**Income Patterns of Rural Youth in Punjab: An empirical Study**

**ABSTRACT**

This paper investigates to find income pattern and sources of income of rural youth in Punjab. By using primary data which is collected through survey of 550 rural youth respondents of three districts of Punjab, this paper examines the pattern of income according to the employment status. For this purpose we randomly selected youth respondents between ages 15-29 year and collected the information regarding the employment activity and income earnings from particular activity. The study makes an attempt to find out the affect of education, nature of employment, type of employment on earnings of rural youth workers. The study finds that education is a significant determinant of employment and also influences the level of income. Nature and type of employment activities are the main causes of difference in income. Regular and salaried workers earn more than the casual workers. Study suggest that to promote employment opportunities, government should improve the level of education by providing technical trainings and encourage the youth for self employment business.

Keywords: human resource, employment activities, self financed business, technical innovation

**INTRODUCTION**

Young people are important human resource of nation development and also responsible factor for positive social change. Youth are also driving force for economic development and technical innovation (Dev and venkatanaryana,2011). Punjab is a leading state of country. The agriculture sector is the mainstay of rural economy. Agriculture provide employment opportunity, out of total 98.97 lakh worker, 19.35 lakh are cultivators and 15.88 lakh are agriculture labourer. But, due to structural change agriculture fails to absorb large number of growing labour. So the main challenge is creation of new job opportunities is arises. Youth are drastically suffered from this problem. Each year large number of youth leaves the educational system and search for a job. But the jobs that are available are not according to their skill and past experience (Vatta & Garg, 2008; Vatta & Sidhu, 2007).

The rural economy of Punjab has experienced a major shift of workforce from agriculture to the non agriculture sector (Ghuman, 2002). The rural youth of Punjab engaged in agriculture activities as well as other non agricultural activities like casual labour, self financed business, regular salaried jobs for their earnings. The level of income of worker depends upon the type of activity in which they are employed as well as nature of job and level of education. The earning of workers in regular sector is generally assumed to be higher than other type of employment activity (Unni, 1998). So it is necessary to know about the pattern of income among rural youth of Punjab by nature of employment, type of activity and most importantly by level of education. This paper examine the per worker average monthly income by type of activity in various types of employment (agricultural, self employed, casual labour and regular salaried) and then discussed about level of income of youth workers in various employment activities according to their level of education.

**METHODOLOGY:**

First the all 22 districts of Punjab are arrange in order of percentage of rural worker in total worker and divided all districts into three categories like highest share of rural worker, medium share of rural worker and lowest share of rural worker in total worker. Hence three districts are selected from these three categories on the basis of rural worker share among total worker. After the selection of districts, we select the six development blocks from three districts and then select one village from each development block. For the purpose of calculation of average earnings simple average technique is used.

**RESULT AND DISCUSSION**:

In this study, first we analysed the per worker average monthly income according to their type of employment. Table 1 gives the composition of monthly per worker average income of salaried workers from different type of employment activity. Here the study examines the earnings of the regular workers in government sector and private sector separately. The average earnings of workers in government sector is almost double from those engaged in private sector. It is found that per worker average income is Rs. 14434 per month. It varies by type of activity. The total average income scenario of youth workers show that defence department pay higher income Rs. 39625 to their workers, followed by banking sector Rs. 25500, education department Rs. 16922, other worker Rs. 11776 and health department Rs. 11300 per month. It has been observed that the sampled regular salaried workers of all three districts earn an average Rs. 25360 per month in government sector and Rs.12332 per month in private sector. It is also found that the average income of government regular employees is much higher than those who employed in private sector. Further the activity wise analysis of average earnings shows that in government sector, the worker employed in banking sector earns highest amount Rs. 55000 per month, followed by education department Rs. 45200, defence department (police/army) Rs. 39625, health department Rs. 22000 and by other salaried workers (factory workers, driver, cook etc.) Rs. 11508. In private sector, workers engaged in banking sector also earn highest Rs.15667 per month followed by Rs. 14660, Rs. 11814 and Rs.10111 by education department, other salaried workers (factory workers, driver, cook etc.), and health department, respectively.

