



PROBLEMS AND PROSPECTS OF AGRICULTURE LABOURERS: SOME OBSERVATIONS

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Introduction:

Neoliberal paradigm has dominated politics and economic policies and continues to shape the thinking that seeks market as efficient alternative for development goals. It is increasingly influencing the discourse on development around the world and being pushed forward as the only alternative for countries aspiring to catch up with advanced economies. It is systematically engrained into the politics, economics and social values with effectively forming public opinion through different forms of expression. Similarly it has significantly impacted agriculture in India with the changing structure and composition of labour force and consequent outcomes that hinders the development paradigm in India. Majority of labour continue to be engaged in agriculture as wage labourer and other kinds of employment for survival in rural area. Due to uncertain and unsustainable agricultural employment, it has witnessed unprecedented migration over the last two decades and contributes massive inequalities and skewed distribution of income in the economy. The present paper highlights the conditions of agricultural labour both mainly in unorganized form. Arthur Lewis famously said that nation should enrich farmers if it wants to industrialize. But in case of India, farmers have got impoverished after the growth rate has gone up. The agricultural productivity is on continuous decline since reforms and growth rate of crop production has decelerated leading to decline in the per capita availability of food. To follow neoliberal economic theory, rapid growth should have percolated downward thereby lifting the huge labour pool out of poverty. The economic reforms did not include any specific package specifically designed for agriculture. Rather, the presumption was that freeing agricultural markets and liberalizing external trade in agricultural commodities would provide price incentives leading to enhanced investment and output in that sector, while broader trade liberalization would shift inter-sectorial terms of trade in favour of agriculture. However, there were other changes in patterns of government spending and financial measures which also necessarily affected the conditions of cultivation, often in ways very different from those that were anticipated by the architects of the reform process.

Composition and Conditions of Agricultural labourer:

India is counted as one of the largest emerging economy in the world, growing continuously at higher growth with declining poverty rates and improving living conditions of considerable amount of population in urban areas. With most of the employment opportunities emerging in the urban sphere and due to insecure employment in agriculture, Indian economy has undergone major shift in its huge labour pool. Structure of labour market, patterns of employment of growth and labour market institutions not only plays vital role the process of development of any economy but also determines the nature of distribution of growth witnessed in that economy. It explains the functional distribution of



income generated in the economy and provides a strength and weakness of economy and provides demand side reflected in the labour market nature and structure of labour market.

In spite of higher economic growth witnessed in the last decade, India continues to have substantial share of population in agriculture which account for 49 per cent of labour force, half of whom are wage labourers with contribution of only 14 per cent to GDP. Another broad category of employment comes from non-agriculture sector, which employs significant number of workers. In contrast, service sector which contributes 56 per cent of the GDP barely contributes 27 per cent of the employment

The agricultural labour households constitute an important segment of the rural population, the share of such households in the total rural households increased from 30.70 per cent in 1993-94 to 32.23 per cent in 1999-00. They possess virtually no human and physical assets and derive their livelihood from wage paid manual labour in agricultural activities. Among different economic groups, they are the least organised, most vulnerable, economically disadvantaged and highly impoverished. Recent studies have shown that composition of poor in rural India is changing and poverty is increasingly getting concentrated in households belonging to agricultural labour and rural artisans. It has also been reported that among different groups, agricultural labour households experienced the highest increase in the incidence of poverty on all the three poverty measures between 1993-94 and 1999-00. Consequently, the share of these households in the total poor during the period increased from 42.62 per cent to 48.01 per cent (Sundaram and Tendulkar, 2003 and 2004; Radhakrishna et al., 2004).

Studies on agricultural labour have already been undertaken to examine the conditions of agricultural labour households in terms of real wages and employment (Jose, 1988; Acharya, 1989; Bhalla, 1993; Vaidyanathan, 1994; Parthasarthy, 1996; Unni, 1997). The conclusions of these studies have been a mixed lot, though. While some studies reported an increase in real wages since mid-seventies, primarily due to proportionate shift of farm workers to non-farm sector, others concluded that the increase in the real wages had not been sustained, especially in the early nineties. Most of these studies, however, covered the period up to the late eighties or early nineties, and there is very little published work on the economic conditions of agricultural labour households in the nineties. In fact, while recent studies on macroeconomic performance of the economy during the nineties have focussed on GDP growth, poverty, employment, etc. (Sundaram, 2001; Chadha and Sahu, 2003; Acharya, 2002), changes in the economic conditions of households belonging to different economic and social groups like agricultural labour households in terms of real wage earnings, quantum of employment, incidence of indebtedness, etc. in the post reform period as compared to pre-reform period have not been examined as yet.

Against this backdrop, this study has been undertaken to examine changes in the economic conditions of agricultural labour households in the post reform period as compared to pre-reform period. The study specifically focuses on changes in the daily real wage earnings and the incidence of indebtedness among these households across seventeen major states of the country and seeks answers to the following questions. What has happened to the levels and growth rate in the daily real wage earnings of agricultural



labour in the post reform period as compared to the pre-reform period? What are the factors that determine variations in daily real wage earnings across different states? What is the trend in the proportion of agricultural labour households under debt and the amount of debt per indebted household in different states? How has the relative importance of institutional and non-institutional sources of debt changed over time? In particular, how much debt agricultural labour households owe to the non-institutional sources, especially moneylenders, and how has it changed over time? What is the relative importance of debt owed to consumption and productive purposes and how has it changed over time.

