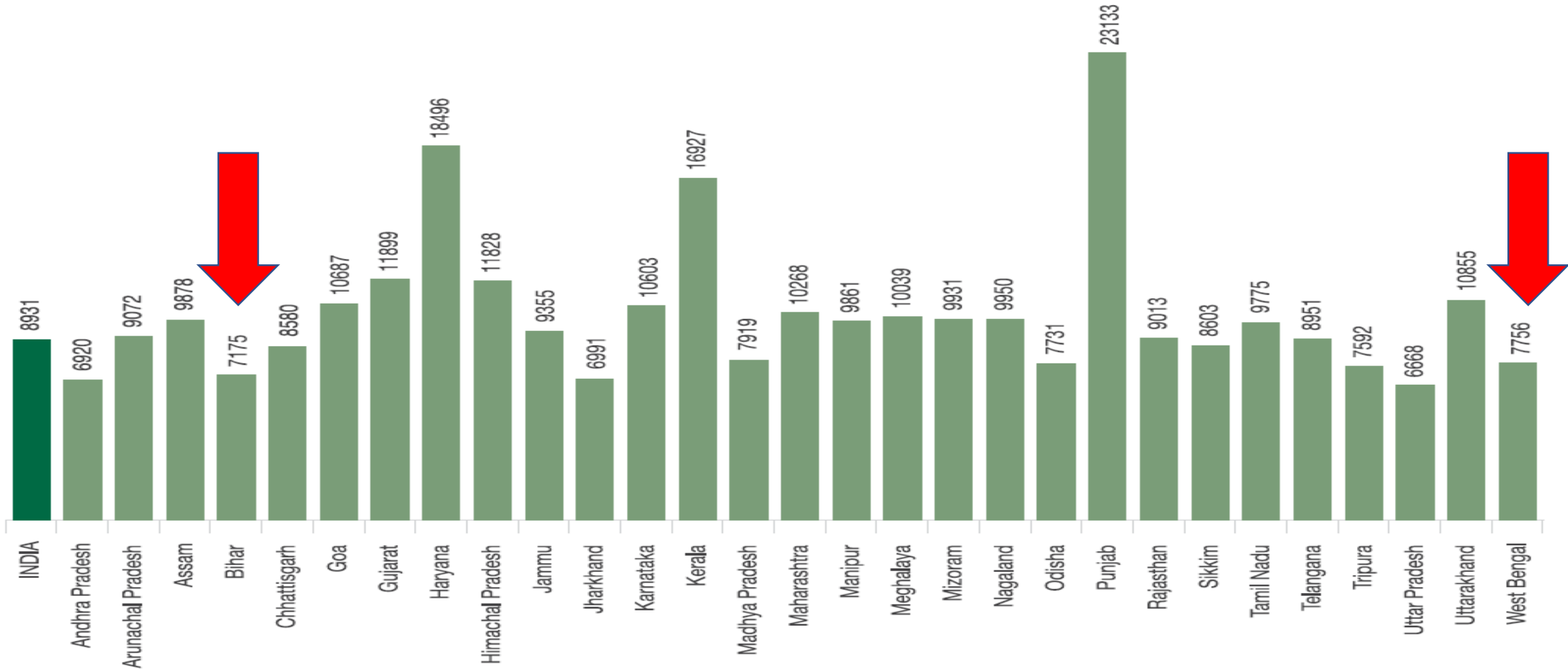
Ag. households are looking elsewhere for income

- **Half of all ag. Households have 2 sources of income**
- **35% rely on 3 or more sources of income**