**Table 1:** Activity Wise Average Monthly Income of Salaried Rural Workers in Punjab.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Activity** | **Ludhiana** | | **Sangrur** | | **Tarn-Taran** | | **Total** | | **Grand total** |
| **Government sector** | **Private sector** | **Government sector** | **Private sector** | **Government sector** | **Private sector** | **Government sector** | **Private sector** |
|  |  |  |  |  |  |  |  |  |
| **Education department** | - | 12000 | 35400 | 16464 | 55000 | 12571 | **45200** | **14660** | **16922** |
| **Health department** | - | 11500 | - | 10000 | 22000 | 9667 | **22000** | **10111** | **11300** |
| **Army/police** | - | - | 35000 | - | 53500 | - | **39625** | **-** | **39625** |
| **Bankers** | 55000 |  |  | 15000 |  | 16000 | **55000** | **15667** | **25500** |
| **Other salaried (factory workers, driver, cook etc.)** | - | 14034 | 18500 | 10156 | 8400 | 11824 | **11508** | **11814** | **11776** |
| **Total** | **55000** | **13657** | **29036** | **11847** | **19969** | **11840** | **25360** | **12332** | **14434** |

**Source**: Field Survey, 2021-22.

Table 2 explores the activity wise average monthly income of rural casual workers of Punjab. It can see from the table that on an average casual worker earns Rs. 10465 per month. But it clearly shows that activity wise earnings variations in casual workers. The table shows that casual labour who work in factories has been earns average highest Rs. 16625 per month, while agricultural labour average earn lowest only Rs. 7462 per month. District wise variations in average earnings also shows in table. The table shows that the casual labour of districts Tarn Taran on an average earn highest Rs. 11507 per month followed by Sangrur Rs. 8630 and earn an average Rs. 6567 in district Ludhiana. We can see from the table that skilled worker like plumber, carpenter earns Rs. 16000 per month in Tarn Taran district while earns only Rs. 6200 per month in Ludhiana district. The difference in earnings in construction work also seen from the table, the workers who work in construction earns an average Rs. 10050, Rs. 8667, Rs. 6750 per month in Taran Taran, Sangrur and Ludhiana districts respectively.

**Table 2**: Activity Wise Average Monthly Income of Casual Workers in Rural Punjab.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Activity** | **Ludhiana** | **Sangrur** | **Tarn Taran** | **Total** |
| **Agricultural labour** | - | 8000 | 7125 | **7462** |
| **Construction work** | 6750 | 8667 | 10050 | **9357** |
| **Factory labour (rice mill etc)** | - | 15000 | 16857 | **16625** |
| **Skilled worker (mason, Plumber, carpenter etc)** | 6200 | 8000 | 16000 | **14620** |
| **Total** | **6567** | **8630** | **11507** | **10465** |

**Source**: Field Survey, 2021-22.

In rural areas of Punjab, most of youth workers engaged in self employment activities. When we see the employment scenario of rural Punjab we found that the youth who is unable to get suitable work, doing their own business at small level for their earnings like; Boutique, beauty salon, hair dresser, shopkeeper etc. and most of rural male youth engaged in agricultural activity for their earnings. In earlier discussion, we can see that 29.53 per cent of total sampled youth workers engaged in agriculture activity and 10.47 per cent engaged in non farm self employment. The table 3 shows the average monthly income of self employed workers. It shows variations in earnings with in districts and between districts. It is found that workers who engaged in agriculture they earns an average Rs. 33035 per month. But when we see district wise variations, it is found that youth workers of Sangrur district earn highest average income Rs. 45203 per month in agriculture whereas the earnings is only Rs. 14464 per month in Ludhiana district. This wider variation in income exists due to the average size of farm holding. In previous chapter, we found that the average size of farm in Sangrur district is 4.64 acres while in Ludhiana 0.444 acres. Because agriculture income increases with farm size and farmers earn higher and stable incomes with increasing farm size. The variance of agriculture incomes declines with increasing farm size (Noack&Larsen, 2019). The table shows that the rural youth workers who run their own specific store like medical, building material store and hardware shops they earn highest Rs. 33571 average per month. The second highest income earns by workers who engaged in agriculture i.e. Rs. 33035 and followed by workers run general/grocery store, others activity, boutique/beauty salon, tuition center and hair dresser earns an average Rs.18000, Rs. 15250, Rs. 8667, Rs. 7714 and Rs. 7571 per month respectively. This shows that the earnings of workers who work as hair dresser, beauty salon , running tuition center in rural areas of Punjab is much lower as compare to those who self employed in other mentioned activities.

