

**LIFE AND WORK CONDITIONS OF RURAL LABOUR  
IN INDIA SINCE 1951**

**Dissertation submitted to the Jawaharlal Nehru University  
in partial fulfilment of the requirements for  
the award of the Degree of  
MASTER OF PHILOSOPHY**

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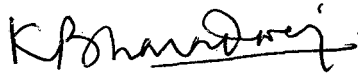


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## CERTIFICATE

Certified that the dissertation entitled, "LIFE AND WORK CONDITIONS OF RURAL LABOUR IN INDIA SINCE 1951," submitted by GODDANTI OMKARNATH in partial fulfilment of the requirements for the award of the Degree of MASTER OF PHILOSOPHY has not been submitted for any other degree of this or any university. To the best of our knowledge this is a bonafide work.

We recommend that this dissertation be placed before the examiners for evaluation.



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## CONTENTS

	Page
Acknowledgement	
Chapter I INTRODUCTION	1-31
1.1 Changing Livelihood Patterns: An Aspect of Indian Economic Development.	1-17
1.2 Earlier Studies on Rural Labour	17-24
Chapter II OBJECTIVE AND SCOPE OF THE PRESENT STUDY	32-51
2.1 The Underlying Framework for the Study of Rural Labour	32-44
2.2 The Data Base	44-51
2.3 Some Common Abbreviations Used in the Text	51
Chapter III ASSETS, INCOMES AND ACTIVITIES OF RURAL LABOUR HOUSEHOLDS IN INDIA	52-110
3.1 Introduction	52-56
3.2 Household Size and Earning Strength	56-60
3.3 Assets and Income Structure	60-67
3.4 Wages and Earnings	67-75
3.5 Expenditure, Debt and Levels of Living	75-87
Chapter IV ALTERNATIVE STRATEGIES OF SURVIVAL OF RURAL LABOUR HOUSEHOLDS	111-162
4.1 Introduction	111-117
4.2 Employment on Farm and Hiring-out of Family Labour	117-119

4.3	Non-agricultural Activity	119-126
4.4	Forms and Systems of Hiring	126-137
4.5	Participation of Women and Children	137-144
4.6	Migration	144-148
Chapter V	SUMMARY AND CONCLUSION	163-176
Appendix A	Some Features of Regional Differentiation	177-183
Appendix B	Scheduled Castes/Scheduled Tribes Labour Households	184-190
	REFERENCES	191-195

## LIST OF TABLES AND CHARTS

<u>Table No.</u>		<u>Page</u>
1.1.1	Net Domestic Product at Factor Cost (at 1970/71 Prices) by Industry of Origin: India-1950/1 to 1980/1.	25
1.1.2	Population of India : Total, Rural and Urban, 1951-1981.	26
1.1.3	Percentage Distribution of the Male Working Force, 1951-1981 (Census Data).	27
1.1.4	Structure of the Male Working Force by Usual Status in Rural India: NSS 27th, 32nd and 38th Rounds.	28
1.1.5	Growth Rates of Employment in the Organised Sector.	29
1.1.6	Percentage Distribution of Rural Workers (Main and Marginal) According to Usual States by Category of Employment.	30
1.1.6A	Percentage Share of Casual Wage Labour in the Rural Workforce: Selected States of India, 1972/3 and 1977/8.	31
3.2.1	Average Size of Labour Households.	88
3.2.2	Average Size, Earning Strength and No. of Wage-Earners per Household of ALH's and RLH's.	89
3.3.1	Distribution of ALH's/RLH's with Cultivated Land by Size of Land.	90
3.3.1A	Percentage of Area Operated by Major Size Classes: India.	91
3.3.2	Percentage Distribution of Household Members by Level of General Education, 1974/5.	92
3.3.3	Average per Capita Income of Labour Households Compared to per Capita National Income.	93
3.3.3A	Average Annual Income of Labour Households.	94
3.3.3B	Average Annual Income of Agriculture/Rural Labour Households by Source, All India, 1974-5.	95

3.3.3C	Average Annual Income of Casual and Attached Labour Households by Source.	96
3.4.1	Average Daily Earnings in Agricultural and Non-Agricultural Occupation.	97
3.4.1A	Average Daily Earnings in Different Agricultural Operations of Workers in ALH's.	98
3.4.2	Share of Cash Component in Average Daily Earnings by Agricultural Operation.	99
3.5.1	A Profile of Income, Expenditure and Debt of Labour Households.	100
3.5.2	Pattern of Consumption Expenditure of Labour Households.	101
3.5.2A	Average Annual Consumption Expenditure per Household among Labour Households.	102
3.5.2B	Annual Receipts from Sale of Assets and Increase in Liabilities.	103
3.5.3	Percentage of Indebted Households and Average Amount of Debt per Indebted Household.	104
3.5.3A	Percentage Distribution of Debt per Indebted Household by Purpose.	105
3.5.3B	Percentage Distribution of Debt per Indebted Household by Nature of Loan.	106
3.5.3C	Percentage Distribution of Debt per Indebted Household by Source of Debt.	107
3.5.4	Annual per Capita Consumption Expenditure of ALH's/RLH's vis-a-vis All Rural Households.	108
3.5.4A	Percentage Distribution of Estimated Number of ALH's by per Capita Expenditure Classes.	109
3.5.4B	Per Capita Daily Consumption of Cereals and Pulses by Weight in Grams among Labour Households.	110
4.1.1	Patterns of Labour - Use in Rural India, 1977/8.	149
4.1.2	Percentage Distribution of Employment of Men and Women in RLH's with and without Land, 1974/5 and 1977/8.	150

4.1.2A	Growth of Rural Labour Households in India.	151
4.1.3	Average Annual (full) Days of Employment of Usually Occupied Workers in Labour Households with and without Land, 1974/5.	152
4.1.4	Employment Pattern of Usually Occupied Workers in RLH's (An Annual Days per Worker) 1950/1-1977/8.	153
4.1.5	Average No. of Days Not Worked by Usually Occupied Workers in Labour Household, 1964/5 and 1974/5.	154
4.2.1	Selected Features of Self-Employment in Non-Agricultural Enterprises in Rural India, 1974/5.	155
4.2.2	Some Characteristics Relating to the Working of Rural Industrial Enterprises, 1974/5: Major States.	156
4.3.1	Percentage Distribution of Households by Use of Hired Labour for Crop Production for Each Size Class of Land Cultivated.	157
4.3.2	Annual Wage-Paid Employment of Men in ALH's, 1950/1 and 1956/7.	158
4.4.1	Percentage of Persons (5 years +) Employed According to Usual, Current Weekly and Current Daily Status.	159
4.4.2	Percentage of Females (5 years +) Usually Engaged in Household Duties and also Participating in Specified Activities Carrying Benefits to their Households.	160
4.4.3	Employment of Usually Occupied Workers in All Rural Labour Households. According to Usual Occupation.	161
4.4.4	Percentage Distribution of Wage-Paid Employment (in Person Days per Day) of Usually Occupied Workers in RLH's in Agricultural Occupation, 1977/8.	162



## CHARTS

- I The Share of Agriculture in NDP and Workforce.
- II Growth of Rural Labour Households.
- III Classification of Rural Labour as Adopted by the National Commission on Labour (1969).
- IV Average Number of Days Employed per Worker (Annual).
- V Average Daily Earnings per Worker in Agricultural and Non-agricultural Occupation.

