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## PROBLEMS AND PROSPECTS OF AGRICULTURAL LABORS IN INDIA

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### INTRODUCTION :

Agriculture is the backbone of Indian economy because of its high share in employment and livelihood creation. The share of agriculture in the gross domestic product has registered a steady decline yet this sector provides direct employment to more than fifty percent of total workforce in the country and a large proportion of the population depends upon agro-based industries and trade of agriculture products. It is also an important source of raw material and demand for many industrial products, particularly fertilizers pesticides, agricultural implements and a variety of consumer goods contribute significantly to the exports.

The history of Agriculture in India dates back to Indus Valley Civilization Era and even before that in some parts of Southern India. Today, India ranks second worldwide in farm output. Agriculture and allied sectors like forestry and fisheries accounted for 13.7% of the GDP (gross domestic product) in 2013, about 50% of the workforce. The economic contribution of agriculture to India's GDP is steadily declining with the country's broad-based economic growth. Still, agriculture is demographically the broadest economic sector and plays a significant role in the overall socio-economic fabric of India.

India exported \$39 billion worth of agricultural products in 2013, making it the seventh largest agricultural exporter worldwide and the sixth largest net exporter. Most of its agriculture exports serve developing and least developed nations. Indian agricultural/horticultural and processed foods are exported to more than 100 countries, primarily in the Middle East, Southeast Asia, SAARC countries, the EU and the United States.

The distinguishing feature of rural economy of India has been the growth of agriculture labor in the crop production. The phenomena of under-employment, under-development and surplus population are visible amongst agricultural labourers. Agricultural labors constitute the most neglected class in Indian rural sector and are highly unorganized. The income level of these workers is quite low and employment is quite irregular.

### Definition of Agriculture Labor :

Agriculture labor may be defined as labor who works in agriculture or allied activities for the whole or part of the year in return for (in cash or kind or both) for full-time or part time work. The agriculture laborer has no risk in the cultivation, and no right of lease or contract on land but merely works on another person's land for wages.

The definition includes workers who are engaged in other agri-based occupation such as dairy farming, horticulture, poultry etc. It also includes the people who don't work throughout the year but only for part of the year. Agriculture labor Enquiry Committee defined agriculture labor household as the household whose main source of income is derived as wages for working on farms of others.

## Agriculture laborers classified into two broad categories :

### 1. Landless Agricultural Laborer:

The laborers don't possess land and can be further sub-divided into:

- (i) **Permanent Laborers attached to cultivating households:** Permanent or attached laborers generally work on some sort of contract. The wages are determined by custom or tradition.
  - (ii) **Temporary or Casual Laborers:** Casual labourers are engaged only during peak period for work. The employment is temporary and labourers are paid at the market rate. These labourers are not attached to any landlords
- ### 2. Small and Marginal Land-Owners:
- These are very small cultivators whose main source of earnings due to their small and marginal holdings is wage employment. These laborers can again be divided into **three subgroups:**
- (i) **Cultivators:** Cultivators are small farmers, who possess very little land and therefore, have to devote most of their time working on the lands of others as labourers.
  - (ii) **Share croppers:** Share croppers are those who, while sharing the produce of the land for their work, also work as labourers.
  - (iii) **Lease holders:** Lease holders are the tenants who not only work on the leased land but also work as labourers.

## Role and Significance of Agriculture in India

Agriculture has a key position in India's economy in view employment and contribution to the national income and international trade.

### 1. Agriculture is the largest provider of Employment

Agriculture continues to be largest source of employment and livelihood. In the year 2006-07 around 52 percent of the country's workforce is directly engaged in agriculture and allied activity which is down from 70 percent in early 90's and 57 percent in 2001. Besides direct employment this sector provides employment in agro-based industries like edible oils, cotton, sugarcane etc.

### 2. Agriculture Contribution to the National Income

In the early 1950s, half of India's GDP came from the agricultural sector. By 1995, that contribution was halved to about 25 per cent. The significant contribution of agriculture sector to the GDP of the country in the initial period of planning period reflects the inadequate development of non-agriculture sector. Table 1 below gives an overview of share of agriculture output in India's GDP:

**Table 1: Share of Agriculture Output in India's GDP**

Year	1950-51	1965	1976	1985	1991	1997	2007
% Share	52.2	43.6	37.4	32.8	28.3	24.4	18.5

**Source: various issues of economic survey**

As expected of virtually all countries in the process of development, as a result of development in non-agro sector in the recent years, the share of agriculture in total GDP has registered a steady decline from 52.2% in 1950-51 to 18.5% in 2006-07 in India.



### 3. Agriculture supplies raw material for Large Section of Industry

Agriculture provides raw material to various industries such as cotton textile, jute, sugar etc. The food processing, village and cottage, handloom industries are also dependent upon agriculture for inputs.