## % Rural Households with a Single Source of Income

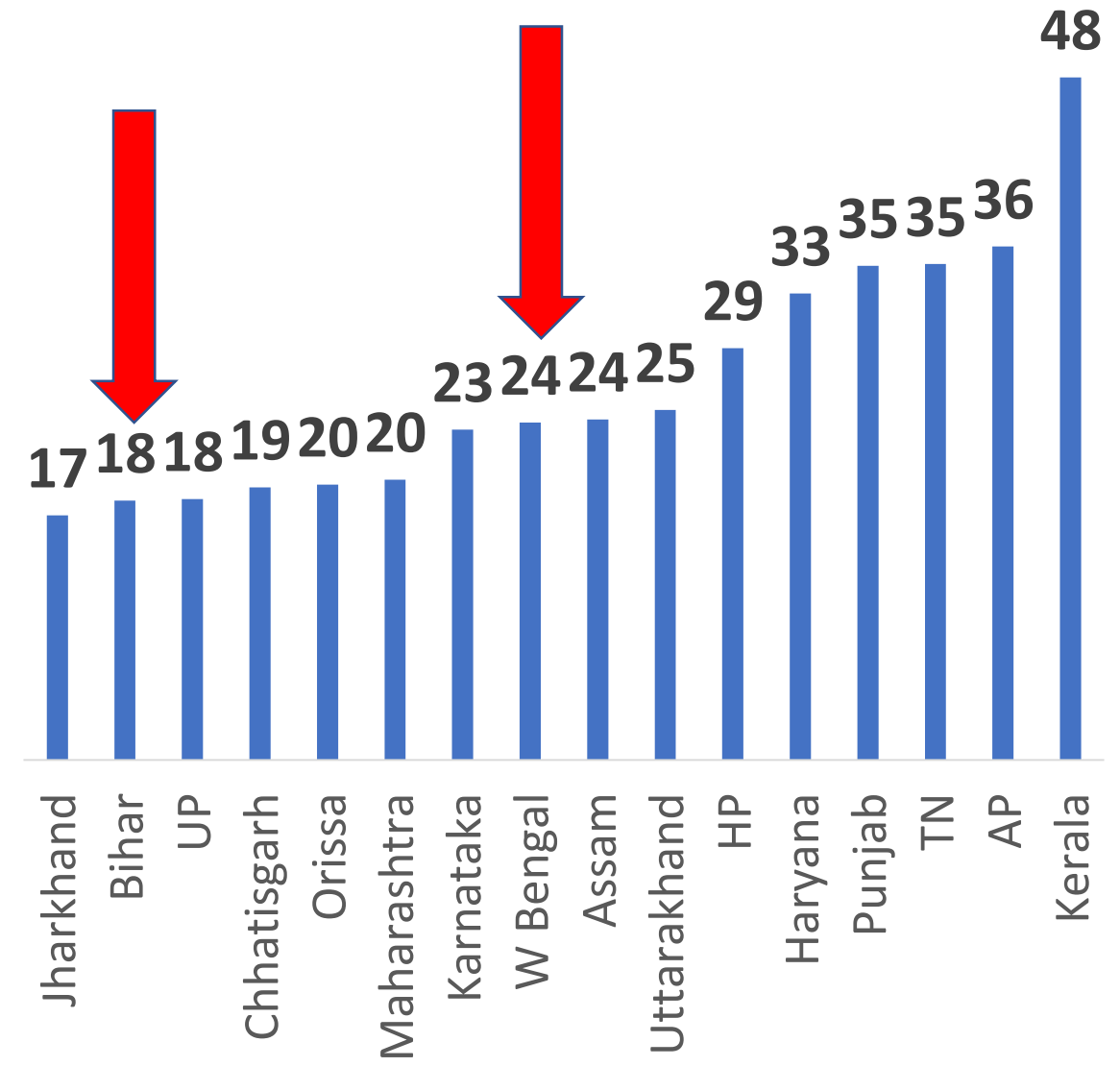


# Issue 4. Still have low incomes



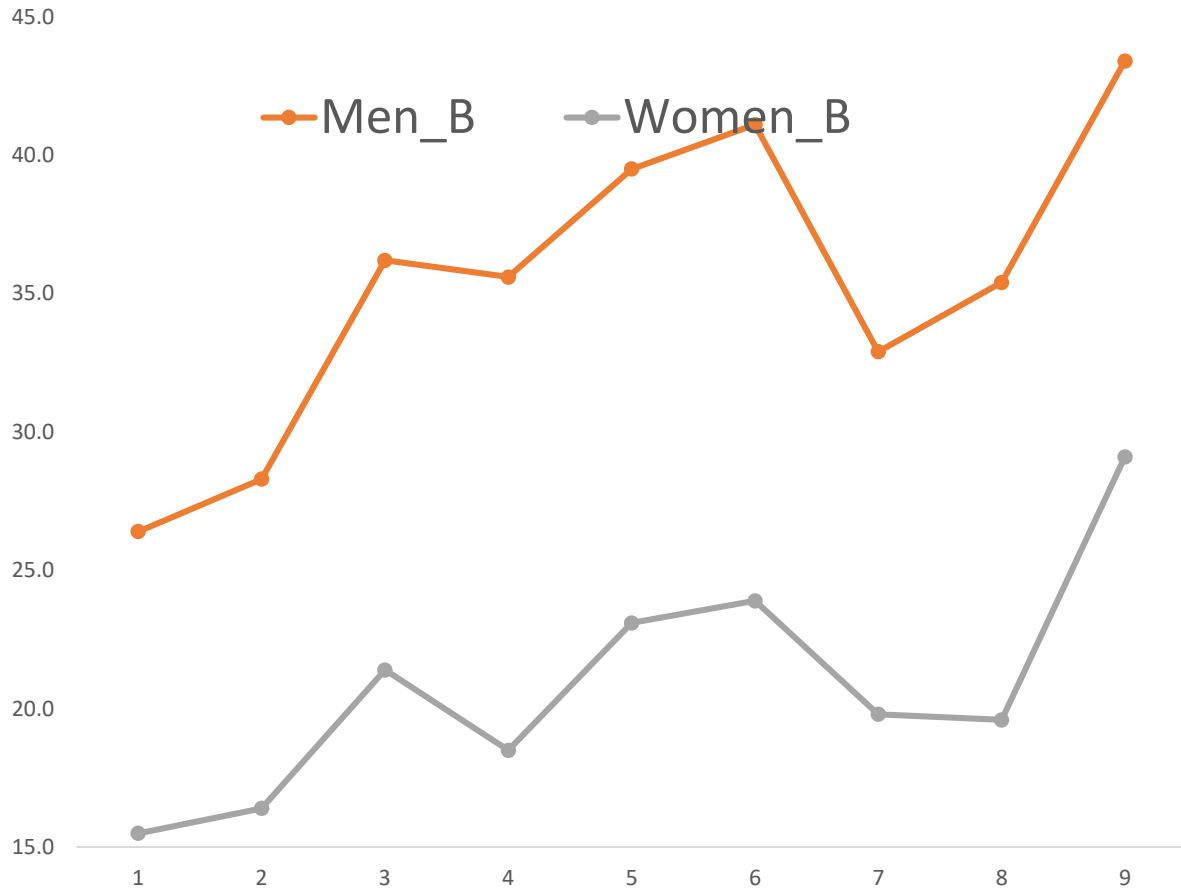
- High employment pressure on agriculture
- More farm labourers than farmers
  - # Agricultural labourers/ha : 2.5 (1.59 men)
  - # (Cultivators + ag. Laborers)/ha : 3.93 (2.76 men)
- Cropping system is not labor intensive
  - **Rice-Wheat:** 1025 hours/ha in Bihar
  - **Rice-Rice:** 2050 hours/ha in West Bengal