Chart - I

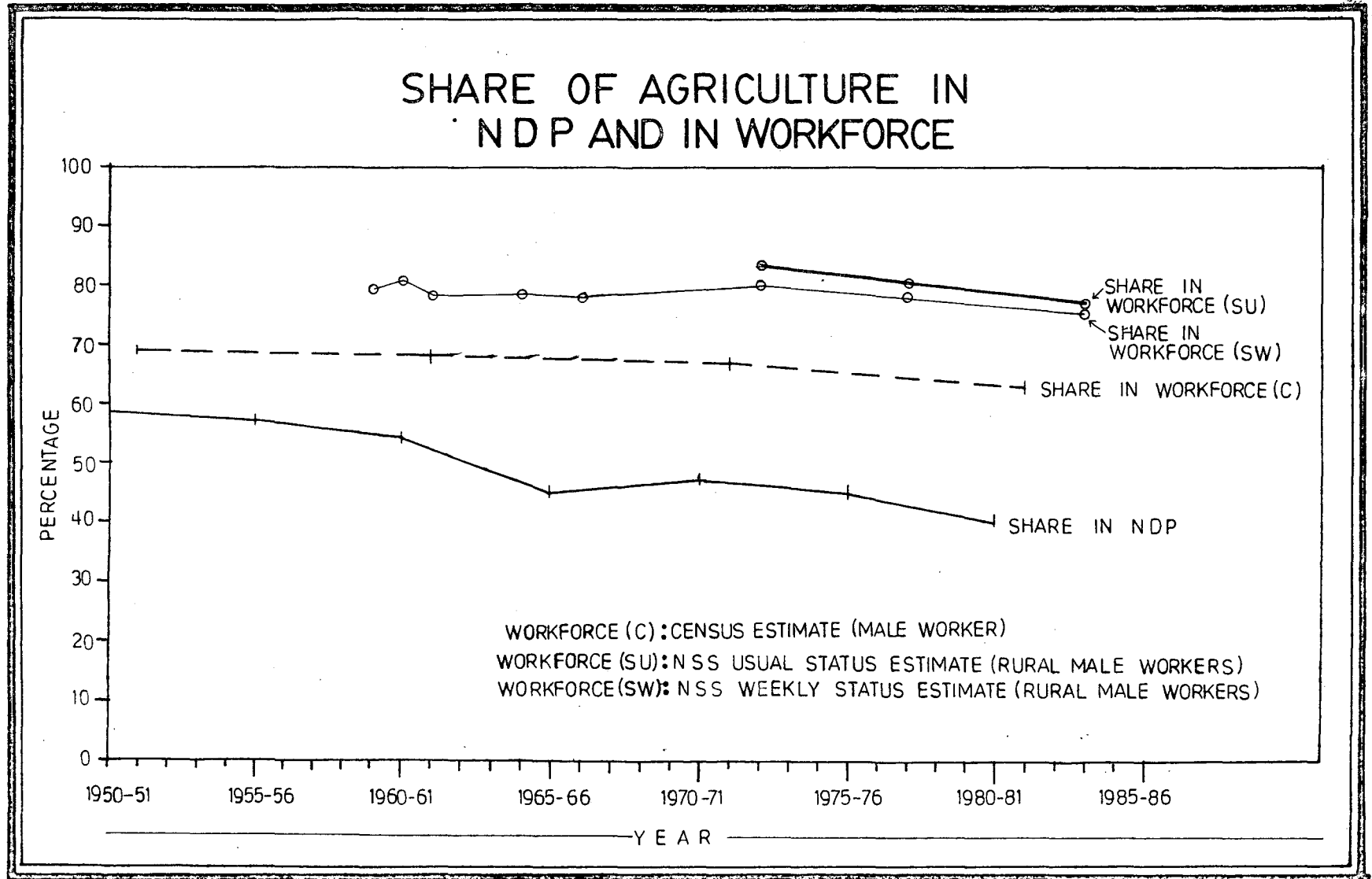


Chart -II

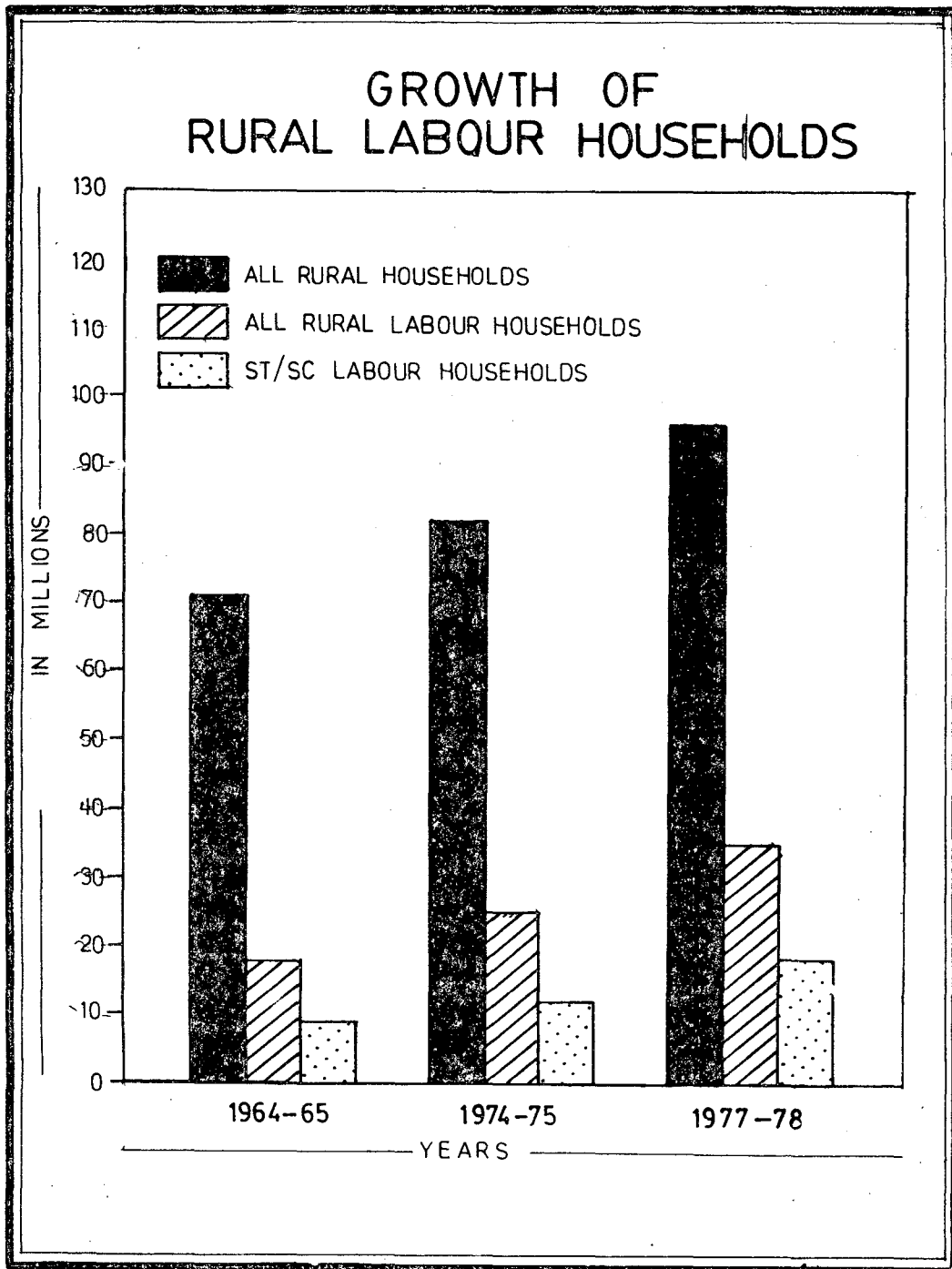


Chart - III

CLASSIFICATION OF RURAL LABOUR AS SUGGESTED  
IN THE REPORT OF THE NATIONAL  
COMMISSION ON LABOUR  
1969

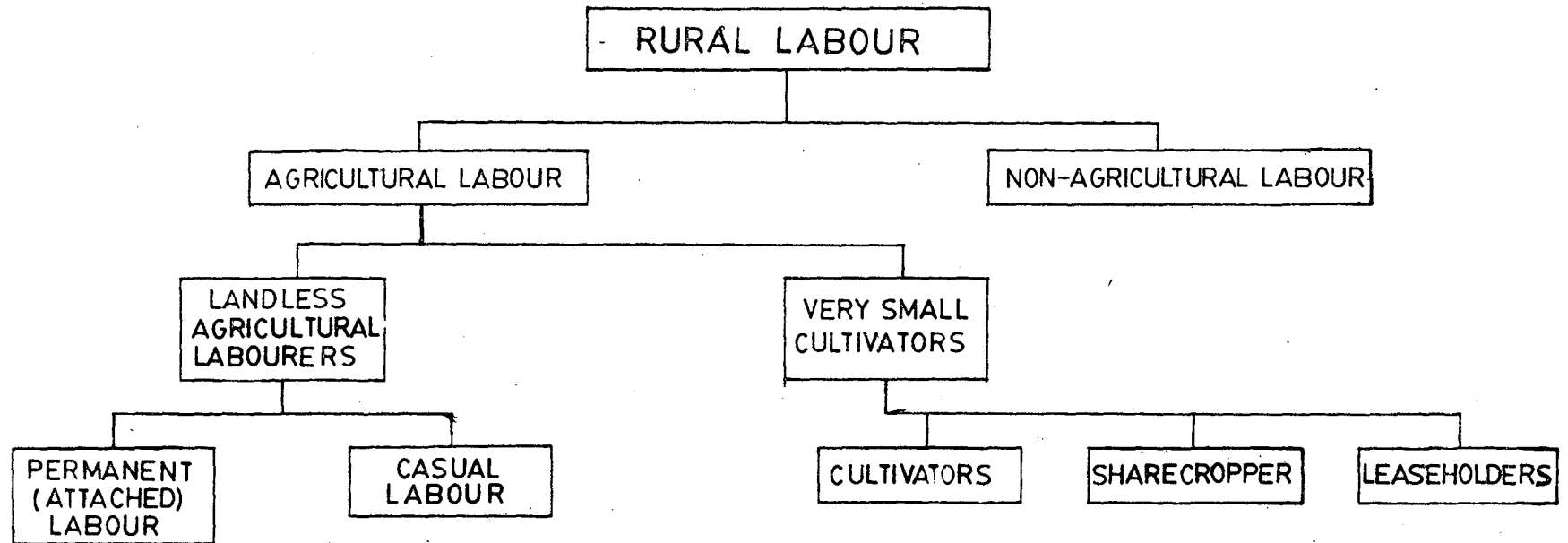


Chart .IV

### AVERAGE NUMBER OF FULL DAYS EMPLOYED PER WORKER (ANNUAL) ( ALL RURAL LABOUR HOUSEHOLDS)

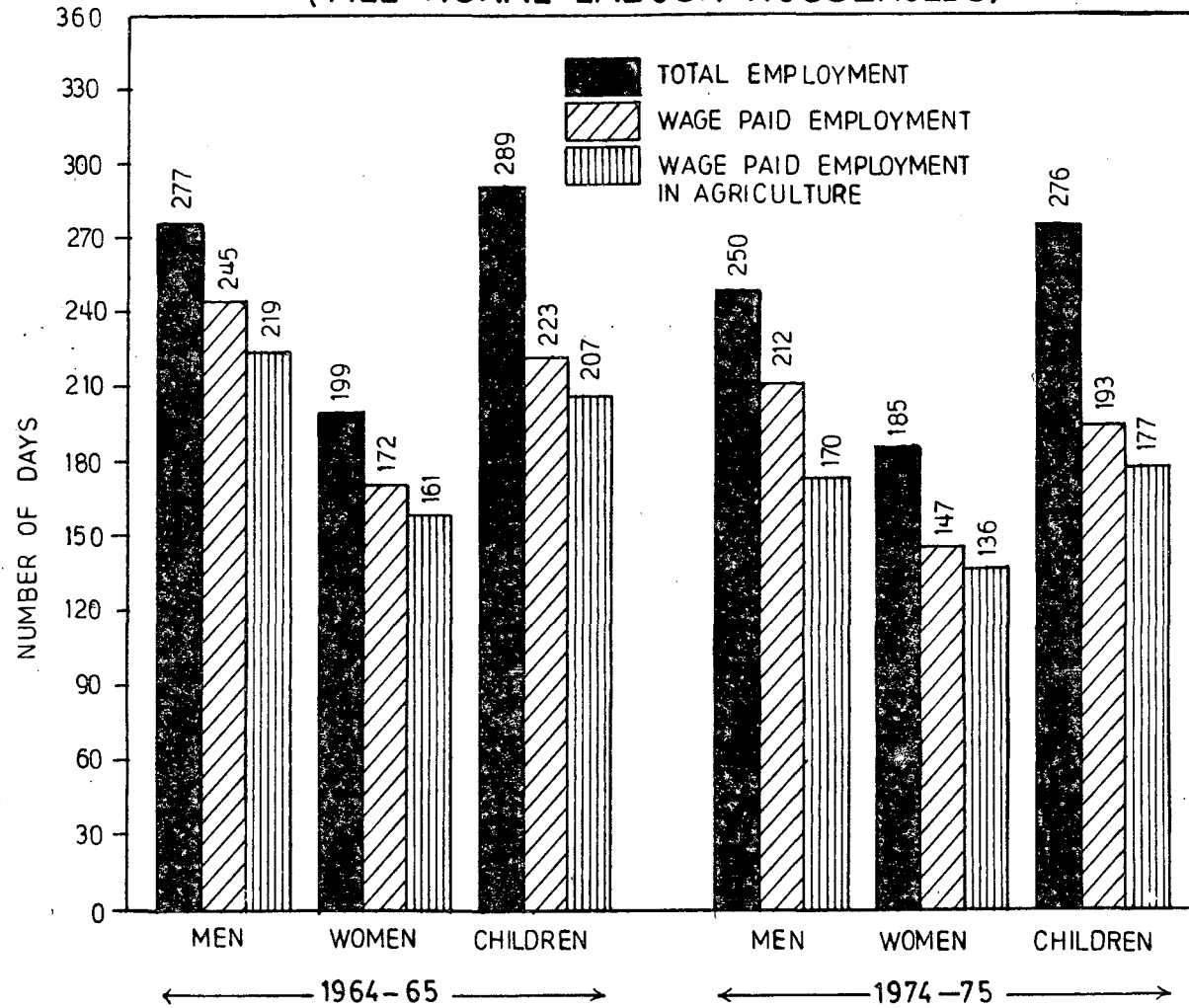
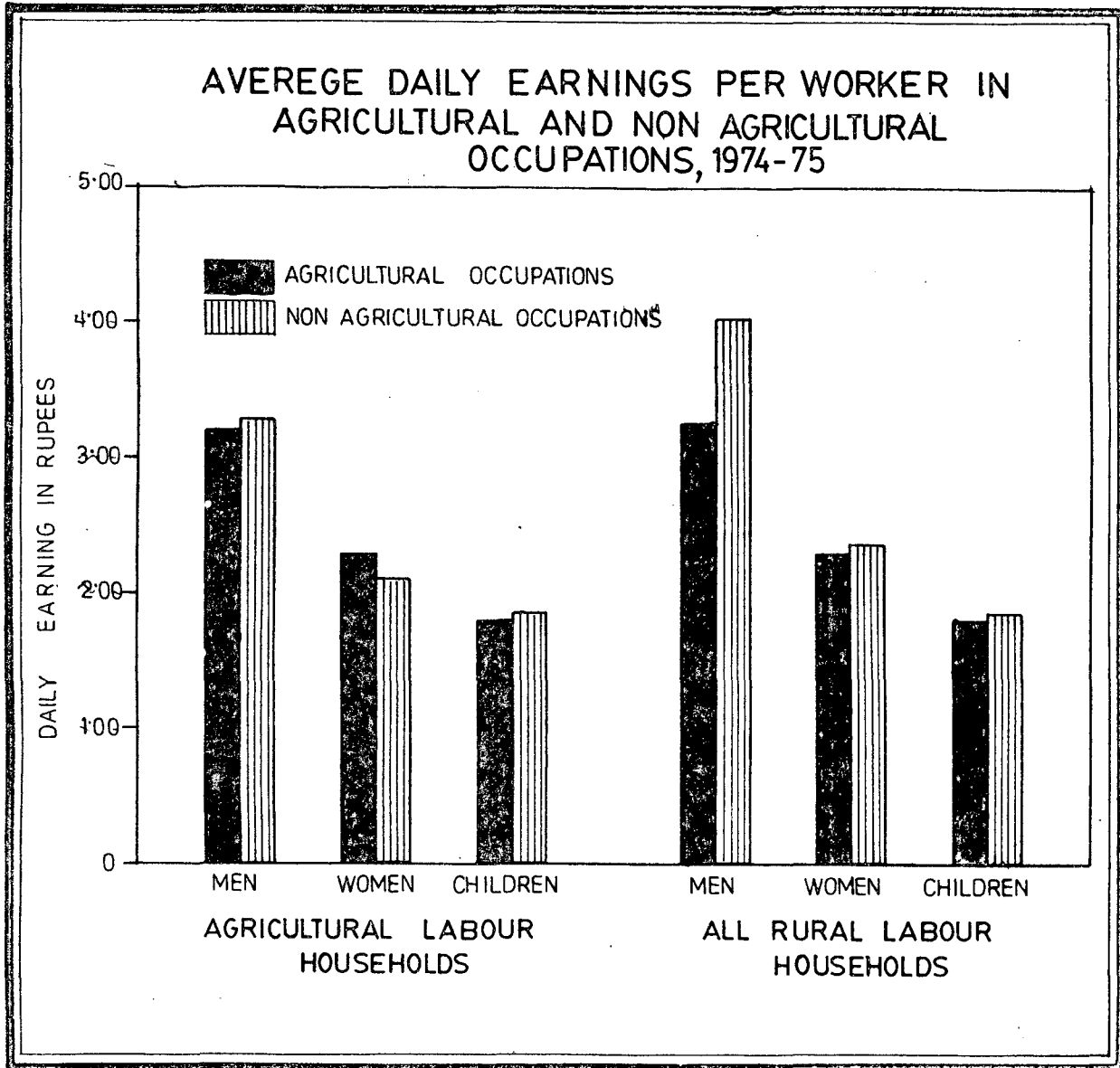


Chart — V



## CHAPTER - I

### INTRODUCTION

#### 1.1 CHANGING LIVELIHOOD PATTERNS:

##### An Aspect of Indian Economic Development

Economic growth of nations has been associated with such structural changes in the realm of production as: a declining share of agriculture in output and labour force, a rising share of manufacturing in output and labour force, an all-round increase in productivity and--to include the less-quoted finding of Kuznets--an increase in population[1]. Kuznets is careful to consider the underdeveloped countries as a class apart and the problem of their growth as distinct. He identifies these countries as characterising, among others, a high concentration of product and labour force in agriculture during the post-World War II period upto the late 1950's.

Without trying to ascribe a theory of growth of a backward economy to Kuznets' essentially quantitative study, a striking

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[1] High rates of population growth were recorded earliest in eighteenth century Europe, the cradle of Industrial Revolution and gradually spread to North America and other European settlements. The population boom in the two continents ended in the twentieth century, especially in Europe where the growth rates were significantly below the post-1850 peak. In the underdeveloped countries of Asia, Africa and Latin America, on the contrary, a marked acceleration in population begins largely in the twentieth century. See Kuznets (1972).

feature of India's growth experience must be noted. There has been in India a secular decline in the share of agriculture[2] in output but not in workforce. Agriculture here still accounts for roughly 70 percent of all workforce. A steadily declining share of agriculture in Net Domestic Product (NDP) has gone along with a high and markedly stable concentration of working population dependent on agriculture. The analytical context of this aspect should become more transparent as its factual basis is explored in some detail below.

Over the period 1950-51 to 1980-81, the contribution of agriculture to NDP declined almost steadily from 59 per cent to 40 percent. With the shares of allied industries such as forestry, fishing and mining remaining relatively small and stable, the contribution of primary sector as a whole registered an equivalent decline, of about 19 percentage points in three decades (See Table 1.1.1). At the same time, population grew

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[2] 'Agriculture' refers to pure cultivation activity. The distinction between 'agriculture' and 'industry' and their interrelations vary with the pace and character of capitalist development. This is reflected in the economic analysis at different times of agriculture-industry relation. In the late 17th century England when William Petty was writing production was characterised by subsistence and family enterprises catered to a variety of people's needs. Specialisation and division of labour had not yet emerged either socially or at the enterprise level. The distinction between 'agriculture' and 'industry' did not emerge sharply which it did in the subsequent writings of the Physiocrats, although "industry was perceived more as an appendage to agriculture" and constituted mainly artisan production. By the time of Adam Smith capitalist relations took root and the agriculture-industry relation was seen more clearly in the context of growth of factory production. See Bharadwaj (1987).



steadily, at accelerating rates through successive decades. Table 1.1.2 shows that the annual compound growth rate of population in the 50's was 2.1 percent, in the 60's 2.2 per cent and in the 70's 2.3 percent.

#### 1.1.1 Broad Trends of Workforce Distribution

Before examining changes in the distribution of workforce, especially movements in the share of workforce engaged in agriculture, a brief consideration of concepts and measures of workforce/employment is imperative. Such a consideration follows naturally from the framework adopted for the present study, besides being essential for interpretation of available data. The notions of 'work' and 'employment', as they are used in the censuses and surveys, conform implicitly to the category of 'wage labour' developed in the context of competitive capitalism. Under capitalism 'labour power' is itself a 'commodity' used in production for exchange. The level of employment and wages are determined simultaneously in the labour 'market' which represents the aggregate result of supply and demand decisions of optimising individuals. Individual supply of labour is guided by the leisure-income preferences and demand for labour by profit, maximising producers is determined by alternative technologies and prices. Since capital and labour are presumed mobile across all uses, all labour processes are interconnected through the market.

In contrast, labour processes and labour exchange systems in rural[3] India have structurally very different characteristics, flowing as they do from the specific structure of economic differentiation and the production relations and exchange processes contingent upon it[4]. A large mass of cultivators, operating on tiny holdings, are subsistence producers. Though they tend to be classified in the census data as 'cultivators' they are in reality no different than 'agricultural labourers'. Similarly, workers engaged in non-agricultural (household) enterprises are in the main 'own-account' workers. For both these categories of households, entry into the 'market' for hired labour is among the many and various activities geared to earning minimal levels of living for the household as a collective entity[5]. There is another group of households, landless and without any family enterprise, whose dependence on wage-paid employment (as casual manual labour) is in principle total. Yet they are far from being qualified as 'wage labour' since, among other things, their casualisation in the labour market is not accompanied by a sustained demand for labour[6]. For sheer

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[3] In the censuses, the basic unit for 'rural areas' is the revenue village with definite surveyed boundaries; the village may comprise several hamlets.

[4] See Ch. 2.

[5] See Ch. 2, discussion on survival strategies and household as the unit analysis.

[6] Lack of sustained demand for labour is part of a larger problem of production conditions in agriculture and of overall accumulation in the economy. It is partly also the result of seasonality built into agricultural activity.

survival, working members of a great majority of rural households have to mix 'self-employment' with 'wage-paid employment' and 'agricultural' employment with 'non-agricultural' work frequently and intermittently, so that a division of workforce into activities/occupations/sectors becomes problematic.

The problem of activity-mix was sought to be resolved in the censuses by drawing a distinction between 'main' activity and 'secondary' or 'marginal' activity of workers according to the number of days worked during the reference year. The prime consequence of this has been the exclusion from the workforce of female workers in rural areas whose participation in 'gainful' economic activity tends to be of 'marginal' nature for various reasons[7]. Thus the workforce returned by 1971 census was in absolute terms less (by about 8 million) than the estimate for the previous (1961) census, although population grew at an annual compound rate of 2.2 percent between the two censuses. Not only was the size of workforce as estimated by different census rendered incomparable following such changes in definitions and concepts, but the structure (or sectoral distribution) of workforce in the aggregate was vitiated since the exclusion of marginal workers from the workforce affected differently the size of male and female workers, and the rural and urban workforce. Thus it became necessary to study the structure of workforce for 1971 and 1981 in terms of male workers and by main activity. The

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[7] Ch. 4, sec. 4.5

conceptual problems relate to the valuation of 'marginal' work and to whether and in what sense marginal workers are 'non-workers'. Similar problems arise in regard to the treatment of domestic work of females as 'not gainful' or in treating children as part of the workforce.