### 4. Agriculture provide food-Surplus to the Expanding Population

The agriculture in India meets almost the entire food needs of the growing population. The proportion of food-imports in the total import has always been quite low and declining. The growth in the agriculture sector, though lower than in the non-agriculture, nonetheless remained higher than the growth of population. Between 1950-51 and 2006-07, production of food grains increased at an average annual rate of 2.5 percent compared to the growth of population which averaged 2.1 percent during this period. As a result, India almost became self-sufficient in food grains and there were hardly any imports during 1976-77 to 2005-06, except occasionally. In 2006-07, food grains constitute only around 2.1 percent of total imports of the country.

### 5. Agriculture provides Market for Industrial Goods

The majority of population in rural India is dependent upon agriculture. The demand of industrial goods in rural India is largely dependent upon agriculture development. Agriculture thus has significant forward and backward linkage with industries.

### 6. Agriculture holds significant position in international Trade of Indian Economy:

Though the share of agriculture in total exports is falling, agricultural products and agro-based commodities accounted for about 10.35 percent of total exports in 2006-07. This reflects the increasing dynamism of the economic profile of the country. Further, agriculture accounts for 4 percent to 6 percent of total value of imports. Thus agriculture sector occupies an important position in the country's international trade of Indian economy. In fact a major portion of international trade is in the agricultural products.

### 7. Agriculture sustains a Larger Economic Infrastructure

Agriculture sector provides support to the economic infrastructure in terms of warehousing, marketing and processing of agro products. Further this sector utilizes a large part of nation's transportation system and rural banking services.

#### Features of Agricultural Laborers :

The main features, characterizing Indian agricultural labor are as follows :

- 1. Agricultural Labourers are Scattered:** Agricultural labour in India is being widely scattered over large number of villages in the country and so cannot be effectively organized.
- 2. Unskilled and Lack Training:** Agricultural labourers, especially in smaller villages are generally unskilled workers carrying on agricultural operation at a very low wages. Majority of them are generally conservative and tradition bound. There is hardly any motivation for change or improvement. Since there is no alternative employment, the agricultural labourer has to do all types of work- both farm and domestic for landlord.
- 3. Unorganised:** Agricultural laborers are not organized like industrial laborers. These laborers are illiterate and ignorant. They live in villages scattered all over



the country. Hence they could not be organized in unions. Accordingly, it is difficult for them to bargain with the land owners and secure good wages.

4. **Low Social Status:** Most agricultural workers belong to the depressed classes, which have been neglected for ages. In some parts of India, agricultural laborers are migratory, moving in search of jobs at the time of harvesting with a lot of dislocation of family life, dislocation of education of children and numerous other handicaps.
5. **Abundance of Labour:** The agricultural labourers are abundant in supply in relation to their demand. It is only during the sowing and harvesting seasons that there appears to be nearful employment. But, once these seasons are over, majority of agricultural workers are jobless especially in areas, where there is single cropping pattern. The problem is further aggravated due to the fact that these labors are generally unskilled and so couldn't find alternative employment.
6. **Low Bargaining Power:** Due to all the above mentioned factors, the bargaining power and position of agricultural laborers in India is very weak. In fact, quite a large number of them are in the grip of village money lenders, landlords and commission agents, often the same person functioning in all the three capacities. The agricultural labor is the most exploited class of people of India.

#### **Causes for the Growth of Agricultural Laborers:**

There are a number of factors responsible for the continuous and enormous increase in the number of agricultural laborers in India. The more important among them are:

1. **Increase in Rural Population:** The increase in population is the major cause of sub-division and uneconomic land holding in the rural area as the same piece of land gets distributed among large number of persons in the family which becomes inadequate for their own basic requirements. Thus the rural families have to search for the employment to fulfill their economic needs.
2. **Decline of Cottage Industries and Handicrafts:** The rural industries are on the decline due to increased competition from modern industries. In the absence of the alternative employment opportunities for workers engaged in these village industries there is an increase of agriculture labor in India.
3. **Eviction of Small Farmers and Tenants from the Land:** The large scale ejection took place through the device of fictitious surrenders to escape the clauses of laws relating to land reforms has caused an increase in the agriculture labor.
4. **Uneconomic Land Holdings:** The vast inequality in the distribution of land-holding has resulted in the need to search for the rural employment.
5. **Increase in Indebtedness:** A very large proportion of rural population is in the grip of non-institutional source of credit especially money-lenders that charge huge interest. In order to pay these debts, poor farmers have to sell their land and look for the employment on other's farms.



6. **Break-up of Joint Family System:** The economic support system has been reduced with the break-up of the joint family system. This has increased the need to work outside the family's land-holding.