Wage Rates (Rs./hour) across States

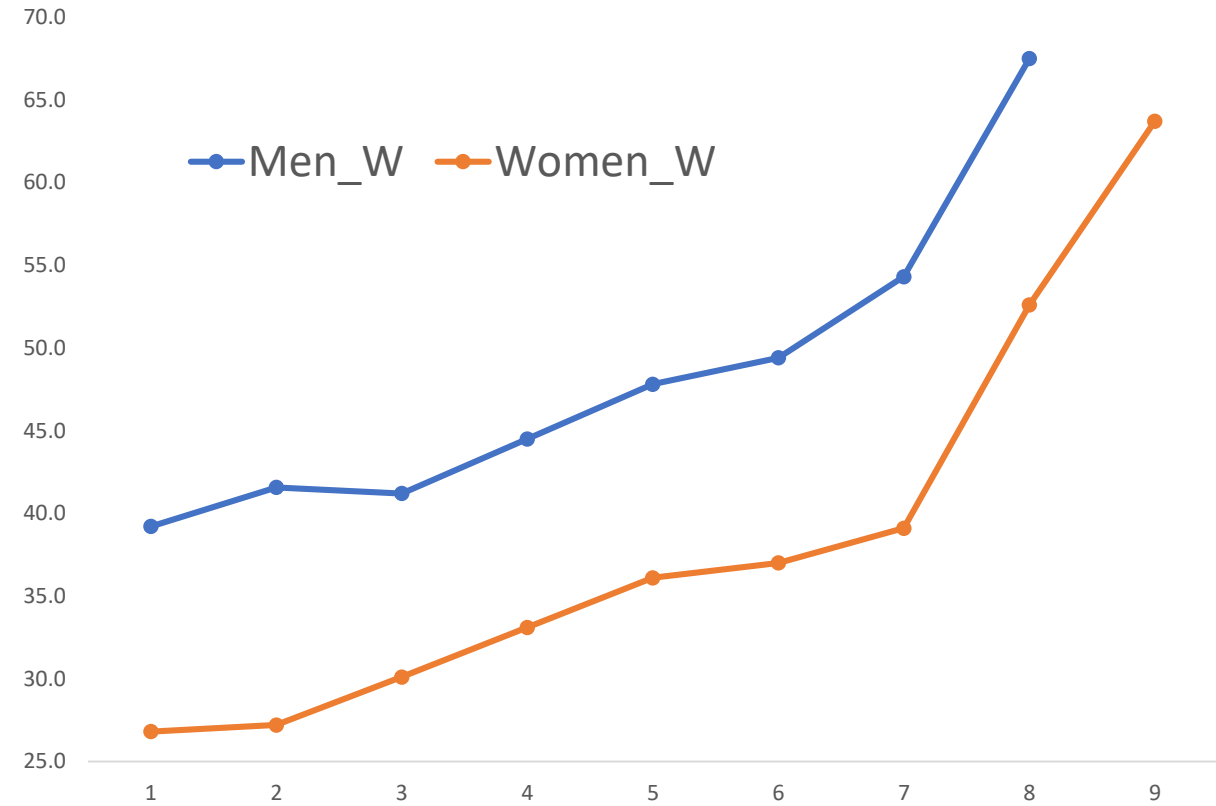


# Wages are even lower for women

### Daily Wage Rates of Agricultural Labourers in Bihar



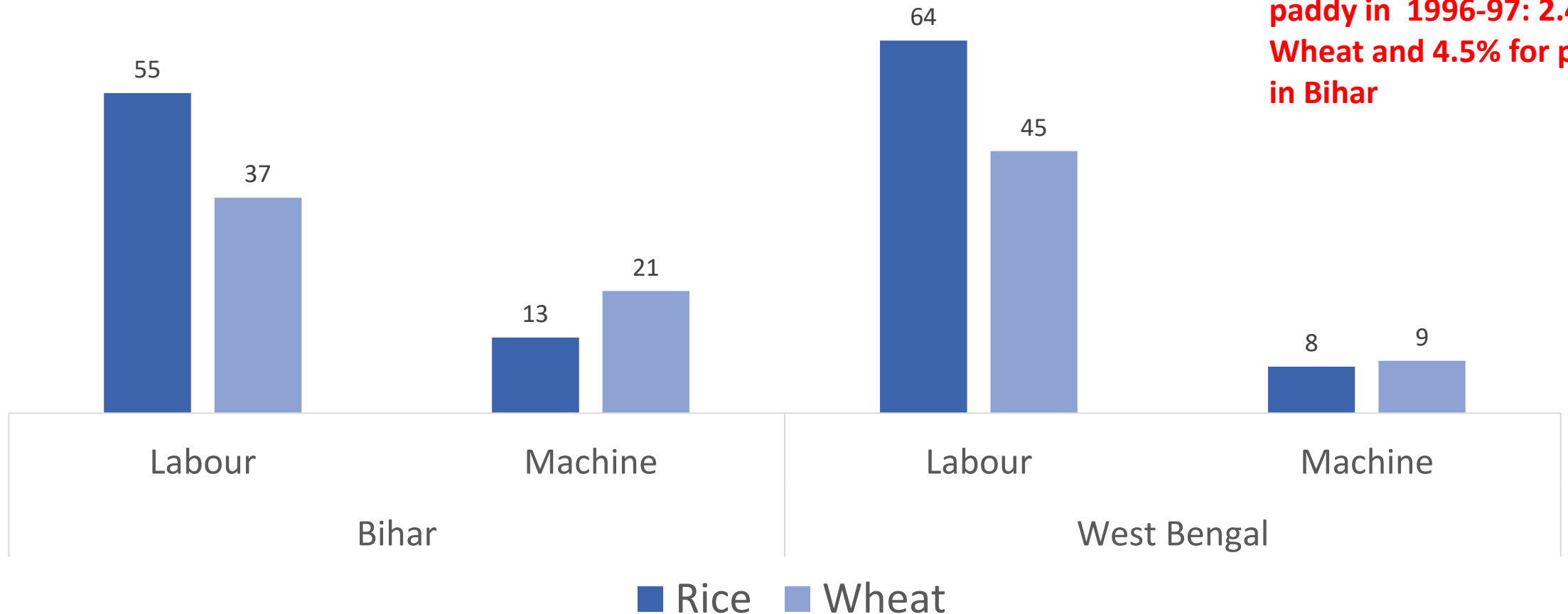
### Daily wage rates of agricultural labourers in West Bengal