Against the static notion of workforce/employment that censuses adopted in terms of stable (or 'usual') activity patterns, the NSS rounds on employment and unemployment followed the 'labour force' approach. Conforming theoretically to a full-employment situation, this approach considers variations in the levels of employment over shorter intervals. The population is divided into three categories: (1) the employed, reporting gainful activity over the (short) reference period such as 'one week', (2) the unemployed, not so engaged but are actively seeking work (in later rounds amended to include those who may not be actively seeking work, but are 'available' for work), and (3) persons not in the labour force. Thus labour force includes those currently unemployed, unlike the census categories which divide the population into two categories - 'workers' and 'non-workers' - on the basis of stable activity patterns over the reference year. Although on the positive side the NSS approach appears to capture the seasonal element in rural employment through its method of 'sub-rounds' and in some sense also capture the irregular or casual nature of employment by introducing shorter reference periods, the problems essentially remain. For example, women workers whose entry into hired labour market

temporarily and intermittently in an effort to adjust household incomes to needs of survival would report themselves as being 'not in the labour force' while not working, rather than as 'unemployed'. This is because their entry into active workforce depends not only on the volume of work forthcoming but conditions specifically attached to work (e.g. timings, and location) and their own commitment to domestic responsibilities. This renders significant volatility to computed 'labour force participation rates' for females as well as in the aggregate. Secondly, capturing casualness of rural employment by shortening the reference periods may not be a fruitful approach because there is nothing like systematic casualness over a homogeneous (or nearly homogeneous) labour. Casualness depends on the different forms that labour takes and the extant labour exchange systems. In reality there are casual workers, there are attached workers (with more or less steady employment), small cultivators with commitments to labour on family farm and those with labour commitments through the interlinking of terms of contracts in multiple markets (e.g. share croppers). Apart from the analytical difficulties of aggregating labour of such diverse forms, we do not seem to have a realistic measure of unemployment and under-employment in rural areas. Thus the unemployment rates as derived from NSS rounds are known to be so low as to negate all debates in development economics of 'surplus' labour. Not surprisingly, recourse is often made in field surveys to time disposition accounting.

A further problem with the NSS approach is its inability to deal with the issue of work intensity. Low incomes and general lack of adequate work opportunity force rural population often to take to 'time-stretching' activities. Examples are children put to cattle-grazing, women spending longer hours on the looms and men trying to keep their piece of land in goodstead for the next crop. What is suggested is not that measuring work-intensity is easy but that recognition of the phenomenon is crucial for analysis and policy. Behind these problems and the continuous revision of concepts and definition by data-gathering agencies lies the failure to recognise the coexistence of different modes of production, labour processes and exchange systems. Revisions introduced do not appear to have disturbed the competitive framework, as such.

Keeping in view these conceptual problems and caveats that attend actual data, we return to the issue of changing workforce structure in the economy, in the context of changing composition of NDP in favour of non-agricultural sectors. The share of agriculture, or more generally the primary sector, in NDP fell sharply after 1960/1 (Table 1.1.1). The question is whether the workforce engaged in agriculture declined or remained stable over

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[8] We discussed above the necessity of looking at data for males workers alone. Figures in the Table for 1951 and 1961 refer to all male workers while those for 1971 and 1981 refer to males by 'main activity', but this does not much affect our analysis.

the same period. Looking at the census data first (Table 1.1.3) we find that the share of agriculture (consisting of cultivators and agricultural labourers) in the male working force did go down from 69 per cent in 1951 to about 63 per cent in 1981. This decline is not much as compared to the fall in the proportion of NDP originating in agriculture. The latter fell from 59 percent in 1950/1 to 40 percent in 1980/1. In fact, agriculture has continued to account for a very large, and remarkably stable, share in total workforce relative to its contribution to NDP.

A very similar picture emerges when we look at the parallel estimates of workforce distribution in rural India provided by NSS in terms of 'usual status', although for a more recent period. Table 1.1.4 shows that the proportion of male workforce in agriculture was 83 percent in 1972/3 and 78 percent in 1983. These proportions are numerically large as compared to census estimates for 1971 and 1981. The difference is due partly to the NSS estimates referring to rural areas alone and partly because in the latter 'agriculture' includes allied activities as well. But the major part of the difference arises from the fact that NSS estimates include marginal workers while the census estimates do not. Despite these numerical differences, the main conclusions are only confirmed, namely that agriculture continues to account for a very large, and strikingly stable, share of workforce. Over a decade, the share declined but only by about 5 percentage points. Yet, the observed decline in the share of workforce in agriculture between the early 70's and the early 80's is

significant. First, a definite shift of workforce away from agriculture in recent years must be seen in the background of the strong historical stability of workforce structure. Krishnamurthy (1970) has demonstrated this secular stability for the period 1901-1961, using census data, while Visaria's (1970) analysis for the post-Independence period using NSS data confirms it[9]. Secondly, although until the early 70's the share of agriculture in NDP fell sharply while the share of workforce in agriculture remained nearly stable, thereafter there appears to have been a similarity in the orders of decline. The share in NDP declined by about 12 percentage points between 1950/1 and 1970/1 and by 7 points between 1970/1 and 1980/1 (Table 1.1.1). The share in workforce which was stable till about 1971 declined 4 to 5 percentage points[10] for broadly the same second sub-period. This broad correspondence between the orders of decline would signify that the early 70's marked a watershed in the changing pattern of workforce in the economy, because from then on agriculture could no longer hold the cascading pressure of population.

Important issues of interpretation arise here. Does this shift of workforce away from agriculture signify a 'structural change' in Kuznet's terms?

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[9] Visaria's period of study is NSS 7th round (1953/4) through NSS 21st round (1966/7).

[10] Depending on whether we use census estimates or NSS estimates.



Does it mean the emergence of wage labour on a mass scale? Is there proletarianisation? Or significant new 'push' and 'pull' factors operating on the flow of labour from agriculture to industry? We begin by examining the hypothesis about the non-agricultural organised sector having been a major 'pull' force on the labour flows from agriculture in recent years. Even as the share of agriculture in NDP went down over 1950/1-1980/1, the contribution of manufacturing ('unregistered' manufacturing included) did not rise appreciably. This share gained only about 5 percentage points over the initial 10 percent in 1950-51 (Table 1.1.1). In fact, the share of the 'secondary' sector as a whole, which includes the considerable 'construction' sector, went up by about 7 percentage points, from 14.5 percent in 1950-51 to 21.1 percent in 1980-81. In other words, the secondary sector gained just a little over a third of what agriculture lost. The main source of growth of NDP then was the 'tertiary' sector (a large part of which would be an amorphous development of time-spreading activities which are a form of disguised unemployment) whose share in NDP rose from 24 percent in 1950-51 to 36 percent in 1980-81[11]. With this commodity composition, the secondary sector could not have been a major source of employment in India. This is confirmed by the evidence of growth of employment in the 'organized' sector which excludes unregistered manufacturing but includes government administration. In Table 1.1.5 we see that

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[11] NDP at factor cost and constant prices grew at an annual compound rate of 3.5 percent over 1950-51 to 1980-81. Historically speaking, this growth rate must be regarded as considerable.

the organised sector employment which grew rapidly until the mid-60's declined sharply thereafter and only kept pace with the growth of population during the 70's and early 80's. Furthermore in both public and private sectors, employment growth fell steeply after the mid-60's and that the drop in the growth rates is even more pronounced in manufacturing. Between the two sectors, the private sector registered greater deceleration. This phenomenon is bound-up with the decline in public investment after the mid-60's and a strong positive relation between public and private investment in the economy[12]. The rapid growth of organised sector employment until the mid-60's is to be explained, among others, by expansion of governmental activities, rehabilitation of defence personnel in civilian employment with the close of the War and a favoured treatment of displaced persons after Partition[13].

That the shift of workforce in recent years has not been decisively or importantly towards manufacturing and that it has been spread over the construction and tertiary sectors is borne out by census as well as by NSS data (Tables 1.1.3 and 1.1.4). The shift has, in fact, been absorbed in construction and 'trade and commerce' and 'transport, storage and communications'. A closer examination of Table 1.1.3 also reveals that much of this

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[12] For a recent account see Chakravarty (1987).

[13] Report of the National Commission on Labour, (1969), pp. 25-26.

shift was actually reported in rural areas, especially in the case of 'non-household manufacturing'. Given the deceleration in the growth of organised sector employment noted earlier, this shift within rural areas could possibly be accounted for by the unorganised sector only. This has been confirmed by Sen's (1988) analysis of growth rates in the unorganised sector, using NSS data. His study shows that after 1972-73, there has been a clear spurt in the growth of non-agricultural employment accompanying a slow-down in the growth of agricultural employment within the unorganised sector. Thus it is the construction and 'tertiary' sectors rather than manufacturing and it is the rural unorganised sector rather than the urban organised sector, that have absorbed the shift-away of workforce from agriculture in recent years.

#### 1.1.2 Pauperisation

Capitalist development in Britain was associated with the rise of a new rural proletarian class accompanied by centralisation of land. But there has been no tendency towards such centralization of land in rural India[14]. What has emerged instead is a dichotomy between land market and land-lease market. On the one hand, the small and marginal operators cling precariously to their tiny holdings in the absence of a secure alternative

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[14] Sarvekshana (1987), Vol.XI, No.2, Oct., p.9. The concentration ratios for owned area have, if anything, shown a marginal decline.

employment (see Chapter 3) and resort to land transfers only after protracted distress and as a last resort. On the other hand, land-hunger in rural areas has led to land-lease systems possible with extremely onerous terms and frequent tenant-switching and insecure tenancy. This enhanced the land-based power of the large holders and an intensified semi-feudal relations in agriculture. The process therefore symbolises pauperisation rather than proletarianisation with land evictions and centralisation. As cultivators in the bottom rung resort to ever greater 'self-exploitation' of family labour, the formation of a labour market on capitalist lines is hindered[15]. This goes on even while efforts are on to supplement household income through wage labour or other avenues of employment. The fact that a large proportion of labour is committed to work on small farms constrains its access to wage-employment outside. This, coupled with the absence of an active 'land market', implies further that the underformation of the land market strengthen's the underformation of labour market as well. Growth of 'side-line' activities and intermittent work, especially in the non-agricultural sector would also intensify the process further.

Within rural India, the workforce is getting increasingly casualised. This may be coming about in two ways: firstly, as

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[15] Bharadwaj (1985).

just noted the small operators cultivating tiny plots of land[16] are marginalised and forced to seek wage employment as a household survival strategy and secondly, the 'natural' growth of landless labour households itself. A movement of rural workers away from self-employment and to casual wage work in the late 70's is evident from Table 1.1.6. In the case of males the movement is clear. Across major states (including the agriculturally upbeat areas of Punjab, Harayana and Utter Pradesh) there is a general rise in casualisation of male workers with the possible exception of Kerala and Maharashtra (see Table 1.1.6A). The movement in the case of females is less clear, as is to be expected, for the entry and exit of females from the labour force tends to be volatile and depends upon their commitment to domestic work and the fluctuating level of household income[17]. Another indicator of casualisation is the growth of rural labour households as a proportion of all rural households (the proportion in 1983 stood at 37 percent). A little over two-fifths of these households--which derive the largest share of their total income from wage-paid manual employment in agricultural or

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[16] In 1983, about 36 percent of all rural households were estimated to be operating on landholdings of less than half-an-acre while another 25 percent held land holdings of over half an-acre but less than 2.5 acres - NSS Report No.341 (mimeo), "Report on the Third Quinquennial Survey of Employment and Unemployment", November 1987, p.18.

[17] See for a recent analysis of female participation Unni, (1988).

non-agricultural occupations--possess some land mostly below 2.5 acres. Also, within the unorganised sector, there is evidence of a relatively faster growth of wage labour on 'current day status' compared to either 'usual status' or 'weekly status' (Sen, 1988). This points to the increasingly intermittent nature of opportunities for wage employment. General casualisation of labour may be welcome if accompanied by a general rise in demand for labour, but this does not appear to be the case, as we shall see in Chapter 4.

The tardy growth of non-agricultural employment and the rising pressure on land had inspired in the 70's a new set of studies under the general title of 'labour absorption'. These studies seek to investigate the technical possibilities of raising labour inputs in agriculture without at the same time reducing labour productivity[18]. To the extent that these studies concentrate on technical factors and ignore the production and exchange relations, they advocate an approach hardly different from that implicit in the Green Revolution. There is also a tendency here to view agriculture as a sector-in-itself, although technical and social relations within agriculture cannot be understood fully without reference to general accumulation and capitalist development in the economy. Further, the contradictions of such an approach are evident in the Green

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[18] See Ishikawa (1978).

Revolution areas. Bhalla (1987) has shown that labour input per hectare in progressive regions (Punjab, Harayana, Utter Pradesh and Madhya Pradesh) declined after the early 70's, especially in the case of cereal crops. Employment elasticities with respect to yield also show negative signs for this period in these regions.

The macroeconomic trends reviewed in this section point to a situation where the continual accretions to the potential labour force cannot be productively absorbed in agriculture, nor can they be effectively employed in non-agricultural sectors, a scenario not quite anticipated by the pioneers of planning. 'Walking on two legs' has not come about. There is economic growth, but its path and pace are not the kind that make use of the human resources optimally from a social viewpoint or even adequately (as we shall see) from the point of view of the worker's survival. For a good segment of this pauperised class, deprivation comes in the form of a denial of their right to exchange their only resource: their labour power. The present study is an attempt to investigate, with the help of survey-data into how rural labour households choose and modify their survival against a shrinking economic space available to them.

## 1.2 Earlier Studies on Rural Labour

The following is a brief survey of earlier studies on rural labour in India and their major concerns. It is a brief survey because our present study does not seem to belong to any of these broad types.

The first crop of studies came from economic historians of colonial India and were devoted to the issues of the emergence of a rural proletarian class under a specifically colonial agrarian structure, and the general living conditions of this section[19]. Although constrained by data availability, these studies had a macro perspective and a historical-institutional approach. They sought to see how changing land revenue settlements, commercialisation, decline of handicrafts, famines and even international price movements shaped the misery and fortunes of labouring sections in rural areas. Some studies, notably Morris (1965), were concerned with the question of the emergence of the industrial wage labour. These studies had to rely mainly on the working force data of the decennial censuses[20]. The issues connected with the transfer of labour

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[19] Gadgil (1971), and Dutt (1986), are among the first and the more general surveys. Patel (1952), Thorners (1974), and Kumar (1965), discuss the growth of agricultural labour, among others. Krishnamurthy (1972) is a critique of Patel (1952).

[20] Important official publications include, apart from the District Reports, the Famine Commission Reports (especially of 1898 and 1901), Report of the Royal Commission on Agriculture (1928) and Report of the Royal Commission on Labour (1929). The Famine Commission Reports appear to have been mainly concerned with the viability of crop production (as this would certainly tell on the revenues) in the affected regions, rather than with any systematic study of labour conditions. The meticulous reporting of deaths and debt, relief measures and famine codes to the exclusion of other aspects probably explains this. This is, however, not to discount their utility for regional historians. While the Royal Commission on Agriculture had almost nothing to say on labour, the Royal Commission on Labour was almost entirely devoted to industrial labour, at that time constituting but one per cent of the total working force.



from agriculture to industry and the formation of wage labour in the process of commercial expansion are of great relevance to the dynamics of labour market in a developing economy. Our focus in this study however is more limited to an investigation into the extant conditions of labour so that they may provide some intuitive insights into such dynamics of labour markets.