**Table 3:** Activity Wise Average Monthly Income of Self Employed Workers in Rural Punjab.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Activity** | **Ludhiana** | **Sangrur** | **Tarn taran** | **Total** |
| **Boutique/ beauty salon** | 8667 | 8600 | 9000 | **8667** |
| **Hair dresses** | - | 6750 | 8667 | **7571** |
| **General store/ grocery store** | 9000 | 17000 | 19429 | **18000** |
| **Specific store(medical, building material store, hardware shop)** | - | 23400 | 59000 | **33571** |
| **Tuition center** | 6500 | 8000 | 9000 | **7714** |
| **Others** | - | 12000 | 25000 | **15250** |
| **Self employed in agriculture** | 14464 | 45203 | 28781 | **33035** |
| **Total** | **11481** | **33359** | **27648** | **28461** |

**Source**: Field Survey, 2021-22.

Education is another important factor which affects the earnings level of workers. It has a significant impact on salary, success and job performance. Education determines the position of worker in labour market (Shankar, 2020). The workers with higher education level get higher wages, employment stability and upward mobility of an income. The workers with higher education get highly paid jobs in government sector as well as private sector. They earn higher wages and work in more prestigious occupations than their less educated counterparts (Card, 1999). Generally it is consider that with higher qualification one gets the more chance of employment. Hence it is important to examine the earnings of youth workers according to their education level. This can be observed from table 4. This table shows the income variations of regular salaried workers of government and private sector by their education level. In district wise analyses, it is found that in Ludhiana district average earnings of workers is Rs. 14806 per month. But when we see earnings according to education, it is found that the worker with post graduation level in government sector earn Rs. 55000 per month whereas worker with same level of education earn only Rs. 10000 per month in private sector. The worker in government sector earn an average Rs. 29036 and in private sector Rs. 11847. There are no worker found illiterate and with primary education. The table also shows that workers engaged in private sector with graduation level has earn second highest average Rs. 17500 per month, followed by worker who have education up to matric, Technical and vocational, higher secondary and diploma earns Rs. 14250, Rs. 13500, Rs. 12833 and Rs. 12667 respectively. When we see the income status of youth workers in Sangrur district, it is found that workers with post graduation level earns an average Rs. 21300 per month followed by worker with technical and vocational training, diploma, higher secondary, graduation, primary and matric level of education which earns Rs. 16800, Rs. 15250, Rs. 14732, Rs. 13460, Rs. 10300 and Rs. 9500 per month, respectively. The table also shows earnings variations in government and private sector. There are wider variations found in case of worker with higher secondary level of education, they earn Rs. 35000 in Government sector and Rs.10326 in private sector. The graduate worker earns average Rs. 35000 in Government sector and Rs. 11067 in private sector. In Tarn Tarn district, we found that the youth workers in government sector earn an average Rs. 19969 and in private sector Rs. 11840. There are also found variations in earnings according to education level. Post graduate workers earn average Rs.65000 per month in Government sector and earn only Rs.12000 per month in private sector with same education level. The workers who have technical or vocational training earn Rs.55000 in government sector and Rs.11840 in private sector. When we see the overall average earnings it is found that youth with post graduation earn average highest Rs. 38500 per month and followed by worker who are illiterate, technical and vocational training, graduation, diploma, higher secondary, primary and matric level of education they earns Rs. 18000, Rs. 16400, Rs.14050, Rs. 14000, Rs. 11959, Rs. 10314 and Rs. 9000 per month, respectively.

**Table 4**: Education Wise Average Monthly Income of Salaried Youth Workers of Rural Punjab.

|  |  |  |  |
| --- | --- | --- | --- |
| **Level of education** | **Average monthly earnings** | | **Total** |
|
| **Govt.** | **private** |
|
| **Ludhiana** | | | |
| **Illiterate** | - | - | - |
| **Primary** | - | - | - |
| **Matric** | - | 14250 | **14250** |
| **High Secondary** | - | 12833 | **12833** |
| **Graduation** | - | 17500 | **17500** |
| **Post-graduation** | 55000 | 10000 | **25000** |
| **Diploma** | - | 12667 | **12667** |
| **Technical or vocational training** |  | 13500 | **13500** |
| **Total** | **55000** | **13657** | **14806** |
| **Sangrur** | | | |
| **Illiterate** | - | - | - |
| **Primary** | - | 10300 | **10300** |
| **Matric** | 12000 | 9000 | **9500** |
| **High Secondary** | 35000 | 10326 | **14732** |
| **Graduation** | 35000 | 11067 | **13460** |
| **Post-graduation** | 26700 | 19500 | **21300** |
| **Diploma** | 22000 | 8500 | **15250** |
| **Technical or vocational training** | - | 16800 | **16800** |
| **Total** | **29036** | **11847** | **14712** |
| **Tarn-Taran** | | | |
| **Illiterate** | - | 18000 | **18000** |
| **Primary** | - | 9000 | **9000** |
| **Matric** | 8100 | 10683 | **10314** |
| **High Secondary** | 12675 | 11658 | **11959** |
| **Graduation** | 8100 | 20000 | **14050** |
| **Post-grduation** | 65000 | 12000 | **38500** |
| **Diploma** | 22000 | 10000 | **14000** |
| **Technical or vocational training** | 55000 | 12111 | **16400** |
| **Total** | **19969** | **11840** | **13834** |