# Even at low wages, farmers face wage squeeze

% Share in Operational Costs in 2015-16

**Machines' cost share in paddy in 1996-97: 2.4% for Wheat and 4.5% for paddy in Bihar**





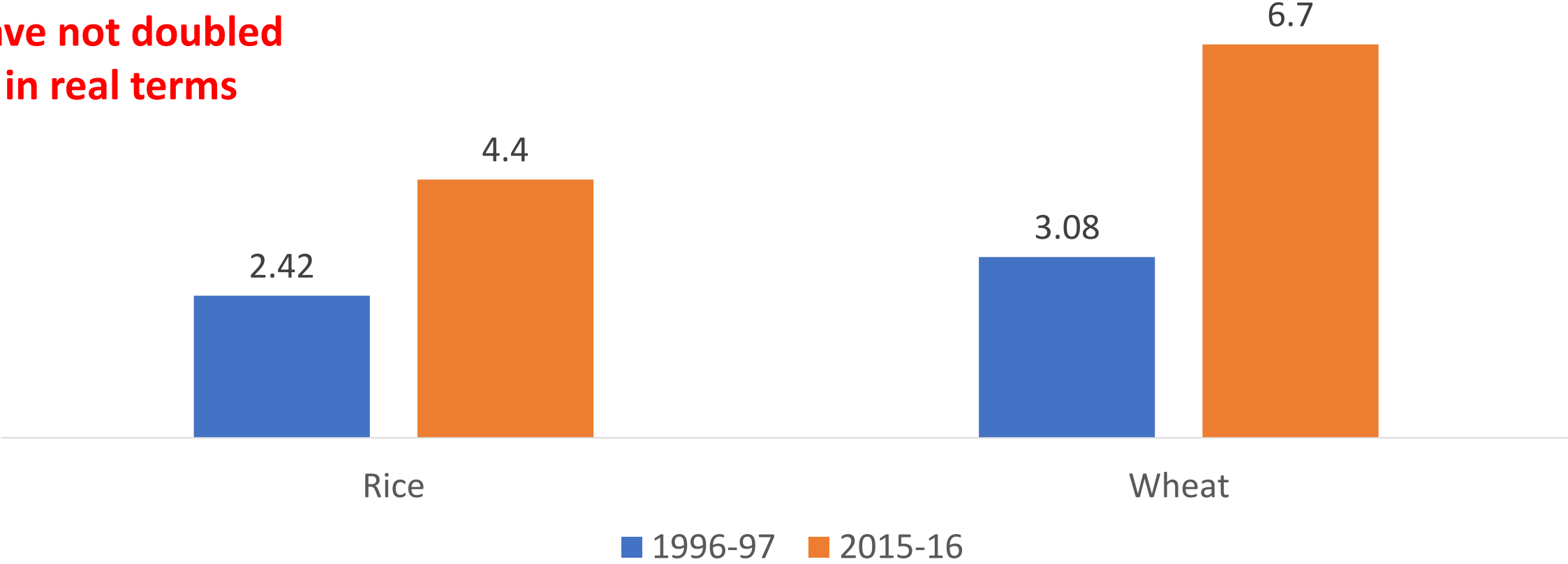
# From land rent to machine rents

- Machine rental markets are critical to mechanization of ag. Operations
  - >95% of all farmers in EGP rent at least 1 machine from another farmer
- **But machine rental markets appear to be inefficient**
  - Under-utilization of scarce capital
  - Transfer of rents from sub-marginal farmers to the large farmers who also own machines
    - Reinforcing existing inequalities in land ownership
- **The Bangladesh model of 'free trade and no regulations' works much better for poor farmers than the India-Nepal model of 'import substitution with high subsidies'**

# Mechanization → doubling of labour productivity

Kilograms/hour of human labour

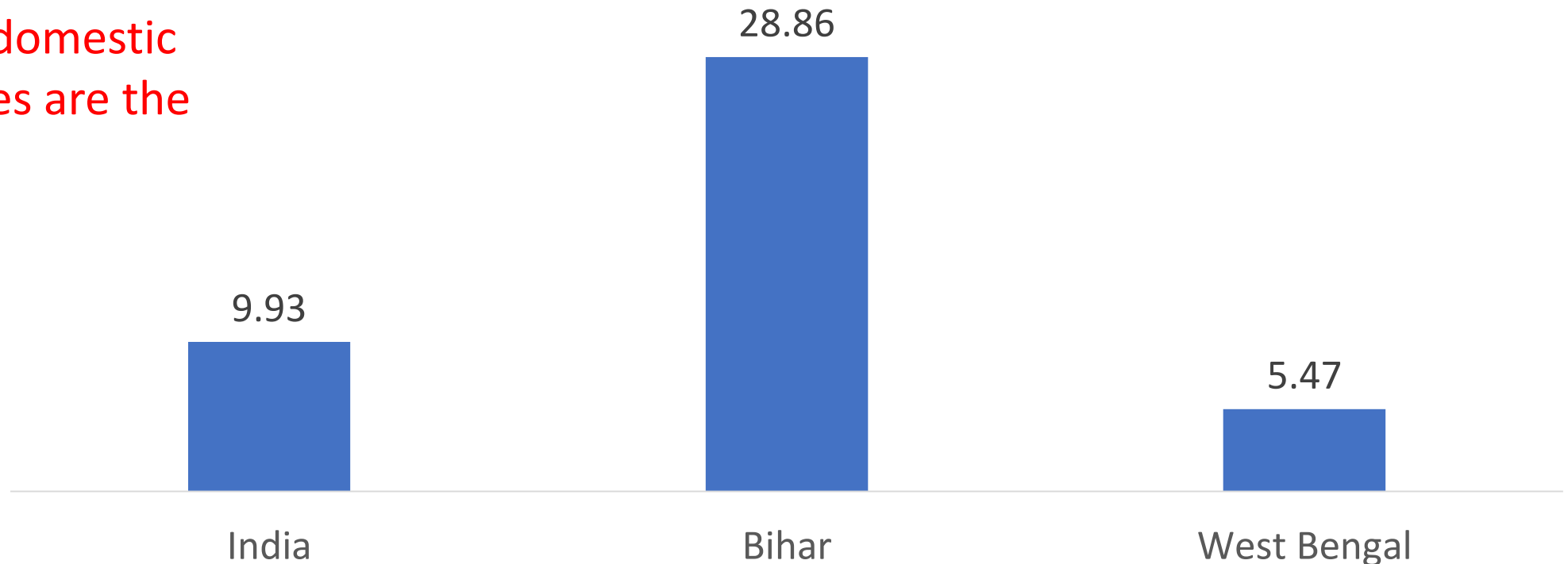
**But wage rates  
have not doubled  
in real terms**