After independence, the Ministry of Labour through its Agricultural/Rural Labour Enquiries (ALE's/RLE's) has been collecting wide-ranging data on labour households. Together with the Labour Ministry's Intensive Type Studies on Rural Labour (ITS), 1967-70, they constitute perhaps the single richest source material on the subject for the researcher. The initial work utilizing the ALE data by economists focussed much on the changes in the economic conditions of agricultural labour between the first two ALE's i.e., between 1950-51 and 1956-57. In the main the debate centred round the issue of comparability of the two ALE's[21]. In the early 70's when the economists and the government shifted focus to aggregative studies in poverty and unemployment drawing mainly upon the NSS data sets, ALE's/RLE's appear to have served a supplementary role and possibly as an independent check. We shall be using these surveys intensively along with other parallel sources.

In the meantime, work in important directions with a bearing on agricultural labour was inspired partly by requirements of

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[21] Raj (1961), Shah (1961) and Rao (1962).

planning and policy and partly by the analytical propositions of development economics. The official Studies on the Economics of Farm Management initiated in the '50's, went into the technological aspects of farm inputs and outputs and allocational efficiency. The problem of imputation of value to labour inputs on family farms and the observed inverse relation between farm size and productivity engaged economists in an interesting debate[22]. While it is true that ruling wage rate is not the opportunity cost of labour on family farm, it is also unrealistic to visualise a quality in the economy based upon a division of households into those relying purely on family labour and those purely on hired labour, because both family and hired labour is used on farms of all sizes. The fact that there is intensive application of labour per unit area on small farms was initially seen as 'small farm efficiency' but is now generally conceded as a survival strategy and at times a distress phenomenon in stagnant agriculture and has complex role in growth dynamics[23]. We shall be concerned in our study with the consequence of such a concentration of population on small holdings for labour-use and livelihood.

A second line of research was the 'surplus labour' in agriculture. Its existence, quantification and relevance to a

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[22] The question was first mooted by Sen (1962).

[23] See for a summary of the debate and a new interpretation Bharadwaj (1974) and Rudra (1982).

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policy of industrialisation were the main issues[24]. It has been argued that in predominantly subsistence production, the market wage cannot be regarded as opportunity cost of labour, so that there is a problem of theoretically measuring surplus labour in terms of labour input over and above the point where marginal product of labour falls short of competitive wage rate. There would then be a dichotomy between the micro approach to surplus labour based on 'efficient' use of labour at the farm level and the macro notion of potential surplus labour as a 'saving fund' transformable into capital construction in a backward economy[25]. Another objection is whether the notional surplus labour was in practice 'removable' without drastically altering the production organisation within agriculture. Related to this was the distinction drawn between surplus 'labourers' and surplus 'labour time' and the problem of imputing continuous labour time to discrete population units. These issues-discussed at a theoretical/conceptual level have a strong counterpart in the empirical domain also. For example the very notions of 'employment', 'unemployment', and underemployment, as well as their measures are affected by these concepts. Further, the very definitions of who is a 'worker' and what is 'work

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[24] Contributions in the area are too numerous to be quoted here. A recent review is provided in Sen (1984).

[25] Bharadwaj (1988). She also raises the question of measuring marginal product of labour in agriculture which she maintains involves a tautology, apart from rising certain capital-theoretic issues on the choice of technique for the neoclassical paradigm.

participation', what is 'main' worker status and what is 'marginal' worker status and hence the corresponding measures are sensitive to the concept (See above).

Fresh historical studies into colonial agrarian conditions at the regional level meanwhile provided a rich description of institutions, commercialisation process, relations between the state and the peasant, tenurial conditions and labour[26]. Such historical material has been used in the construction of a general framework for studying commercialisation and capitalist development in agriculture[27]. The studies also provided a background for plausible explanations of contemporary spatial differences in the degree of commercialisation[28]. More recent contributions in this field confute some 'old generalisations' of colonial agriculture[29].

Keeping in with the policy thrust during the 70's on unemployment and poverty, considerable attention was turned to concepts and measures of unemployment[30]. Although at the

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[26] Among the more important studies are: Chowdhury (1964), Chowdhury (1967), Whitcombe (1971), and Sen (1979)

[27] See Bharadwaj (1985).

[28] For example, Bhaduri (1985).

[29] See Raj et.al (eds.), (1985).

[30] The Report of the Expert Committee on Unemployment Estimates (1970), Planning Commission, GOI set the ball rolling. Subsequent contributions included Krishna (1973), Srinivasan and P.K. Bardhan, (eds), (1974), Centre for Development Studies, Trivandrum (1976), especially paper by Bhardwaj, and Krishna (1976).

conceptual level, some 'criteria' and 'aspects' of employment were recognised (a la Raj Krishna and Sen) -- such as 'production', 'income' and 'recognition' aspects - and various measures were developed, it is clear that the multitude of labour processes and labour exchange systems that prevail in agriculture cannot be captured in their complexity and their significance for the dynamics of development by this measurement-oriented discussions. These at best provide a starting point for analysis. In official surveys concepts and definitions have had to be changed continually. Yet what we seem to have is only a certain measure of a general 'wastage' of labour in the economy. The estimates of unemployment so far appear to be of little help in identifying either the causes of or the remedies for unemployment[31].

Other areas of research have included tenurial relations, migration, terms of trade and agriculture-industry relations, contractual arrangements in the rural markets, especially of sharecropping tenancy which interlink land and labour markets has become a subject of rigorous modelling[32]. While some studies of migration retained elements of the competitive model some have thrown up institutional peculiarities and yet others have studied immigration in the general context of pauperisation[33].

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[31] See Bharadwaj (1988), Appendix A.

[32] See Rudra (1982) and for a critical review, Bharadwaj (1988), pp. 27-30

[33] For example Oberoi and Singh (1983), Banerji (1986), Joshi (ed) (1987), Breman (1985), and Chaudhari (1985)

While studies in aggregative changes in wages, incomes and employment of rural labour were revived and continued till recently, several micro studies in the context of socio-economic changes in Green Revolution areas accumulated. On the other hand, theoretical modelling of wage determination, labour contracts, etc., again using micro survey data, gained prominence[34]. These studies throw light on the processes of labour-use under different contractual and institutional conditions. However, they relate to specific situations defined at micro-level and as yet an attempt to integrate them into a macroeconomic framework of analysis has not made much headway. In fact, such an attempt is seen in one recent study of Bharadwaj (1988) wherein it has also been argued that the perception and recognition of problems and issues relating to employment and incomes as well as their descriptive and quantitative correlates in empirical studies are influenced by the theoretical framework and approach underlying, explicitly or implicitly, the postulated macro-economic relations.

In the present study, although we do not enter into the theoretical domain our description of the extant economic conditions of labour households and their patterns of labour-use is informed by a theoretical framework. We outline the framework before proceeding to the analysis of the concrete data.

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[34] See Bardhan (1977). Two recent studies in aggregative changes are Bardhan (1984), and Unni (1988).

TABLE 1.1.1

NET DOMESTIC PRODUCT AT FACTOR COST (AT 1970-71 PRICES)  
 BY INDUSTRY OF ORIGIN: INDIA - 1950/51 TO 1980/81  
 (Percentage Distribution)

Industry	1950-51	1955-56	1960-61	1965-66	1970-71	1975-76	1980-81
1. Agriculture	58.7	57.0	54.0	44.9	47.4	45.0	40.2
2. Forestry and logging	1.3	1.1	1.1	1.3	1.2	1.0	0.7
3. Fishing	0.6	0.6	0.7	0.7	0.7	0.6	0.6
4. Mining and quarrying	0.8	0.8	0.9	1.1	0.9	1.0	1.0
Sub-total : primary	61.3	59.5	56.6	48.1	50.1	47.8	42.5
5. Manufacturing	10.0	11.0	12.0	14.7	13.4	13.8	14.9
5.1 Registered	5.4	6.0	6.9	9.1	8.3	8.4	9.4
5.2 Unregistered	4.6	5.0	5.1	5.6	5.1	5.4	5.6
6. Construction	4.3	4.2	4.6	5.5	5.4	4.8	4.8
7. Electricity, gas & Water supply	0.2	0.3	0.4	0.8	0.9	1.1	1.4
Sub-total : Secondary	14.5	15.5	17.0	21.0	19.7	19.7	21.1
8. Transport, storage & communication	3.2	3.4	3.8	4.7	4.6	5.4	6.1

Table 1.1.1 Contd.

Industry	1950-51	1955-56	1960-61	1965-66	1970-71	1975-76	1980-81
9. Trade, hotels & restaurants	8.4	8.9	9.7	11.4	11.2	11.8	12.4
Sub-totalo : transport Communication & trade	11.6	12.4	13.5	16.1	15.8	17.2	18.5
10. Banking & Insurance	0.9	1.2	1.3	1.7	1.9	2.1	2.7
Sub-total : finance & real estate	3.5	3.8	3.8	4.7	4.9	5.0	5.7
11. Public admn. & defence	2.8	2.8	3.2	4.3	4.7	5.6	7.6
12. Other services	6.2	6.1	5.9	5.8	4.8	4.6	4.6
Sub-total community & personal serving	9.1	8.8	9.0	10.1	9.5	10.2	12.2
13. Total : Net Domestic product at factor cost (Rs. crores)	100.0 (16,798)	100.0 (19,969)	100.0 (24,360)	100.0 (27,335)	100.0 (34,519)	100.0 (40,155)	100.0 (47,235)

Source: CSO - National Accounts Statistics, January 1979, Appendix A.1.1, and National Accounts Statistics, January 1984, Statement No. 6.



TABLE 1.1.2

POPULATION OF INDIA : TOTAL, RURAL AND URBAN  
1951 - 1981

(Millions)

	1951	1961	1971	1981
Total population	356.6	438.9	548.2	685.2
Rural Total	294.7 (82.6)	360.0 (82.0)	439.0 (80.1)	525.5 (76.7)
Male	149.9	183.4	225.3	269.4
Female	144.8	176.6	213.7	256.1
Urban Total	61.9 (17.4)	78.9 (18.0)	109.1 (19.9)	159.7 (23.3)
Male	33.3	42.8	58.7	85.0
Female	28.6	36.1	50.4	74.7
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Growth Rates (annual compound rates in %)	<u>1951-61</u>	<u>1961-71</u>	<u>1971-81</u>	<u>1951-81</u>
Total population	2.1	2.2	2.3	2.2
Total Rural	2.0	2.0	1.8	1.9
Total Urban	2.4	3.3	3.9	3.2

Source : Population Tables of Various Census Reports.

Note : Figures in brackets indicate percentages of total population.

TABLE 1.1.3

PERCENTAGE DISTRIBUTION OF THE MALE WORKING FORCE, 1951-1981  
(Census Data)

	TOTAL				RURAL		URBAN	
	1951	1961	1971	1981	1971	1981	1971	1981
1. Cultivation	51.9	51.3	45.90	43.70	55.73	55.16	5.22	5.19
2. Agricultural labourers	17.4	16.7	21.54	19.56	25.61	24.00	4.70	4.66
Sub-total (1+2)	69.3	68.0	67.44	63.26	81.34	79.16	9.92	9.85
3. Plantation, Forestry etc.	2.4	3.7	2.24	2.34	2.39	2.50	1.64	1.81
Sub-total (1+2+3)	71.7	71.7	69.68	65.60	83.73	81.66	11.56	11.66
4. Mining & quarrying	0.5	0.6	0.54	0.62	0.43	0.49	1.00	1.04
5a. Household manufacturing			3.42	3.18	3.19	2.87	4.40	4.21
5b. Non-household manufacturing			6.70	8.92	2.49	3.82	24.15	26.05

Table 1.1.3 Contd.

	TOTAL				RURAL		URBAN	
	1951	1961	1971	1981	1971	1981	1971	1981
6. Construction	1.3	1.7	1.36	1.81	0.83	1.12	3.57	4.12
7. Trade and Commerce	6.2	5.3	6.37	7.33	2.75	3.27	21.33	20.96
8. Transport, storage and communications	2.0	2.3	2.86	3.32	0.97	1.37	10.64	9.88
9. Other services	8.6	8.3	9.07	9.21	5.62	5.39	23.31	22.06
Total Workers	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source : Krishnamurthy (1970 and 1984).

Note : Figures for 1951 and 1961 refer to all male workers (main + marginal) while those for 1971 and 1981 refer to main workers only.

TABLE 1.1.4

STRUCTURE OF THE MALE WORKING FORCE BY USUAL STATUS IN RURAL INDIA:  
NSS 27TH, 32ND, AND 38TH ROUNDS-(INCLUDING MARGINAL WORKERS)

Industry	Year (NSS Rd. No.)	Percent		
		1972/3 (27)	1977/8 (32)	1983 (38)
1. Agriculture (incl. allied activities)		83.23 (80.9)	80.62 (78.0)	77.53 (75.6)
2. Mining and quarrying		0.44	0.51	0.57
3. Manufacturing		5.73	6.41	6.97
4. Electricity, gas etc.		0.10	0.19	0.22
5. Construction		1.56	1.71	2.24
6. Trade & Commerce		3.06	4.04	4.36
7. Transport, storage and communications		1.00	1.24	1.69
8. Other services		4.88	5.28	6.08
Total		100	100	100

Source : NSSO, No.341, Report on the Third Quinquennial Survey on  
Employment and Unemployment, Table 14, p. 52.

Note : Figures in bracket indicates corresponding 'weekly  
status' estimates.

TABLE 1.1.5

GROWTH RATES OF EMPLOYMENT IN THE ORGANISED SECTOR  
(annual compound rates in %)

Year (April-March)	All Organised Sector			Manufacturing Sector		
	Public Sector	Private Sector	Total	Public Sector	Private Sector	Total
1960/1 to 1965/6	5.88	6.28	6.03	12.79	12.79	5.99
1965/1 to 1976/7	3.62	0.69	2.16	5.67	0.79	1.50
1976 to 1985	2.9	0.8	2.2	5.2 (3.7)	0.69 (0.62)	1.8 (1.9)

Source : Shetty, (1978), as cited in Bharadwaj (1979). The last row is computed from Tables 3.1 and 3.2 in the Appendix to Economic Survey, 1986/7, Min. of Finance, GOI.

Note : Figures in parentheses refer to growth rates of 'secondary' sector which includes manufacturing; electricity, gas and water etc., and construction.

TABLE 1.1.6

PERCENTAGE DISTRIBUTION OF RURAL WORKERS (MAIN AND MARGINAL)

ACCORDING TO USUAL STATUS BY CATEGORY OF EMPLOYMENT

(ALL INDIA)

	MALES			FEMALES		
	1972-73	1977-78	1983	1972-73	1977-78	1983
Self employment	65.90	62.77	60.40	64.48	62.10	62.21
Regular wage/ Salaried work	12.06	10.57	10.77	4.08	2.84	3.10
Casual wage labour	22.04	26.66	28.83	31.44	35.06	34.69
Total	100 .00	100.00	100.00	100.00	100.00	100.00

Source: Sarvakshana, Vol. IX (4), April 1986, "Key Results of Last Three Quinquennial NSS Enquiries on Employment and Unemployment", Table (2) p. S-112.