#### **Problems of Agriculture Labour:**

1. **Marginalisation of Agricultural Workers.** The workforce in agriculture (cultivators plus agricultural labourers) was 97.2 million in 1951 and this rose to 185.2 million in 1991. As against this, the number of agricultural labourers rose from 27.3 million in 1951 to 74.6 million in 1991. This implies that (i) the number of agricultural labourers increased by almost three times over the period from 1951 to 1991; Agricultural labourers increased from 28 per cent in 1951 to 40 per cent in 1991. These facts indicate the fast pace of casualisation of workforce in agriculture in India. Moreover, the share of agriculture and allied activities in GDP at factor cost has consistently declined over the years - from 55.3 per cent in 1950-51 to 37.9 per cent in 1980-81 (at 1999-2000 prices) and further to 14.0 per cent in 2011-12 (at 2004-05 prices).
2. **Wages and Income.** Agricultural wages and family incomes of agricultural workers are very low in India. With the advent of the Green Revolution, money wage rates started increasing. However, as prices also increased considerably, the real wage rates did not increase accordingly. Currently labours are getting around Rs. 150/day under the MGNREGA in rural areas.
3. **Employment and Working Conditions.** The agricultural labourers have to face the problems of unemployment and underemployment. For a substantial part of the year, they have to remain unemployed because there is no work on the farms and alternative sources of employment do not exist.
4. **Indebtedness.** In the absence of banking system in the rural areas and trial process of sanction by the commercial banks, farmers prefers to take loans from un institutional sources like Sahukars (moneylenders), landlords at the very high rate (in some cases at 40% to 50%) . This exorbitant rate traps in the vicious circle of debt.
5. **Low Wages for women in Agricultural Labour.** Female agricultural workers are generally forced to work harder and paid less than their male counterparts.
6. **High Incidence of Child Labour.** Incidence of child labour is high in India and the estimated number varies from 17.5 million to 44 million. It is estimated that one-third of the child workers in Asia are in India.
7. **Increase in Migrant Labour.** Green Revolution significantly increased remunerative wage employment opportunities in pockets of assured irrigation areas while employment opportunities nearly stagnated in the vast rain fed semi-arid areas.

#### **Measures Taken by the Government :**

1. **Minimum Wages Act -**

The Minimum Wages Act was passed as long back as in 1948 and since then the necessity of applying it to agriculture has been constantly felt. Means the Act is not applicable to agricultural sector?

2. **Abolition of Bonded Labour –**

Since Independence, attempts have been made to abolish the evil of bonded labour because it is exploitative, inhuman and violative of all norms of social justice. In the



chapter on Fundamental Rights in the Constitution of India, it has been stated that trading in humans and forcing them to do begar is prohibited and can invite punishment under the law.

**3. Provision of housing sites -**

Laws have been passed in several States for providing house sites in villages to agricultural workers.

**4. Special schemes for providing employment-**

Rural Employment (CSRE), National Rural Employment Jawahar Gram Samridhi Yojana (JGSY), and National Food for Work Programme (NFFWP), Mahatma Gandhi Rural Employment Guarantee Act MGNREGA

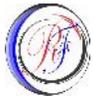
**5. Special agencies for development –**

Special agencies - Small Farmers Development Agency (SFDA) and Marginal Farmers and Agricultural Labourers Development Agency (MFAL) - were created in 1970-71 to solve the problems of Agriculture labour of the country.

**Suggestions :**

The following suggestions can be made for the improvement of the socio-economic position of the agricultural laborers:

- 1. Resettlement of Agricultural Workers:** The schemes of land redistribution to small and landless laborers needs to strengthened so as raise their income level and social status.
- 2. Creating Alternative Employment:** The training and skill improvement programmes are required to be developed to allow alternative employment opportunities for rural workers. The public works schemes should be for longer period in the year so as to provide useful employment throughout the year. Non-agricultural industries should be developed so as to absorb surplus labor. The Development of medicinal plants and energy Plantation which have high growth and employment potential should be encouraged. Horticulture, farm management programmes, agri-clinics and seed production are other potential areas for employment generation.
- 3. Better Implementation of Legislative Measures:** The poor laborers are not in a position to bargain for reasonable rewards for their hard work due to lack of organized efforts to implement the legislations.
- 4. Improvement the Bargaining Position:** The agricultural laborers may be organized so that they can effectively bargain for better working conditions and enable better enforcement of legislations.
- 5. Improvements in Agricultural Sector:** The rural infrastructure development like better irrigation facilities, warehousing, easy access to agricultural inputs etc, effective implementation of land reforms and spread of farm mechanization can help to improve economic well-being of agricultural laborers.
- 6. Increase in Public Investment:** There is a need to step up public investment in agriculture especially in creating affordable rural social infrastructure like cheap education, health facilities, drinking water etc. This would help in improving the growth potential of rural poor. The subsidies are required to be better targeted towards rural poor. The public expenditure may be directed towards re-generation of degraded forests, watershed development, wasteland development and other highly labor intensive activities.



**7. Better Credit Availability:** The financial assistance at cheaper rates of interest and on easy terms of payment for undertaking subsidiary occupation should be provided.

**8. Cooperative Farming:** The cooperative farming by pooling of land by small and marginal farmers may be developed. This measure would provide better incentive to improve productivity of farm as these farmers will continue to be owners of their land and share the fruits of their efforts. Government should facilitate the smooth working of these cooperatives by providing cheap credit, marketing and inputs.

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