**Source**: Field Survey, 2021-22.

The workers who does not get regular work, engaged in casual activities for their earnings. Casual workers are engaged in irregular work and compensated on daily basis. The average earnings of casual workers explore in table 5. We can examine total average earnings and districts wise difference in average income of casual workers by level of education. It can be observed that in Tarn Taran the average earnings of casual workers is highest Rs. 11020 per month, followed by Rs. 8448 and Rs. 6567 by district Sangrur and Ludhiana respectively. It is also found from analysis that the graduate casual workers earn highest average Rs. 13700, followed by Rs. 11031 by those who have matric, Rs. 9686 by higher secondary level workers and Rs. 8100 by those who have primary level of education. The illiterate casual workers earned an average Rs. 6333 per month. Thus, the average earnings of illiterate workers are lowest as compare to those workers who are educated. The analysis shows that as level of education increases, the average earnings of casual workers also increase.

**Table 5:** Education wise Average Monthly Income of Casual youth Workers of Rural Punjab.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Level of education** | **Average monthly earnings** | | |  |
| **Total** |
|  | **Ludhiana** | **Sangrur** | **Tarn Taran** |
| **Illiterate** | - | - | 6333 | **6333** |
| **Primary** | - | 7900 | 8200 | **8100** |
| **Matric** | 400 | 8800 | 12000 | **11031** |
| **High Secondary** | 7800 | 8462 | 10700 | **9686** |
| **Graduation** | - | 7500 | 15250 | **13700** |
| **Post-graduation** | - | - | - | **-** |
| **Diploma** | - | - | - | **-** |
| **Technical or vocational training** | - | - | - | **-** |
| **Total** | **6567** | **8448** | **11020** | **10107** |

**Source**: Field Survey, 2021-22.

It explores that the average income of rural workers who engaged in agriculture, we found that income of agriculture depends upon various factors like inputs, technology, trainings, pesticide, fertilizer etc., but education also play vital role in agriculture and educated worker yields positive returns from agricultural production (Ninh, Le K., 2020). Education and earnings are always associate with each other. Education and income explore that an average high educated people have more return than less educated persons (Ashraf, and Qasim, 2019). The table 6 depicts the earnings of workers who are engaged in agricultural activity by their education level. It can be observed from the table that youth workers with post graduation level earn highest Rs. 55556 per month, followed by Rs. 45833 by those who have diploma, Rs. 42593 by graduate workers and Rs. 33333 by workers up to primary level education. But in case of agricultural activities, earnings also depends upon farm size.

**Table 6:** Education Wise Average Monthly Income of Self Employed Workers in Agriculture of Rural Punjab.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Level of education** | **Average monthly earnings** | | |  |
| **Total** |
|  | **Ludhiana** | **Sangrur** | **Tarn Taran** |
| **Illiterate** | - | - | - | - |
| **Primary** | - | 37500 | 25000 | **33333** |
| **Matric** | - | 27431 | 23913 | **24641** |
| **High Secondary** | 12750 | 50600 | 26108 | **33193** |
| **Graduation** | 20833 | 25000 | 52083 | **42593** |
| **Post-graduation** | - | 70833 | 25000 | **55556** |
| **Diploma** | 16667 | 33333 | 63889 | **45833** |
| **Technical or vocational training** | - | - | - | **-** |
| **Total** | **14464** | **45203** | **28781** | **33035** |

**Source**: Field Survey, 2021-22.

Table 7 explores the average earnings of non agricultural self employed workers. We can observe from the table that workers with higher secondary level of education earned average highest Rs. 17350 per month, followed by Rs. 17000 earnings of graduate self employed worker. The table shows district wise differences in average earnings of workers with same level of education. The worker with higher secondary level of education earns an average Rs. 30500 in Tarn Taran, followed by Rs.12545 in Sangrur and Rs. 8667 in Ludhiana district. In case of graduate self employed workers it is found that they earn an average Rs. 25500 in Tarn Taran, Rs.16167 in Sangrur district and Rs. 5000 in Ludhiana district. The main reason of these earnings differences is nature of activity. In the workers who running the grocery store, medical stores and building materials store etc, in which large capital invested, they earn high income from these activities. On the other hand workers who running low paid activities like beauty salon, hair dresser etc earns low income from these activities.