TABLE 1.1.6A  
 PERCENTAGE SHARE OF CASUAL LABOUR IN THE RURAL WORKFORCE:  
 SELECTED STATES OF INDIA, 1972-73 AND 1977-78  
 (NSS DATA)

	Males		Females	
	1972-73	1977-78	1972-73	1977-78
Andhra Pradesh	27.42	33.58	48.98	52.76
Bihar	24.05	32.63	36.00	45.72
Gujarat	25.01	29.41	26.31	32.07
Haryana	9.67	14.94	8.38	18.71
Kerala	39.13	37.71	47.65	32.22
Madhya Pradesh	15.50	22.17	24.79	31.11
Maharashtra	31.78	30.79	44.76	46.77
Punjab	16.01	19.04	9.58	8.55
Rajasthan	5.47	10.85	4.86	8.27
Tamil Nadu	31.30	35.20	45.92	57.29
Uttar Pradesh	13.83	16.33	15.32	20.21
West Bengal	32.09	34.07	38.89	33.14
All India	22.03	26.65	31.44	35.06

Source: Krishnamurthy (1984).

## CHAPTER - II

### OBJECTIVE AND SCOPE OF THE PRESENT STUDY

#### 2.1 The Underlying Framework for the Study of Rural Labour

The problem of labour-use and income determination is analysed in conventional (neoclassical) theory as outcomes on labour 'markets'. Under competitive equilibrium, the supply of and demand for labour services of individuals determine, simultaneously, labour-use (level of employment) and price of labour (wages). The offer (supply) of labour is itself seen as influenced by the individual's preference between work and leisure, while the profit-maximizing producer hires labour given the feasible options of alternative technologies and prices. Thus the supply and demand forces in the labour market are seen as aggregate results of optimising choices of individuals operating under the premises of free competition. Efforts at extending this competitive model to the agrarian conditions in underdeveloped countries, albeit with some modifications allowing for 'rigidities', have yielded 'anomalies' seemingly irreconcilable within the competitive framework. For example: positive wage rates coexisting with vast reservoirs of 'surplus' labour, peak-season shortages of labour in the midst of chronic unemployment and underemployment, and nominal wages in places of migration being actually lower than those prevalent in places of origin. Expanding observational basis on the Indian agrarian economy



points to the coexistence of several labour processes and labour exchange systems. While it is clear that neither the modified competitive model nor simple 'peasantist' constructions offer a satisfactory framework to capture these, attempts are being made to develop an alternative framework. It is not our endeavour here to discuss or develop a new comprehensive analytical framework as such. What is however attempted is to study and interpret concrete materials and data on life and work conditions of rural labour households. We have used for the purpose a tentative framework proposed by Bharadwaj[1] in order to analyse problems indicated in our introductory chapter.

#### 2.1.1 Structure of Peasant Differentiation

In this framework, the investigation begins with the postulate of a village economy exhibiting certain regularities in the production and exchange processes at work. Our purpose here is to investigate and draw upon such regularities as exist, particularly in the rural labour 'market'. The analysis begins with a historically given situation where there exists a certain differentiation among peasantry. Four categories of households based on their broad resource status may be identified:

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[1] Bharadwaj (1988). The author is grateful to Professor Bharadwaj for permitting him to draw liberally upon her work.

- (i) very small cultivators and the landless---usually chronically deficit households;
- (ii) small cultivators who produce just enough for subsistence by evening out surpluses and deficits over good and bad years;
- (iii) medium cultivators who have a sizeable surplus and normally respond to market stimuli; eg. they may respond to changes in relative prices by effecting changes in cropping patterns etc; this group also exhibits a certain 'staying power' with regard to sale of output and can take price advantage otherwise lost by categories (i) and (ii) under a regime of 'forced commerce'; and
- (iv) large and dominant cultivators with substantial surpluses who also dominate markets by setting terms and conditions of exchange[2].

These characteristics of households affect their total labour use i.e. their demand for and supply of labour. "We note that there is use of both family labour and hired labour in cultivation on farms of all sizes so that the labour-use decisions of a household relate interconnectedly, to the use of labour on own farm and also hire of labour into and out of the farm"[ 3].

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[2] Other writers have used different criteria for differentiating peasantry such as size of land, size of surplus and 'labour exploitation' etc. These have however been found to be region-and time-specific.

[3] Bharadwaj, (1988), p.40.

### 2.1.2 Exchange Processes

Given the above structure of differentiation the market involvement of different groups of households cannot be uniform or equal. Thus the landless households and the very small cultivators are 'compulsively' involved in the labour market, i.e. they must hire out their labour in order to subsist, while small and medium cultivators may take to wage employment mainly as a supplementary source of income. Not only are exchanges characterized by quantitative variations in the terms of employment (eg. wage rate and number of days employed) depending on the relative resource position of the parties to exchange, but there are qualitative differences in types of exchanges which flow from the production relations that socially interrelate the parties to exchange.

The latter are expressed in various hire systems and wage systems. Thus there may be tying-in of labour for specified time periods restricting the freedom of the labourer to switch his employers or take advantage of higher wage rates elsewhere. Also, for a given wage rate, the mode of payment (cash or kind), periodicity of payment and type of wage (time rate or piece rate) may vary across labourers. Furthermore, in the determination of terms and conditions of employment (both of quantitative and qualitative type), non-price, non-economic factors play a crucial role. For example, labourers belonging to the lower and servile castes may be discriminated against in the labour market. These

extra-economic factors rely mainly on personal dominance and power relations. The dominant parties belonging to the substantial surplus households set the general patterns of exchange which overtime may come to be accepted as 'customary' or 'conventional'. There is thus a correspondence between the initial resource position of households and their exchange involvement and production relations extant at any point of time.

Another important feature characterising agrarian market relations is that the labour market cannot be studied in isolation of other markets such as 'land' and 'credit' markets. The now-much discussed phenomenon of 'interlinked markets' implies that "a dominant party conjointly exploits the weaker party in two or more markets by interlinking the terms of contracts"[4]. For example, the landlord may stipulate, as part of the tenancy contract, attachment of labour services which are underpaid or unpaid. Or the landlord-cum-moneylender may enforce conditions regarding the types of crops to be grown or may hypothecate a part or whole of the produce over and above the rent payable. Interlinked transactions have distinct consequences for the two parties in exchange. For the weaker party, entering one market means foreclosure of options in another, while for the stronger party it means breaking through the conventional limits to exploitation in any one given market.

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[4] Bharadwaj (1988), p.43.

This analysis of exchanges processes in rural areas prove two things: first, that there is no 'labour market' in the strict neo-classical sense and secondly, labour exchanges cannot be studied in isolation of exchanges in other markets. Given the specificities and asymmetries of rural exchange processes, labour-use must be viewed as outcomes of interactions between the 'survival strategies' of deficit and subsistence households and the strategies of 'exploitation' of dominant surplus households.

### 2.1.3 Strategies of Survival and Exploitation

At any given point of time, the structure of production and exchange relations influences labour-use through decisions of households on their labour 'demand' and 'supply'. It must be noted that the labour-use decisions of a household are but a part of a whole gamut of activities geared to earning a livelihood (or to appropriating surplus from others' labour) for the household. Thus the 'supply' of and 'demand' for labour are to be analysed in terms of alternative survival (exploitation) strategies that a household adopts. The appropriate unit of analysis in relation to such strategies is the household rather than an atomistic individual optimising his interests through autonomous decisions. "The household appears to be a more relevant unit to define the scope of decisions (i.e. in setting up feasible strategies) even if decision-making were pinned down to the head of the household, in practice"[5].

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[5] Bharadwaj (1988), p.38.

As noted before, all cultivators regardless of the size of their farms use both family and hired labour, so the household's decisions to use family labour on own farm, to hire out and also to hire in outside labour are all interconnected. From the standpoint of labour-use, households may be broadly classified into two groups: (i) net hirers-out of labour and (ii) net hirers-in. An intermediate category of zero net hirers is a theoretical possibility, but it should not greatly affect our analysis. The decisions of households belonging to the first group to 'supply' labour depend on the household size, its resources (especially access to land), the nature of household's exchange involvement which may constrain its access to labour-hiring and overall availability of employment opportunities (agricultural and non-agricultural) within and outside the village. The availability of family labour for use on farm or for hiring out must be netted out of prior commitments. This leads to a crucial link between use of labour on farm and formation of the labour market (or 'wage labour'). If off-farm work opportunities are scarce or uncertain the household seeks to maximize labour use on farm by applying labour more intensively to land, by entering into lease contracts to supplement the land already in possession, by growing labour-intensive crops, and by appropriately choosing crop rotations. Further, once the cropping pattern and intensity are chosen, family labour will become committed to a certain rhythm of work on farm (given the complementary nature of inputs required in crop production) and it may

then not be able to take advantage of outside employment, sometimes at very attractive terms as in the peak season, which may arise off and on. Thus the economic structure in which alternative opportunities for wage employment are scarce and the mass of cultivators cling to their tiny holdings means that the market for wage labour cannot be fully formed. In the case of landless households, survival depends exclusively on hiring out labour either as casual labour or as attached workers. Such households also tend to 'readily' migrate out of the village even for a short period should demand for labour be forthcoming.

The 'demand' for labour from the second group of net hirers-in, surplus households depends on their production and investment strategies as also their choice of hire systems. In conditions generally militating against capitalist development in agriculture, surpluses will be siphoned off into unproductive channels like usury and luxury consumption. This cuts back productive investments in land which can potentially employ more labour. Where such productive investments do take place, as in the progressive regions of 'Green Revolution' or in areas where high-risk commercial crops are grown, there may be tendencies for employers to go in for labour-saving technologies. That such technological choice is not necessarily guided by relative factor price is evident from field studies in Asia[6]. Secondly, the demand for labour comes not as a 'two-point' vector in terms of

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[6] Wickramasekhara (1987).

wage and period of employment but relative to particular hire systems. For example, the employer may prefer gang labour (under the charge of a contractor) to hiring labourers on individual contracts; he may impose tie-in contractual arrangements to obviate peak-period labour shortages; he may prefer cheap migrant labour to native workers to suppress the wage demands of the latter; or he may manipulate the wage systems depending on his production conditions, the needed control over the labour process and the 'supply' conditions of labour. Another source of demand for labour arising from the surplus households is through leasing out land to deficit households. Given the extreme levels of land-hunger among petty landholders and the landless, the terms of lease, interlocking of transactions in two or more markets and the consequences thereof to eventual labour-use have been touched upon earlier.

Given this structure of production relations and exchange processes in the agrarian economy and the consequences thereof to the formation of labour 'market', an issue of crucial importance is what 'feasible' strategies are available to the lowest category of chronically deficit households to ensure economic levels of living. One possibility open to the households with some access to cultivation relates to the intensive use of family labour on farm. Given the quantum of work available off-farm, this may sought to be achieved by appropriately choosing cropping patterns and crop rotations and by diverting labour to maintenance, development and preparation of land. As is well-



known, very small cultivators are maximisers of gross output, and, as Bharadwaj (1974) has shown, they also devote a relatively greater proportion of land to high value crops.

A second strategy, which as we mentioned before is not independent of the first, concerns hiring out of family labour. After netting out prior commitments of labour to family farm, decisions relate to who in the household (men, women or children) should hire themselves out, to what extent and in what field operations. Some field operations, such as ploughing, are lucrative even if demand for them may be relatively short-lived. It is easy to see that choices here are much narrower in the case of landless labour households.

Yet another strategy is participation in non-agricultural work. Such activity may be supplementary in character in the case of households with land, or with a family enterprise which is activated in the slack seasons. Non-agricultural work may prove a more regular source of employment in the case of landless labourers. Hired workers in (seasonal) rural enterprises, vendors, hawkers, petty traders, cart-pullers etc. belong to this category. Most of them happen to be 'own account' workers, given the nature and scale of such operations. A fourth strategy is migration. The choices here concern who should migrate, where and for how long. Again, different constraints confront the households according as they have access to cultivation or family

enterprise or they are landless. They must also consider the stability of opportunities at the destination.

Leasing in land and entering into interlocking transactions may be listed as a fifth feasible strategy. The terms of lease contracts, the extent and type of interlocking that they may entail and the consequences they have for use of family labour are various. A further strategy open to RLH's is to have females and children participate in some gainful activity, even if in 'marginal' capacity or temporarily to augment household income. Finally, we may list public goods and public consumption. The state may provide to this category of households access to public goods and public consumption through social subsidisation. This may take the form of civil supplies, housing, education and above all employment on public works.

These various strategies briefly described above are however, not mutually exclusive. At any point of time use of family labour may take any or all of these forms. The precise mix of these strategies and specific constraints that operate may vary across households and regions depending on the conditions of the household and those of the 'market' for hired labour. They would also change through time depending upon such objective conditions as population pressure, year-to-year fluctuations in agricultural performance and the pace and pattern of accumulation in the economy. As noted before, total labour use and income at any point in the kind of economy we are examining must also depend crucially on the exploitation strategies of the surplus

households which are net hirers-in of labour. The crucial determinants of exploitation strategies are the size of surplus, and avenues for and profitability of reinvesting such surplus. Investment may be productive such as that in land and rural industries and therefore, may create demand for labour. Or investment may take socially unproductive forms such as usury and luxury consumption. Given these conditions, the actual strategies of exploitation that employers adopt may consist in choice of techniques in production, especially in agriculture, choice over labour hire systems, systems of wages, forms of leasing out land to deficit households and interlinking the terms of contracts in various markets.

The objectives of the present study are:

- (i) To assess the broad level and structure of assets, income and levels of living of rural labour households;
- (ii) To identify and analyse the possible strategies that these households adopt for survival; and
- (iii) To understand in the light of these the alleged diversification of employment in rural India in recent years.

The study does not pretend to be a quantitative one in the sense of seeking to measure changes in the conditions of rural labour; such an attempt would have to be severely constrained by available data. The lack of information also discourages an attempt to dynamically relate the changes in survival strategies of rural labour households to the observed shift of workforce

away from agriculture. What is attempted is an analysis of the structure of life and work conditions of rural labour in post-Independence India with the help of cross-sectional data and a theoretical framework being developed by Bharadwaj (1988).

## 2.2 THE DATA BASE

Two major data sources that the present study draws upon are the Agricultural/Rural Labour Enquiries (henceforth ALE's/RLE's) and the Intensive Type Studies of Rural Labour (ITS), both of which were conducted by the Ministry of Labour, Government of India. Till now two ALE's (in 1950-51 and 1956-57) and four RLE's (in 1963-65, 1974-75, 1977-78 and 1983) have been conducted. The third and fourth RLE's (i.e. in 1977-78 and 1983) were integrated respectively with the NSS 32nd Round and 38th Round. Of these, the results of only the 32nd Round are partially available[7]. ITS were conducted in selected regions during 1967-70. We shall now examine the important features and limitations of these two data sources.

ALE's/RLE's were conducted over scientifically drawn all-India samples of labour households. The design was one of stratified random sampling with village as the primary unit and the labour household as the secondary or ultimate unit. The strata generally comprised a number of broad agro-economic regions into

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[7] Published results pertain to 'wages and earnings' and 'indebtedness'.

which the country was divided. The sample of villages was staggered over a period of 12 months in such a way that each 'sub-round' covering an independent interpenetrating sub-sample of villages from each stratum would throw up independent estimates of variates for a particular season. This procedure naturally allows the final (annual) estimates to capture seasonal fluctuations.