The study is based on data emanating from the Rural Labour Enquiry reports conducted and published by the Labour Bureau, Ministry of Labour. The origin of these enquires goes back to the agricultural labour enquiry reports that were conducted in 1950-51 and 1956-57 to provide data on socio-economic conditions of agricultural labourers. The scope of the earlier two enquiries, which was limited to agricultural labourers only, was subsequently widened to encompass all rural labour, both agricultural and non-agricultural, in the third enquiry conducted in 1963-65. The fourth enquiry was mounted in 1973-74, and since then these are canvassed quinquennially along with general employment and unemployment surveys of National Sample Survey Organisation (NSSO). These enquiries have been bringing out data on different economic aspects of rural labour households including agricultural labour households like daily wage earnings, employment and unemployment, indebtedness and consumption expenditure. The data brought out by these enquiries are broadly temporally comparable, especially since the third labour enquiry report (1963-65).

The wage earnings were defined by the 1983 rural labour enquiry report as “payments received in cash or kind or cash as well as kind or those that were receivable for the work done during the reference week. Earnings in kind included perquisites that a person received customarily for the work performed. Recurring perquisites include food grains, cooked meals, fuel, tobacco, etc. and non-recurring perquisites include housing, clothes, shoes, bonus, etc. The payments in kind were evaluated in terms of current retail prices. The details of the earnings for the reference week were collected for each of the activities in which usually occupied members of the household were engaged as wage paid labourers. The number of days to which the earnings related were recorded in terms of defined intensities. The average daily earnings of a worker for each activity was arrived at by dividing the average earnings of worker for each activity by the corresponding days with full intensity. There was no change in the definition of wage earnings and the procedure of arriving at average daily wage earnings in the 1993-94 enquiry.

There was a small definitional change in the 1999-00 enquiry and wage earnings, in addition to the above-mentioned payments, also included amount receivable as ‘over time’ for the additional work done beyond the normal working time. This did affect the comparability of daily wage earnings with earlier enquiries. Nevertheless, since these payments are expected to be small, the temporal comparability of the daily wage earnings would not be seriously affected. The data on different aspects of indebtedness is also temporally comparable since the conceptual framework underpinning its collection has remained unchanged in different enquiries. The 1983 rural labour enquiry report makes this



vivid thus: “A household was considered as indebted household if it had taken loan from others and part or whole of which had remained outstanding on the date of survey. Loan included borrowings in cash/or kind and also credit purchase made by the households. If the nature, source and purpose of loans were similar they were treated as a single loan. Borrowing in kind was evaluated at the retail prices prevailing in the local market. An advance payment received for forward delivery of goods was also regarded as a loan. The dues on items of credit purchases like newspaper, milk, services of dhobi, etc. were also treated as loan” (p. 8). This conceptual framework remained unchanged in the 1993-94 and 1999-00 enquiries.

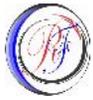
Peasant Suicides in National Perspective:

Apart from the chronic scourge of severe drought, by far the most serious agrarian problem facing Maharashtra today is that of peasant suicides. According to figures released by the National Crime Records Bureau (NCRB) of the Union Home Ministry, out of the 2,84,694 farmer suicides that occurred in India during the years from 1995 to 2012, the largest number of 57,253 farmer suicides were from Maharashtra. The irony is that for 10 of these 18 years, the Union Agriculture Minister was from Maharashtra.

It has been established that most of these farmer suicides are a direct result of indebtedness and are a symptom of the deep agrarian crisis in the country. Peasant suicides in large numbers have also taken place in Andhra Pradesh, Karnataka, Madhya Pradesh, Chhatisgarh etc. In Maharashtra, the largest number of peasant suicides is in the Vidarbha region, followed by the Marathwada region. Both are traditionally known as backward regions. Several expert committees were set up by the government and by academic bodies to go into the reasons for the alarming phenomenon of farmer suicides. The most comprehensive attempt during the last decade to study the situation of agriculture and farmers in India as a whole was made by the National Commission on Farmers that was headed by Dr M S Swaminathan. Its detailed and seminal report came out with several vital recommendations, not a single one of which was ever implemented by the government. After the Prime Minister’s visit to Vidarbha in July 2006, the central government and later the state government, announced relief packages for the Vidarbha peasantry worth Rs 3750 crore and Rs 1075 crore respectively. Then came the countrywide loan waiver scheme of the central government in 2008-09. But in spite of all these measures, it is an undeniable fact that suicides of debt-ridden peasants in Maharashtra, and in the country, have not abated.

Although all these agrarian problems are a result of ruling class policies since Independence, they have been further aggravated by the pro-imperialist neo-liberal policies followed by successive central and state governments during the last two decades. What is the way out of the present dismal agrarian situation in Maharashtra? It is clear that it is the ruling classes, their political parties and their elitist policies that are at the root of the situation in which Maharashtra and its people find themselves after 67 years of Independence and 54 years of statehood. With the imperialist-oriented neo-liberal policies of the last two decades, the mass of working people are being marginalized, economic and social disparity has widened and corruption has reached unprecedented levels.

In conclusion, agricultural labour in India has increasingly weakened its position of labour. Considering the huge informal sector and small section of industrial workforce in



India, labour policies have considerably undergone changes. This has resulted into decline in social expenditure to adjust with neoliberal regime as it seeks to create enabling environment for market to overtake public services in the name of inefficiency. Social sector expenditure is also indirectly related with the labourers in the economy and further affected their welfare. It is important to formulate the policies that seek decent work conditions of and provide them decent wages together with social security from state. Though sectorial composition of Indian labour force seemed to have changed, agriculture still remain one of most important activity and involve substantial portion of workforce.

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