**Table 7**: Education Wise Average Monthly Income of Self Employed Workers in Non - Agriculture of Rural Punjab.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Level of education** | **Average monthly earnings** | | |  |
| **Total** |
|  |
|  | **Ludhiana** | **Sangrur** | **Tarn Taran** |  |
| **Illiterate** | - | - | - | - |
| **Primary** | - | 8000 | - | **8000** |
| **Matric** | 9000 | 7000 | 13333 | **11444** |
| **High Secondary** | 8667 | 12545 | 30500 | **17350** |
| **Graduation** | 5000 | 16167 | 25500 | **17000** |
| **Post-graduation** | 8000 | 7500 | 9000 | **8000** |
| **Diploma** | - | - | - | **-** |
| **Technical or vocational training** | - | - | - | **-** |
| **Total** | **8000** | **12364** | **21533** | **14953** |

**Source**: Field Survey, 2021-22.

**CONCLUSION**

To sum up, in the rural area of Punjab, employment scenario is dominated by agricultural sector. The rural youth of Punjab engaged in agricultural activities, non agricultural self employment like shopkeeper, tailor, hair dresser etc., regular salaried jobs and casual jobs for their earnings. It is observed that level of income of rural youth workers differs by type of activity and by nature of employment. It has been found that the average level of income is largely differ from different activities. The earnings in government sector is much higher as compare to private sector and workers in banking, defense and education are earn higher than those who work in health department and work in factory. The self employed worker in large capital invested activity like medical store, hardware shops, building material store etc, earns much higher as those who self employed as hairdresser, beauty salon etc. The self employed worker in agricultural activities in Sangrur district has been earned three times more than workers from Ludhiana district. The study explore that the agricultural casual worker earn much lower as compare to casual labour engaged in factory worker. The important factor which affects the income level of workers is education. Education is not only a significant determinant of employment, but it also influences level of income. It is also found that as the level of education increase the average earnings of rural worker with above graduation level and with vocational and technical training has earns higher than that of lower level of education by different type of activity. The worker with post graduation level of education has earns more than worker with lower level of education. Education also affects the income level of casual labour. There are marginal differences in the earnings of casual workers according to their level of education. The average income differences are the highest among income of casual works and regular salaried worker with same level of education.

**POLICY IMPLICATIONS**

On the basis of the above findings of the study, it revealed that there are large numbers of factors affecting the level of employment and level of earnings of youth workers. There are wider disparities existing in earning of educated and uneducated workers, government and private sector jobs, formal and informal sector jobs. All these differences are needed to be removed for generating more of decent employment opportunities in rural area of state. So there is need to improve the employment opportunities for achieving this goal.

Government should implement the programmes to improve the education system and ensure provision of quality education to marginalized group of society. Apart from general education, the government should introduced up-to date technological, vocational skill as well as entrepreneurial activities in education. It has improved the quality of youth and immense impact on the employability of youth. It has been found that the workers with higher level of education engaged in government sector have earned higher income as compare to other. There should be emphasis on promoting higher educational opportunities in rural area of Punjab and provide regular jobs in government sector. Education is an important variable of employment as it enhances the learning capacity of the respondents. The results clearly indicated that capacity building, technical trainings and higher studies of the respondents could significantly contributed towards employment. Therefore, the study suggested to increase the frequency of trainings on account of developing capacity building for generating employment among youth of the state. Apart from education, it has been important to create employment opportunities in formal sector. The worker engaged in formal sector has earns higher and have job securities while the casual workers have lowest income, less job securities and greater probability being poor. Thus there is need to create alternative opportunities in formal sector and ensuring regularity of work.

For promoting employment opportunities, encourage the youth for self employment business. For this purpose increased access to credit by banking and non banking financing. Self employment should be improved by providing training to young workers.

Declaration

disclaimer

I, Sarabjeet Kaur, certify that No generative AI technologies such as large Language Models and text-to- image generators have been used during writing or editing of this manuscript.

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