The subject matter of ALE's/RLE's is classified under four heads: (i) employment and unemployment (ii) wages and earnings, (iii) income and consumption expenditure and (iv) indebtedness. The stated objectives of the enquiries included: derivation of weighting diagrams for cost of living indices, monitoring implementation of minimum wage legislation, evaluation of rural works programmes and studying changes in general socio-economic conditions of labour. While these objectives are laudable and indeed may be of policy significance, they are difficult to achieve in cross-sectional large-scale surveys. They must be regarded as naive considering the complexities surrounding the life and work conditions of the poorest section of rural population, the as-yet poor knowledge of crucial processes at work in rural areas and the policy need for identifying the causes and remedies (not merely quantification) of rural unemployment. The naivete of proclaimed objectives is partly a reflection of the ambivalence attached to employment in the planning strategy itself[8]. It is

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[8] See Report of the National Commission on Labour (1969), Ch.3.

no less due to a certain theoretical vacuum. Several peculiarities of rural labour situations and variegated exchange systems have often been noted descriptively in official reports including those of ALE's/RLE's and especially ITS as we shall see, but there appears to have been no theoretical framework to hold these all together. These considerations are necessarily reflected in the design of survey instruments and tabulations. We shall later return to this aspect.

The scope of study, concepts and definitions underwent changes over successive enquiries. The two ALE's evidently covered only agricultural labour households whose share in all rural labour households has always been predominant, while from the first RLE onwards the scope was extended to include non-agricultural labour households as well (hence the name RLE). A change in the definition of agricultural labour household (ALH) in the second ALE (1956-57) rendered the results of the two ALE's largely incomparable. In the first ALE, an ALH was defined as one in which either the head of the household or half or more of the earners in the family reported agricultural labour as their main occupation in terms of number of days worked.

In the second ALE, the time criterion was changed into an income criterion i.e., the household deriving more than 50 per cent of its annual income from wage-paid employment in agricultural occupations. In the case of RLE's, the income criterion was retained with the modification that wage employment in agricultural occupations must account for a 'major portion' of

total income, with no cut-off point such as '50 percent of total income[9]'. The rural labour household (RLH) was analogously defined as one whose major source of annual income is wage-employment in agricultural or non-agricultural occupations[10]. 'Employment in either case refers only to 'manual labour'.

Some implications of this conceptual frame stand out. On the positive side, it is clear that ALE's/RLE's seek to study a distinct group of rural households called labour households so that an intensive study of the economic conditions of these households is feasible[11]. Also, the fact that here the household, rather than the individual or entire rural population, is the unit of analysis is a desirable feature as noted in the previous section. Some limitations nonetheless hold. For example, by virtue of the definitions individual labourers (agricultural and non-agricultural) in non-labour households (whose major household income source may be regular wage-paid employment or self-employment) are eliminated from the enquiry because the

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[9] The non-comparability of the two ALE's is of significance only to a study of intertemporal changes in the conditions of rural labour and should not materially affect a study of the economic structure and survival of the labour household. We therefore do not delve deep on the issue except by referring to the readings cited in Ch. 1, Sec.2 above.

[10] Other sources of income being 'regular wage/salaried employment' and 'self-employment'.

[11] Contrast this with regular NSS rounds on subjects like employment, consumer expenditure etc. whose universe of discourse is the entire (undifferentiated) rural population.

household itself may not be categorised as labour household in the first place[12]. Secondly, the heterogeneity within the broad class of labour households, which may be crucial in understanding rural labour situations is not considered in the design or in tabulation. Heterogeneity is recognised to the extent that there is separate tabulation for agricultural labour households (ALH's) as also for scheduled castes/scheduled tribes labour households, the households which may encounter special 'non-economic' handicaps in the village agrarian order. Further, crucial variates have been classified according to broad landholding status i.e. whether the household is 'with land' or 'without land' (land may be owned or leased-in and includes current fallows and orchards). The importance of this last feature cannot be overemphasized. However, such a simple dichotomy is inadequate for two reasons. First, there is considerable variation in land holding pattern within the class of labour households, from below half-an-acre upto 5 acres[13]. Secondly, the fact of ownership of land, and the extent and type of lease-holding have important implications for the study of RLH's. These characteristics are however not considered in the enquiries.

Yet another consequence of not introducing a classification based on some broad livelihood classes is that it becomes difficult to capture directly the possible dynamic interrelations

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[12] Cf. definition RLH used in ITS. See below.

[13] See Ch. 3, section on Asset Structure.



between, say, a household's employment status, income and debt position etc., more so because i.e. the data are drawn from different enquiries. In other words, there is no way of matching or establishing correspondence between the various data sets. Any statements of interrelations are of necessity hypothetical and must be supplemented by independent information which can be gathered only in detailed field surveys. Qualitative aspects are almost totally neglected in ALE's/RLE's.

We now turn to consider the other major data source of the present study, namely the Intensive Type Studies of Rural Labour (ITS) conducted by the Ministry of Labour, GOI during 1967-70. In the design of ITS, the inadequacy of ALE's/RLE's was recognised. It was felt that "quantitative estimates based on nation-wide sample surveys are not by themselves enough to correctly focus the diversity, complexity and intractability of the phenomenon of labour employment"[14]. Aimed as "studies of a qualitative (emphasis added) nature at the regional/local level to bring out in clear profile the various aspects of the problem of under-employment," the ITS were conducted in 21 selected regions in 17 states. In each region, 3 villages were selected and in each village a sample of labour households was selected for an intensive survey. The three selected villages had to satisfy specific criteria: Type I village is located in the proximity of an industrial/urban area; Type II village has been covered by

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[14] ITS-General Report (undated), Ch.1.

rural works programme and Type III village is not influenced by either of the two conditions but has a high incidence of under employment and unemployment. A detailed household schedule was canvassed every month[15] among the sampled households. With 'the previous week' as the reference period for each visit, information was collected on labour force characteristics of each member, labour-time disposition, wages earned, extent of visible underemployment and out-migration and in-migration of working members. An important modification in the definition of labour household as followed in ITS is noteworthy. In this case, a labour household is defined as one in which "atleast one member reports wage-paid manual labour (in a capacity other than that of an apprentice) as one of his or her activities" during the reference period of 12 months. This has the effect of including in the sample a large segment of cultivating households. There is, however, no change in the definition of ALH.

Thus a distinctive feature of ITS vis-a-vis ALE's/RLE's is that because of the canvassing of the household schedule every month for 12 months, one is able to get data on labour time disportion and underemployment and migration out of and into the labour household. More importantly, ITS Regional Reports provide us with descriptive accounts of various attached labour systems prevalent in the country, variations in wages and labour hire

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[15] Note that ALE's/RLE's involved only a single visit to the sampled household.

systems in the case of casual labour and conditions surrounding mobility of labour, all of which are crucial for our study.

The analysis of the economic structure and modes of survival of the labour household in the present study would primarily rest on all-India aggregates in the case of ALE's/RLE's data although reference will be made to striking differences in broad regional patterns in Appendix A. It is hoped that ITS Regional Reports would fill many gaps left by aggregative analysis. The following Chapter provides an economic profile of the labour households while Chapter 4 goes into their survival strategies.

### 2.3 Some Common Abbreviations Used in the Text

ALE	:	Agricultural Labour Enquiry
ALH	:	Agricultural Labour Household
ARTEP	:	Asian Regional Team for Employment Promotion
CSO	:	Central Statistical Organisation
EPW	:	Economic and Political Weekly
GOI	:	Government of India
ILO	:	International Labour Organisation
ITS	:	Intensive Type Studies of Rural Labour
Min.	:	Ministry
NSS	:	National Sample Survey
RLE	:	Rural Labour Enquiry
RLH	:	Rural Labour Household.

## CHAPTER - III

### ASSETS, INCOMES AND ACTIVITIES OF RURAL LABOUR HOUSEHOLDS

#### 3.1 Introduction

With the analytical framework outlined in the previous chapter at the backdrop, we seek to present an analysis of assets, incomes and activities of rural labour households (RLH's). The emphasis is on the economic structures of the households - more of cross-sectional rather than inter-temporal comparisons of magnitudes due to stringency of aggregative data on the latter. Historical continuity of observing households is essential in order to capture the dynamics they display in relation to the changes elsewhere in the economy. Also, measures of changes in the economic condition of RLH's through time are valuable in themselves. However, for the limited purpose of this dissertation which is only laying down the basis for further extended work, we have not referred to other data sets (such as NSS Rounds) where time-series observations are available and which may be used in later extensions.

There are limitations furthermore on the cross-sectional data, too. Cross-classification of variables has tended to vary over successive ALE's/RLE's. For example, in the ALE's analysis of key variables was conducted in terms of 'casual labour

households' and 'attached labour households', which scheme disappears in RLE's. Where there are no changes in the classification schema and where data from two or more enquiries are juxtaposed as in our tabulation, the intent is to indicate the essential but broad characteristics, such as stability and reproduction of broad patterns. Any hints about changes are, given the data base, only inferred without detailed confirmation.

RLH's are far from being a homogenous group. Despite their common dependence on 'wage-paid manual labour' for sustenance, their mix of occupations, their relation to land and their involvement in the exchange processes vary markedly so that the usual classification of rural labour does not seem to capture the heterogeneity. For instance, although a broad distinction is made between 'agricultural' and 'non-agricultural' labour, we know that in practice "several categories of non-agricultural labour are available for agricultural operations when needed." [1] Similarly, the distinction between 'landless labourers' and 'very small cultivators' is not very clear, particularly when land is leased in with various degrees of control on production decisions. In the same vein, it does not seem proper to club 'casual' and 'attached' labour as necessarily 'landless' (see Chart III). Our own tabulation below shows that a good proportion

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[1] GOI, Report of the National Commission on Labour (1969), p. 392.

of casual labour derives income from 'self cultivation' while several attached labourers are given parcels of land as part of the contract.

As has been noted earlier, the classification in terms of 'with land' and 'without land' is itself not very discriminatory[2]. This indeed reflects a situation, described above in Chapter 2, where a large mass of pauperised households have to survive clinging to some kind of access to cultivation and that access is often secured through various systems of lease contracts and hire systems.

There is also the social dimension to the rural labour problem originating from the low social status of agricultural labour in the rural hierarchy, so that any categorisation exclusively on economic criteria is not satisfactory. Much of the economic and social struggles among the landed and labour households are often drawn on caste lines. Many of the exchange systems in labour and land are associated with the caste characteristics of the parties entering the contract. Also systems of bondage like hali are peculiar to certain castes and tribes[3]. These and similar considerations must be borne in mind

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[2] See Ch.2, Sec.2

[3] See below Ch.4, Sec.3

while interpreting subsequent analysis based on ALE/RLE data and tabulations[4].

We also reiterate the importance of household as the relevant unit of analysis by quoting from the report of the first ALE:

"The earnings of every worker in the family as well as the income of the family from property including land and livestock and family occupation, if any, flow into the family pool for its maintenance. Women and even children in the families of agricultural labourers contribute to the family income, either as earners or helpers. Out of the total family pool, each individual gets a share according to his or her needs but not according to their individual contributions to it -- since the old and the decrepit and the children of tender age who are generally non-earning dependents have also to be provided for from the total family earnings. That being so, the standard of living has to be assessed by the mode of living of the 'family' and not by the individual." [5]

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[4] Development of a comprehensive or alternative livelihood classification of RLH's is beyond the scope of the present study.

[5] GOI, Min. of Labour, Report on the Intensive Survey of Agricultural Labour, Vol.I, 1954, Ch.VII, p. 86. 'Family' in this Enquiry was used synonymously with the 'household' concept adopted in subsequent Enquiries.

Before we begin the analysis of the economic structure of RLH'S, we note two important macrodimensions of these households. As in 1977/8 RLH's accounted for 36.7 percent of all rural households, a proportion that had been growing over more than a decade since RLE-I (1963/4) when it stood at 25.4 percent. Agricultural labour households (ALH's) themselves accounted for 30 percent of all rural households, with non-agricultural labour households making up 6.7 per cent.[6] In 1977-78, households belonging to the 'weaker sections' i.e. Scheduled Castes/Tribes made up 47 percent of all RLH's (37 percent SC and 10 percent ST). While the existence of SC labour households may be regarded as endemic to the rural social structure, tribal population has added a new dimension to the rural labour problem after Independence. Uprooted and pauperised by the numerous development projects such as mining, irrigation and industrial units based on forest produce, tribals swelled the ranks of 'general wage labour'.[7].

### 3.2 Household Size and Earning Strength

In RLE's a 'household' has been defined as "a group of

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[5] GOI, Min. of Labour, Report on the Intensive Survey of Agricultural Labour, Vol.I, 1954, Ch.VII, p. 86. 'Family' in this Enquiry was used synonymously with the 'household' concept adopted in subsequent Enquiries.

[6] See Ch.2, Sec.2 for definitions of ALH/RLH and changes therein.

[7] Report of the National Commission on Labour, p. 37.



persons normally living together and taking food from a common kitchen." The 'household size' has been defined as "the number of normally resident members of the household." [8]. Size of the labour household is not merely a demographic characteristic. It determines, among others, the labour that the household can 'supply'. We see in Table 3.2.1 that ALH's - who mainly live on wage-paid manual labour in agricultural occupations-tend to have relatively small households as compared to all RLH's [9]. Non-ALH's which are included in RLH's have by implication bigger households. These households have a superior resource position, reflected in their larger average land holding size and higher total income, a major share of which is from wage income in non-agricultural occupations [10].

Further, as between the labour households 'with land' and 'without land', the former category have bigger households. This relation holds both for ALH's and all RLH's. The pattern is by and large true for all regions in the country (Table 3.2.1). This positive relation between resource-base and household size noted

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[8] RLE, 1974/5, Final Report on Indebtedness, pp. 4-5.

[9] Note that the set of RLH's include ALH's as well as non-ALH's. Since RLE's do not provide separate tabulation for non-ALH's, differences in magnitudes for RLH's and ALH's are attributable to non-ALH's.

[10] See Sec. 3.3 below

in earlier studies[11] does not appear to be amenable to easy economic interpretation. There are no a priori grounds for non-ALH's having bigger households than ALH's, or why households with land should be bigger than those 'without land'. From cross-sectional observations it is not easy to infer the direction of causation, i.e., whether higher incomes cause bigger households or vice versa. The dynamics surrounding the association between resource position and household size could be postulated in more than one way. It is possible that the bigger among the labour households had to lease-in a piece of land or find an additional source of income, such as non-agricultural wage work, for the survival of the household. Or it is possible that historically large populations settled in regions where land was relatively plenty or more fertile. Over time, with the growth of population, sub-divisions proceeded fast and the labour households came to own small parcels of land. This seems a plausible process when we examine the regional pattern of the association between a size of household and average size of land held.[12]. In the Northern and Western Zones where some regions saw large-scale migratory settlements both the size of land and household size were higher as compared to other zones. The converse process of relatively higher incomes encouraging growth of household size, which no doubt has a Mathurian flavour, appear very tenuous and is

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[11] Bhardadwaj (1974), p.19

[12] Appendix A.I

difficult to examine given our data-base. In fact, any of the hypotheses suggested are very tenuous across households and need confirmation in broader historical and institutional frame.

Although ALH's have relatively smaller sized households, they have on average more earners per household as compared to non-ALH's. This has been observed with consistency over the three RLE's and between the sexes (see Table 3.2.2). Calculated earner=population ratios (EPR's) also confirm the negative relation between the labour households' resource status and earning strength[13]. This is in particular true when we consider the number of wage earners as a ratio of household size. Significantly, labour households 'without land' recorded higher EPR's as compared to those with land[14]. This might be explained as a distress phenomenon. Precisely because of their relatively weak resource position, ALH's and labour households without land have perforce to draft in more members of the household, including, in particular, women, children[15] and the aged to

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[13] "The 'earning strength' of a household has been defined as the total number of persons reporting 'agricultural labourer', 'non-agricultural labourer' or 'any other occupation' as their usual occupation." RLE 1974/5, Final Report on Indebtedness, pp. 9-10. 'Wage-earners' are those reporting 'agricultural labourer' or 'non-agricultural labourers' as the usual occupation.

[14] See footnote to Table 3.2.2.