# Men are migrating

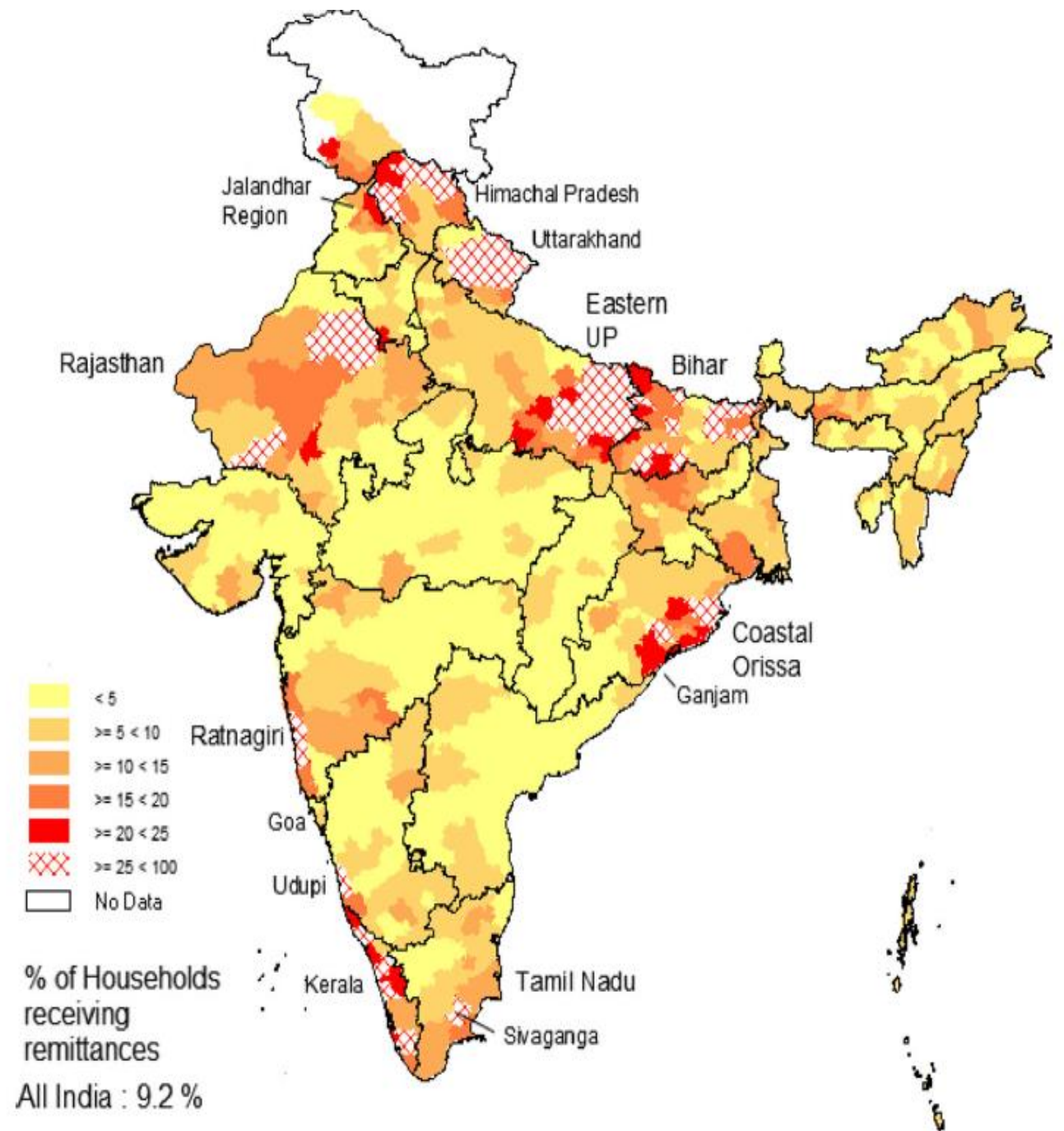
- ~15% of migrant men work in agriculture
- Manual labour, domestic services and sales are the most common occupations

% of Married Women in Rural Areas whose Husbands are Not Living with them in 2015-16



