

Workers in Paddy Value Network: A Case Study of Two Indian States (Punjab and Bihar)

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There are two arguments on agricultural value network in India. The first one suggests integration of farmers, corporate and the government that could be beneficial for small and marginal farmers and also helps to achieve scale in production through creating value networks among different value adding actors. The other view, takes in a cognizance of an on-going economic crisis in agriculture, suggests that the congruence of big capital, corporate and the farmers produce an asymmetrical system where risks are borne by the farmers while they lose control over production and marketing system gradually, in the hands of traders and organised corporations. Taking these opposite views into consideration, the paper examines the social and economic inclusiveness in two different types of value network of the same crop (paddy) in India. The paper compares the paddy value network of Punjab, and Bihar. An attempt is made to explore, how the market value of different varieties of paddy in these states affect the value network. The paper also tries to locate different value adding actors in the value network as per their social groups and class.

From the market perspective, Punjab shows relatively higher value network of paddy while Bihar shows a local, scattered and several break-ups in the value network. The largest portion of the paddy produced in Bihar is of low value (Non-Basmati) used for domestic consumption whereas Punjab produces higher value paddy (Basmati) which is traded and exported to different parts of the world. The landless and marginalised workers are engaged at the initial part of the labour intensive paddy cultivation of Bihar. In Punjab, the paddy cultivation is more mechanised, where upper castes own the largest portion of the means of production and the wage share in the total value of the output is lower than that of Bihar. The large landholders in both states have better access to the higher value chain of the paddy value network. They also have better access to the public provisions for agriculture and allied sectors.