[15] Defined as persons below 15 years of age.

take up any activity that would contribute to the household survival. It is not without significance further that EPR's for females exhibit sharper year-to-year fluctuations than for males. To anticipate what has been discussed below[16] we note that women, for reasons peculiar to their life and work in the household, enter into workforce temporarily and intermittently to supplement family income. Such is the case especially in 'bad' years of crop failures.

### 3.3 Asset- and Income-Structure

In the agrarian order, the resource position of the household largely determines its involvement in the exchange and production processes. For the chronically deficit labour households, access to land, however small, is a crucial asset that helps supplement income from inadequate and uncertain opportunities for wage-paid employment. In 1983 about 57 percent of RLH's in the country were landless. Of the 43-percent 'with land',[17] more than half operated on farms less than one acre in size (see Table 3.3.1). Another broad trend visible in this table is that over time there has been some not-too-insignificant redistribution of cultivated land in favour of the operators in lower size classes with the result that the average

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[16] See Ch.4, Sec.5.

[17] 'Cultivated land' includes land owned, leased-in, current fallows and orchards.

size of land cultivated by RLH's rose from 1.15 acres in 1974-75 to 1.50 acres in 1977/78. This comes out even more tellingly when we look at the macro time-series as in Table 3.3.1A. There it can be seen that area operated under marginal holdings (less than 1 ha) rose steadily from about 5.6 percent in 1953/4 to 12.2 percent in 1980/1. Correspondingly, the share in area operated of large holdings declined from 37 percent in 1953/4 to 23 percent in 1980/1. While these trends do reflect extreme levels of 'land hunger' at the bottom of the scale, they cannot be interpreted to mean greater effective access to cultivation for RLH's as a whole. For one thing landlessness among RLH's has tended only to rise. Labour households 'without land' rose from 51 percent in 1974/5 to about 57 percent in 1983 (Table 3.3.1). For another, we do not know the extent of lease holding in the land operated by RLH's or the terms of lease. Lease contracts are most often struck orally and informally and official estimates based on land records are not reliable[18]. We also get no idea of how much of land cultivated is held by attached workers during the tenure of their contract. It seems plausible that large operators have been on a significant scale leasing out land (in small parcels) to marginal operators, as is evident from Table 3.3.1A. Over time the number of marginal holdings rose more sharply than the area

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[18] The National Commission on Agriculture (NCA) places the lease ratio for the lowest size class (of less than 0.5 ha) at barely 8 percent. See report of NCA, Vol. XV, p.182.

operated under these holdings[19]. This suggests a possible intensification of semi-fendal relations in agriculture, making the position of RLH's more vulnerable.

Within this general parsimony of access to cultivation among RLH's, a difference between ALH's and non-ALH'S is worth noting. Non-ALH's, on average, cultivate a relatively large area as compared to ALH's (Table 3.3.1). This is keeping in with higher incomes and employment recorded by non-ALH's as we shall see below.

ALE/RLE data do not provide any information on the non-land assets of labour households. However, from the NSS 37th Round results which pertain to the rural population as a whole, it may be surmised that non-land assets may well be non-existent for RLH's. According to NSS data non-land assets (including buildings, livestock, machinery and equipment, durable household assets, financial assets and dues receivable) accounted for 38 percent of all assets of all rural households. Livestock, which accounts for 5 percent of rural assets, may in fact be the only non-land asset that labour households possess. This is partly reflected in the income data that we shall analyse in the present section. But possession of livestock, whether in draught animals or in milch cattle, is crucially dependent on access to land. For

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[19] See Bandyopadhyay (1988)

land is the source of fodder as well as use of animal power[20].

An 'invisible' asset that might help the labour households take advantage of non-agricultural work opportunities, assuming such opportunities are expanding, is education and skills. But as Table 3.3.2 will show, about 80 percent of members belonging to RLH's are illiterate and only 6 percent completed 'primary' level education. Members belonging to non-ALH's are relatively more literate. A very low proportion of members belonging to RLH's possess any skills. Most of those reporting skills are skilled in traditional and hereditary occupations like spinning, weaving, cobblery, carpentry, masonry and fishing[21]. The Intensive Type Studies (ITS) reveal a 'lack of interest' in possessing skills among members belonging to ALH'S. This may be due to the fact that on the one hand traditional skills are becoming redundant, with rural consumption shifting towards factory-made goods and a decline in traditional systems of patronage. On the other hand, chronic unemployment may have demoralized them into accepting that acquiring new skills would not be worth their while.

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[20] An exception is when possession of draught animals constitutes, in its own right, the household 'enterprise'. See Ch.4, Sec. 32. Also, animal husbandry may be an important income source for landless, non-agricultural labour households.

[21] ITS-General Report, Ch.3.

The thin asset base of RLH's is reflected in their low incomes. For lack of an appropriate deflator we cannot derive estimates of real income for labour households[22]. We therefore rely on estimates of nominal incomes per capita for ALH's/RLH's and compare them with per capita National Income at current prices for the years corresponding to ALE's/RLE's. From Table 3.3.3 we see that barring 1974/5,[23] the per capita incomes of labour households tended to be low and stagnant. In particular, per capita income of ALH's remained dismally low, just about a third of per capita National Income over 1956/7 to 1974/5.

Differences in the level of household income between different categories of ALH's/RLH's must also be noted. RLH's have a higher annual household income as compared to ALH's. Households 'with land' and attached labour households record higher income than households 'without land' and casual labour households (Table 3.3.3A). Significantly, although households 'with land' have higher annual household income than those 'without land', the latter have higher per capita income owing to their smaller household size.

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[22] A consistent and continuous series of Consumer Price Index Numbers for Agricultural Labourers (CPIAL) with base 1960-61=100 is available at the all-India level only from 1965 onwards even though the weighting diagrams for the index were derived from ALE 1956/7.

[23] Early 70's saw high inflation for agricultural labourers with CPIAL standing at its all-time peak of 368 in 1974-75 which was a 'bad' agricultural year.



Not only is the thin and precarious asset-base of labour households reflected in very low income levels (in absolute terms as well as relative to per capita national income), it is even more transparent in the structure of incomes. About 78 per cent of their income[24] is on account of 'wage-paid manual labour', the bulk of which originates in agricultural occupations. This is not surprising, since labour households have been defined that way. What is striking is that non-labour income is so little. Household enterprises and livestock/poultry[25] contribute no more than 4.3 percent (see Table 3.3.3B). 'Self-cultivation' provides only about 7 percent of income for RLH's. For ALH's it is even lower at 4 percent. These features indicate our earlier conjecture about the correspondence between household's resource base and its income flow.

Noteworthy are also the differences in income structure as between casual labour households and attached labour households. In particular, attached labour households have higher income levels. Besides, a larger part of their income is on account of 'agricultural labour' (see Table 3.3.3C). Both these features emanate from the fact that attached labourers, after all, have a steady source of employment and income through the year, even if

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[24] Income does not include receipts from sale of assets or increase in liabilities.

[25] Livestock/poultry as a source of income is of some significance only for non-ALH's.

at any given moment they may not have the freedom to take advantage of better terms (such as high peak-season wage rates) for hired labour outside that are open to casual labourers. The dependence of casual labour households on cultivation of land and non-agricultural labour is relatively high. This indicates why 'attachment' in some form or the other survives and why it reappears in regions like Haryana and Punjab. In the following Chapter[26] we discuss how labour attachment actually implies a symbiotic relation between the employer and the worker.

We also note in passing that average annual receipts (mainly on account of loan and to a very small extent, sale of assets) are again relatively higher for non-ALH's and households 'with land'. This could be due to the relative 'credit-worthiness' of these households. In the rural economy, 'ability to command credit depends crucially on the possession of land and non-land assets and on caste status etc.

The abysmally low incomes of the labour households and the broad comparative features of income structure as between types of labour households must be regarded as reliable even if questions might be raised against accuracy of reported incomes owing to general problems of recall, lack of accounts, irregular

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[26] See Ch.4, Sec. 4

nature of income flows and even deliberate understatement by respondents normally encountered in rural economy.

### 3.4 Wages and Earnings

#### 3.4.1 Introduction

It is important to investigate into the structure of wage income of labour households, given its predominance in the overall income structure of these households. We recall from Chapter 2 that the analytical position taken there with regard to the determination of labour income and labour-use is in contraposition to the competitive framework of conventional (neo-classical) theory. Emphasised in the former are the differentiated economic structure of village economy, the different involvement in the exchange processes of different categories of households, the specific nature of agrarian markets, the absence of 'wage labour' in its proper sense and the postulate that wages and employment are outcomes of interacting survival and exploitation strategies of workers and employers. Such a framework, we suggest, is wide enough to capture the bewildering variety of wage and labour-hire systems actually observed. Several descriptive studies, including the RLE's, have brought to light such variegated systems in existence.

Although they are well-known, some features of the agrarian wage structure - wage differentials, modes of payment and

components of wage payments - need to be recounted to provide a perspective for our analysis. First, the work day in agriculture cannot be defined unambiguously as in industry. The ambiguity is imposed by the nature of agricultural operations and seasonal exigencies. The work-day for operations like harvesting is typically very long, for if it is not carried out within a short span, the crop might be destroyed. Ploughing and sowing operations take less than a full day on smaller farms. Secondly, wages in agriculture are paid irregularly. The time cycles vary across regions and situations and range from 'daily' to 'at the time of harvest'[27]. Thirdly, kind payments of various types and perquisites form an essential component of wages[28]. These raise serious problems of valuation and comparison and analysis of wage differentials. Fourthly, labour-hire systems assume complexity and variety - from daily paid casual labour to cop-sharing attached workers, from time- and piece-rated employment to contract labour. Fifthly, some wage-differentials, such as between men and women and as between caste and low-caste workers defy economic principles. Issues related to these features find elaboration in the present as well as the following chapters at appropriate places. They have been only briefly reviewed here to point out the conceptual and measurement problems associated with 'wage rate' in agriculture.

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[27] See Ch.4, Sec. 4

[28] See below.

Given the intermittent nature of employment of workers in labour households for whom 'work' itself is among the many activities geared to household sustenance, observed 'wage rates' and changes therein afford us only a partial picture of welfare. Interestingly in agriculture, high wages and high employment go together as during the peak seasons and low wages and low employment occur simultaneously in the slack seasons[29]. The relevant concept, therefore, is of 'earnings'- which subsumes not only the wage rate but number of days employed. Herein lies the distinctive character of RLE wage data vis-a-vis other, more regular, data-sources such as Agricultural Wages in India (AWI), published annually by the Ministry of Agriculture. In ALE's/RLE's total earnings of workers in labour households over the reference week in agricultural and non-agricultural operations are first reckoned. Average daily earnings are then estimated by dividing the total earnings from different occupations/operations by number of mandays spent in those occupations/operations. Mandays are themselves normalised for work-intensity. This affords us in unambiguous terms the pattern of wage income earned by RLH's. In AWI, data on wage rates alone are collected every month from one or two centres selected purposively in each district. Daily wage rates "most commonly current" during the reference month,

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[29] This would contradict the standard assumption of a negatively sloping demand curve for labour. Also, guiding the labour supply are specific features of an agrarian economy and not the leisure-income preferences of individual workers. See Ch. 2.

separately for men, women and children, but not separately for different agricultural operations in most cases, are collected. Apart from these wage rates not being weighted for employment, the enumeration practices allow a bias against interseasonal variations in wages[30]. These wage rates and the average daily earnings as reckoned in RLE's are thus dimensionally not comparable and the former are invariably on the higher side.

### 3.4.2 Structure of Earnings[31]

Average daily earnings per worker in labour households were in nominal terms as low as Rs. 2.17 to 3.79 in agricultural occupations in 1977/8. When corrected for price increases[32] the earnings would remain at around one-third of these levels. Earnings per worker in non-agricultural occupations tend to be higher. This is true for adult males and children in both ALH's and non-ALH's (Table 3.4.1). This relation is, however, not systematic in the case of women workers. The higher earnings in non-agricultural occupations are due to these occupations being

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[30] Rao (1972) and Jose (1974 and 1988).

[31] Earnings include kind payments which in RLE's have been evaluated at wholesale prices. Kind payments in turn include perquisites of the 'recurring' type (e.g. cooked meals, tobacco, fuel etc.) and 'non-recurring' type (e.g. housing, clothes, shoes, bonus etc). Non-recurring perquisites typically characterise payments to attached workers.

[32] The deflator being Consumer Price Index for Agricultural Labourers (1960-61=100)

relatively better paid and often demanding skills of one kind or the other. The differential in earnings as between agricultural occupations and non-agricultural occupations is even larger in the case of non-ALH's. This is not surprising since workers in these households tend to specialise in these occupations. The uniformly lower earnings of females are partly explained by the gender specificity of particular operations (the ill-paid ones being the lot of women) and partly by an element of relative exploitation of women by employers[33].

The ranking of daily earnings as between men, women and children in agriculture are uniform across various field operations (Table 3.4.1A). Women are paid less even in operations like sowing, weeding and harvesting in which their employment appears to be concentrated and for which employers seem to prefer them. Children are, of course, paid the least in all occupations and in all operations. In actual situations when men, women and children from the same labour household are wage-employed on farms, women and children may be regarded as 'helpers' and 'understudies' to men workers and employers thereby acquire 'legitimacy' to pay the latter less for the same work and perhaps for same efficiency.

The importance of 'kind' payments as wages was substantial in the mid 70's, especially in agricultural operations such as

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[33] See Ch. 4, Sec. 5.

harvesting and ploughing. Table 3.4.2 shows that about 40 percent of average daily earnings of men workers in ALH's are commuted in kind. In non-agricultural occupations it is much less at around 16 percent. Across regions, the properties of kind wage was relatively low in the Western and Southern Zones. The share of cash component of wage may be expected to vary directly with the relative importance of commercial crops vis-a-vis food crops in a region, the liquidity position of employers, and the relative price of food. The liquidity constraint may be serious in the case of small and marginal farmers who hire labour only in the peak season. On a priori grounds it would seem plausible that employers prefer to pay in cash if the relative price of food is high; they would prefer to pay in kind if the relative price of food is low. Workers on the other hand may prefer kind payments especially in times of high food prices. Across various farm operations, the share of kind component in earnings is the largest in harvesting. It is precisely at the harvest time that the liquidity position of the employer would be the poorest. Also, payment in terms of a fixed share of harvest would reduce supervisory risks and help the employer acquire better control over efficiency and avoidance of wastage and possible pilferage. Most often, employers prefer piece-rated workers and contract labour at the time of harvest[34].

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[34] See Ch.4, Sec. 4.



It would also be important to examine the earnings differential as between casual labourers and attached workers. While we know from the previous section that attached labour households command higher total income and higher wage income and greater annual employment from agricultural occupations as compared to casual labour households, we cannot deal exclusively with 'wages' of attached workers as in the case of casual workers. Their wage structure is "so inextricably connected with the contract of employment, conditions of service, grant of tye-in allotments, loan advances and systems of crop-sharing[35]", that it is difficult to isolate their wage earnings.

Given the limited number of observations and the unavailability of an appropriate deflator, it is also not possible to estimate a continuous series of real earnings for ALE/RLE data. However, reports of ALE 1956/7 and RLE 1974/5 consider point-to-point comparisons - i.e. 1956/7 earnings compared with 1950-1 as the base year (weights on the index are drawn from ALE 1950/1) and earnings in 1974/5 compared with those in 1964/5 with weights drawn from RLE 1964/5.[36] Both these exercises reveal considerable erosion of real earnings of workers in labour households, even after allowing for differences in

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[35] See GOI, Min. of Labour and Employment, Agricultural Labour in India, Report on the Second Enquiry, Vol.I, 1960, p. 126.