## The Remittance Economy

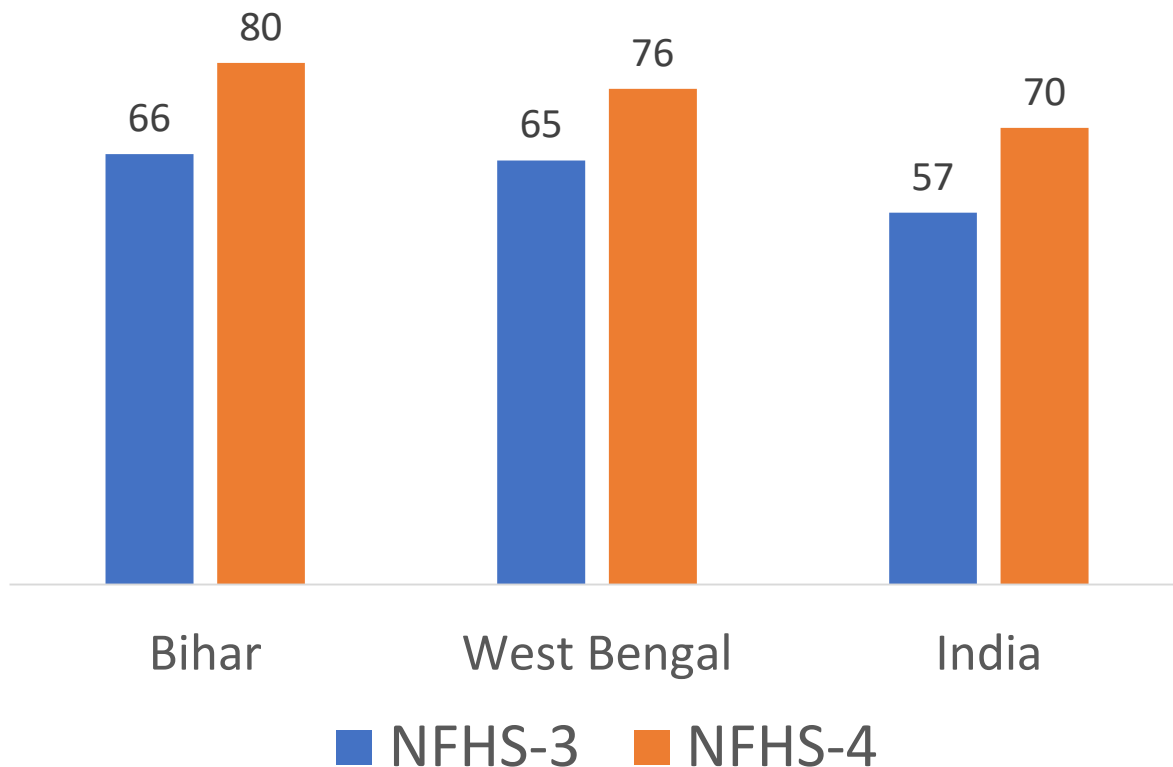
- 4.6% of the states NDP of Bihar in 2008
  - ~20-25% for Nepal
- 85% of total remittance in Bihar was inter-state, the highest in India
- Bengal has also switched from a major recipient of migrants since the late nineteenth century to a net net source of it



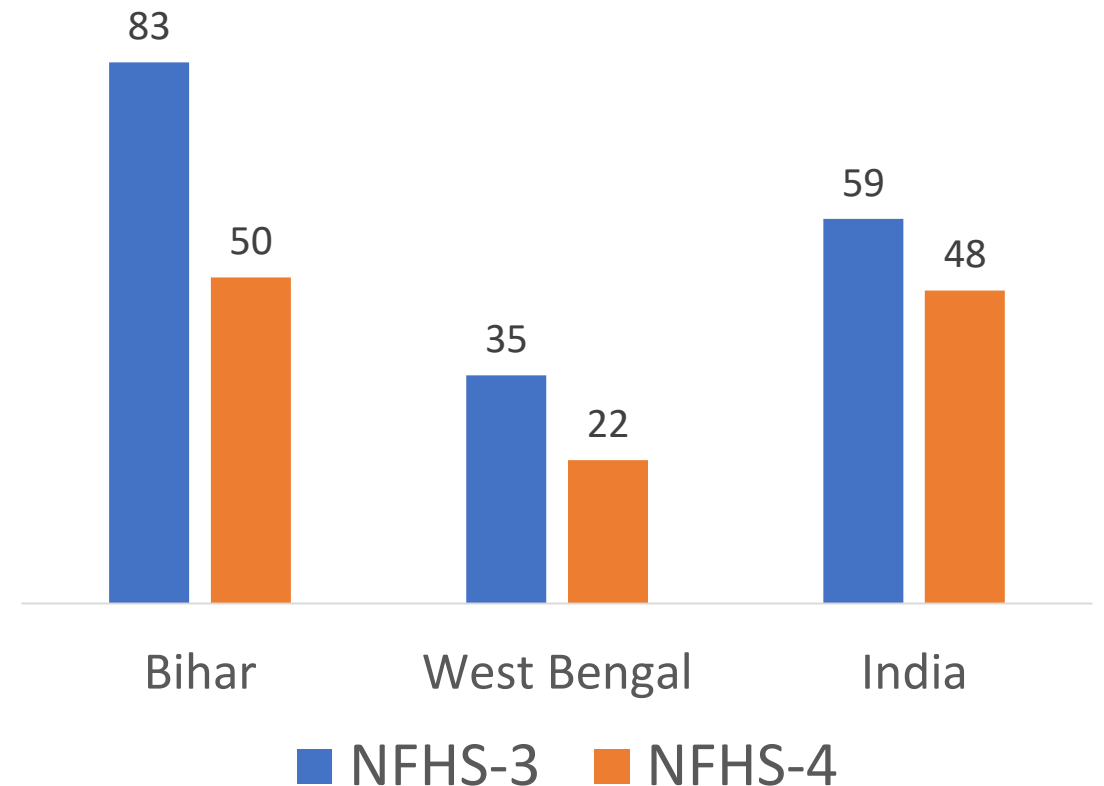
# Women are withdrawing from the labour market

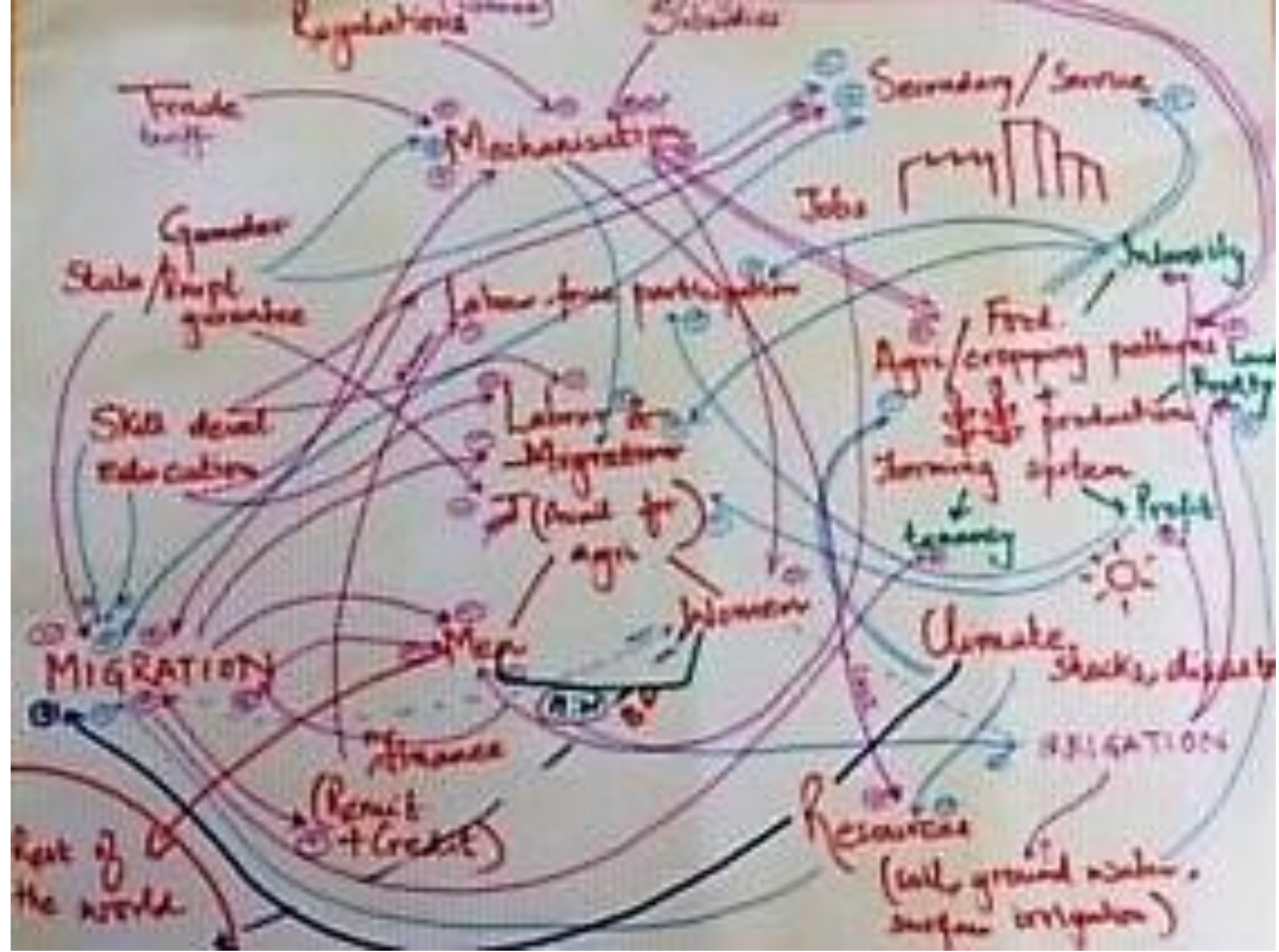
**\*Not necessarily true for Nepal/Bangladesh**

% of rural women **not** engaged in wage employment in 2005-06 and 2014-16



% of Wage Earning Women Engaged in Agriculture in 2005-06 and 2014-16





Thanks!