[36] See, Report on the Second Enquiry, *ibid*, pp. 110 and 132; and RLE, 1974/5, Final Report on Wages and Earnings, Table 3.4, p. 162.

concepts and definitions, deflators used and in the manner in which kind payments have been evaluated[37].

Aggregative studies on long-term trends in agricultural wages such as those conducted by Jose[38] do not point to encouraging prospects. He finds that real wages of agricultural labourers in most states (with the possible exceptions of Punjab, Haryana and Kerala) registered declines till about mid-70's when the trend reversed for most states while, interestingly, real wages declined in upbeat regions like Punjab. He attributes the latter reversal in regions like Punjab to the wage-depressing impact of large scale circular migration into the region together with the increasingly capital-intensive agriculture. Thus he fears that while technological changes which induce rise in output per worker may push the wages up, the phenomenon may be just short-lived. We shall not comment on these, except to state that real wages even while rising would have long-standing impact on the welfare of workers only in a situation of expanding employment. That the average number of full days employed per year per worker in ALH's/RLH's shows no tendency to rise is clear from RLE evidence[39]. Further Unni's (1988) state-wise analysis shows that in most states while employment declines sharply in a

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[37] 1956/7 wage figures, in fact, are lower in nominal terms than the 1950/1 figures. See Ch.2, Sec.2 also.

[38] See AV Jose (1974 and 1988).

[39] See Ch.4.

bad year such as 1974/5, it does not rise appreciably in the next period. Although agricultural wages in the short-run may be positively affected by growth of output, the eventual impact would be determined by the pace and pattern of accumulation in the economy as a whole. Unionisation of workers and a government sympathetic to the labour may independently affect agricultural wages, as indeed it has happened in the state of Kerala.

### 3.5 Expenditure, Debt and Levels of Living

The asset and income structure of rural labour households analysed in the previous section must be cast against their consumption expenditure and economic levels of living. For labour households are generally chronically deficit households. They fall under the lowest category of the economic differentiation structure identified in Chapter 2 above. Their expenditure levels are continually in excess of their incomes and these cannot be matched even over a cycle of 'good' and 'bad' years. Of particular importance therefore is how these households make good their deficits, the limits to such attempts and whether, after all, they secure themselves economic levels of living.

#### 3.5.1 Expenditure

'Expenditure' throughout the discussion refers to consumption expenditure and 'income', to current earned income. Labour households, as just mentioned, are generally deficit

households, the deficit sometimes running as much as 86 percent of current earned income for ALH's (Table 3.5.1). With such a huge gap between current income and consumption, these households have little choice as to their consumption bundle. Three-fourths or more of their annual consumption expenditure is made up by expenditure on 'food' alone (see Table 3.5.2)[40]. The remainder (roughly, a quarter) is directed at purchasing the bare essentials of life such as clothing and fuel for the kitchen. Expenditure on 'stimulants and intoxicants' is probably better regarded as part of an expenditure necessary for 'reproducing labour power' than as expenses of luxury or addiction. The onerous nature of manual labour in several rural activities requires for relaxing consumption of tobacco, bettlenut and even liquor. Their expenses on 'ceremonials' is far less than what civil servants in British India would have reckoned. Within the share of 'food' group, a large chunk (about 69 percent in 1974/5) is directed at buying cereals alone[41]. The huge deficits on consumption account and the pattern of consumption expenditure have two notable implications. First, at such low levels of

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[40] Note also the sensitivity of the share of 'food' group to year-to-year change in general level of activity in agriculture. In 1974/5, a year marked by agricultural failure, low employment and peak-level food prices, the share shot to about 79 percent.

[41] Cereals are poor in protein. As we shall see below, consumption of pulses among labour households is too low, while that of other food articles such as vegetables, milk and fruits required of a 'balanced' diet is almost non-existent.

income consumption expenditure is to a large extent determined by the minimum needs of survival and there is a continuous effort to adjust incomes to the needs. Different strategies are pursued to raise incomes, even if such attempts are not entirely successful. Secondly, for the set of rural labour households atleast, poverty is too evident to require quantitative identification in terms of a specified poverty line[42].

There are marked differences in levels of consumer expenditure as between different types of ALH's/RLH's. Non-ALH's tend to record relatively higher levels of consumption expenditure as compared to ALH's. Households with some land and attached labour households have larger allocation on consumption relative to landless and casual labour households (Table 3.5.2A). This is due to the higher incomes and relative credit worthiness of cultivating and attached labour households. We now turn to a consideration of the level and structure of debt incurred by the labour households.

### 3.5.2 Debt

Debt of the labour household refers to a cumulation of obligations over time. It "denotes amount of an outstanding loan (principal as well as interest) at the time of enquiry. It

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[42] This, however, is not to dispute the general utility of poverty estimates for the economy.

includes borrowings in cash and kind, credit purchases and advance payment received for forward delivery of goods"[43]. In other words, debt is a stock magnitude. Current consumption expenditure of a labour household, it is expected, will be identically equal to the sum of current income and current receipts. Current receipts refer to income resulting from sale of assets and increase in liabilities[44]. The profile of household finances provided in Table 3.5.1, however, seems to contradict this identity. There it will be seen that for both 1963/4 and 1974/5 there is a deficit on consumption account, net of current income as well as current receipts, which is unexplained. This deficit is so large indeed that it exceeds the 'average debt per indebted household' in 1963/4.

The unexplained component could be due to (a) an underestimation of current income, (b) an underestimation of current receipts, or (c) an overestimation of consumption expenditure, at the level of the household. In the absence of any clues in RLE reports, we could only speculate generally about the possible factors accounting for the unexplained deficit. It is widely accepted that rural household income is underreported owing to the irregular flow of wage incomes, bad recall and lack of proper

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[43] RLE 1974/5, Final Report on Indebtedness, p.8.

[44] The latter actually amounts to a loan taken in the current year. See RLE 1974/5, Final Report on Income and Consumption Expenditure. The loan taken in the current year must also be part of the 'outstanding loan at the time of enquiry'.

accounting, although it is difficult to estimate the magnitude of such underreporting. As for estimates of current receipts, the possibility of under-reporting appears much less, considering both the volume and structure of such receipts (Table 3.5.2B). However, to the extent that agrarian loans often assume very complex forms and are not commuted in cash, there may be under-estimation. For example, the consumption loans received by share-croppers and attached workers may not get reported as loans. Yet another problem relates to differences in the reference period. In RLE 1963/5, for example, income/consumption refer to 1963/4 while debt figures refer to 1964/5. Finally, there might be a tendency to overreport expenditure among rural households. The fact is that we do not know the relative importance of these various biases and to what extent they cancel each other off. Insofar as our analysis is restricted to percentage shares and relative levels the biases would not affect much but the caveats must be borne in mind while interpreting. In any case, all the magnitudes involved -- income, consumption and receipts-- are low in absolute terms.

The rural labour household incurs debt for the crucial purpose of minimal consumption and, to a lesser extent, for productive purposes, given their negligible command over productive assets. However, underlying the debt relations are broader and more fundamental production relations characterising the agrarian economy as suggested in the framework outlined in

Chapter 2. Debt is an integral part of the total contract of an attached labourer. In like manner, an interest-free loan received by a sharecropper may be an integral part of forced commerce that the lessor creates for the lessee. Debt for our purposes may be visualised against the backdrop of interacting survival and exploitation strategies respectively of chronically deficit labour households and 'surplus' employers. The RLE data on the relative incidence of indebtedness among various types of labour households, the relative amounts of debt incurred by them, the sources and purposes of debt might help elaborate the conditions of rural labour.

Possession of land and such other productive assets, however small they are, is positively associated with both the incidence of indebtedness and average amount of debt. We have seen above[45] that non-ALH's and households 'with land' command a relatively better resource position than ALH's and landless households. Likewise, attached labour households have higher incomes and steadier employment as compared to casual labour households. The positive association between resource position and indebtedness is mainly explained by the relative credit-worthiness of better-off labour households. As Table 3.5.3 will demonstrate, there is greater incidence of indebtedness among households 'with land' than among those 'without land'. This is true both for ALH's as well as all RLH's. Also attached labour

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[45] Sec.3.3 above.



households report greater incidence of indebtedness as compared to casual labour households, as is to be expected. The overall incidence of indebtedness itself, both among ALH's and all RLH'S, appears to be sensitive to annual changes in general agricultural activity. Thus in 1974/5, a bad year for agriculture, the ratio of indebted households shot up. Carrying this logic further we note that the proportion of debt geared to 'others' (i.e. to 'more than one purpose' or unspecified purposes) shot up in the same year (see Table 3.5.3A). This is because a slump in agricultural activity throws out of gear the entire livelihood of labour households who subsist at the margin. A larger debt must be incurred by them partly to finance consumption and partly to keep the assets in goodstead for the next production cycle. Even more significant, more debt in bad years may be needed actually to retire old debt as such years tend to see higher recovery rate and/or rescheduling of debt, possibly on more onerous terms. This is partly suggested in the increased importance of money-lenders in the rural credit market in a bad year (see Table 3.5.3c). Also, given the general tightness of money in such times[46], contracted loans in kind appear to assume importance (Table 3.5.3B).

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[46] Both money-lenders and the banking system adopt a 'tight monetary policy' although for very different reasons. For money-lenders the hoarding value of money goes up while for banks/cooperatives commercial as well as inflation considerations become important.

Not only the incidence of indebtedness but the average amount of debt per indebted household is greater among households with land and attached labour households as compared non-cultivating households and casual labour households (Table 3.5.6). In this context, the large gap between the debt per indebted labour household and the debt for an average rural family as revealed by Reserve Bank's Rural Credit Survey must also be noted[47].

Although borrowing for non-productive purposes--mainly 'consumption' but substantially 'marriage and other ceremonials' -- is most common among all labour households, it is especially typical of landless households. Borrowing for productive purposes is relatively more important among cultivating households (Table 3.5.3A). Most of the debt (about 95 percent in 1977/8) is contracted by the present generation of indebted labour households, with hereditary loan on an average accounting for just five percent (Table 3.5.3B). Hereditary loans are characteristic of attached workers[48]. Loans are increasingly being commuted in cash. In 1977/8, cash loan accounted for 79 percent on average in the debt of an indebted labour household. Traditional sources of credit--money-lenders, together with employers, shop-keepers and 'others' including friends and relatives -- still dominate the supply of credit. These sources accounted for

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[47] See footnote to Table 3.5.3.

[48] See Ch.4 , Sec. 4

about 85 percent on average of debt incurred by an ALH in 1977/8. Institutional sources like cooperatives and banks accounted for only 15 percent of debt in that year (see Table 3.5.3C).

We have thus far seen that labour households in rural areas, given their critical dependence for survival on wage-paid manual labour which is both inadequate and uncertain in relation to their survival requirements, chronically run deficits on consumption account. Doubts may be raised about the magnitude of deficits, but chronic deficits are in all probability a fact of their life. Their deficit situation becomes especially precarious in years of agricultural failure. In these years, total employment, and total earnings are particularly low and price of food escalates. The deficits are somehow made good by debt-rolling and by borrowing from friends, relatives, employers, money-lenders and shop-keepers. The limits to such a debt-rolling may be set on the one hand by intensifying semi-feudal relations in agriculture and by the complex of survival strategies these households adopt, on the other. The following chapter discusses the survival strategies of RLH's.

### 3.5.3 Levels of Living

Following the pioneering work of Dandekar et al on poverty,[49] it has become customary among economists to define a

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[49] Dandekar and Rath (1971).

poverty line and estimate the corresponding poverty ratio on the basis of data provided by NSS Rounds on consumer expenditure. While the choice of expenditure data sets for the purpose is determined largely by their availability[50], the conceptual problem arising out of pegging poverty norms to expenditure rather than to income must be noted. Given that rural labour households have incomes/expenditure concentrated below any poverty line[51] and that they continually run deficits on consumption account, poverty norms in terms of expenditure alone, without asking if and to what extent expenditure is financed out of debt, have the effect of underestimating poverty, particularly of those labour households which represent the border-line cases. (An associated problem is the question of how poor is one who is already classified as 'poor'). It is these border-line cases that account for year-to-year variation in the poverty ratio depending on changes in agricultural output[52]. The conceptual problem is in what sense a person above the poverty-line is 'not poor' if over time a significant component of his consumption expenditure is debt-financed. Our evidence on the cumulation of debt by RLH's is restricted to the fact that their current loan is but a fraction of total debt outstanding.

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[50] It is extremely difficult to estimate the incomes of the rural poor, even through sample surveys.

[51] Dandekar et.al., *ibid.* They confirm this for ALH's for 1956/7 in terms of their norm, widely regarded as authentic.

[52] Minhas was among the first to note the link between a variable poverty ratio and changes in agricultural activity in the economy. Minhas (1970).

But following the established tradition, we try and look at the living standards of RLH's in terms of annual per capita consumption expenditure. This we shall do simply by comparing expenditure estimates for RLH's with those for all rural households as in Table 3.5.4. In the absence of an appropriate deflator for working out a series of 'real' expenditures for various ALE's/RLE's, we rely on 'current prices' estimates for both the series being compared. It will be seen that in 1950/1 and 1956/7, the expenditure levels of ALH's were far lower when compared to general expenditure levels in rural areas. For the next two years, 1963/4 and 1974/5, a convergence in the relative expenditure levels is seen. However, the possibility of such a convergence is a great deal discounted when one considers the following. First, the 'all rural households' figure for 1963/4 is arrived at by interpolating observations for time points in the neighbourhood. Secondly, the year 1974/5 saw relatively sharper rise in inflation as compared to 1973/4.. Thirdly, the changing prices would differentially affect the two sets of rural households being compared. Fourthly, from 1963/4 onwards the proportions of RLH's among all rural households grew steadily (see Chapter 1). Finally, both in 1963/4 and 1974/5, a substantial portion of consumption expenditure by ALH's/RLH's was made out of debt (see Table 3.5.1).

Analysis of consumption expenditure by size classes reveals that much of the rise in nominal incomes of labour households is

spurious. The poverty ratio for ALH's was high at 67 percent and 71 percent respectively in 1963/4 and 1974/5 (Table 3.5.4A).

A more robust analysis of the economic levels of living of labour households is conducted in terms of quantitative estimates of per capita daily consumption of cereals and pulses. ALE/1950/1 provides quantitative estimates of all items of food. It also provides estimates of per capita consumption of calories and proteins and concludes that on both counts ALH's are deficient. Subsequent enquiries provide quantitative estimates for only cereals and pulses. However, we do know that cereals and pulses make up roughly three-fourths of total allocation on 'food' in 1974/5. That is, other sources of nutrients - such as vegetables, fruits, milk, edible oils, meat, fish and eggs and sugar form only a negligible part of the worker's daily food intake. Analysis presented in Table 3.5.4B suggests that while rural labourers more or less meet the requirements of cereals consumption, they are chronically highly deficient in the consumption of pulses, their important source of protein. Furthermore, among cereals wheat, which is endowed with greater nutritive value occupies a very small share compared to rice and other coarse grains. Also we note that in a bad agricultural year, per capita consumption of even cereals goes down sharply even while 'food' group accounts for an especially larger share of total consumption outlay in that year (see Table 3.5.2). A decline in per capita consumption of cereals and pulses occurred

across all states in 1974/5 as compared to 1963/4. Furthermore, in 1974/5 consumption of cereals is not especially high in Punjab and Haryana as compared to other states such as Rajasthan, Uttar Pradesh, Bihar and Andhra Pradesh (See Appendix. A). We therefore, conclude that RLH's live in raw poverty and very likely their conditions are growing grimmer over time.

TABLE 3.2.1

AVERAGE SIZE OF LABOUR HOUSEHOLDS  
(NO. OF PERSONS)

A. ALL INDIA

	ALH's			RLH's		
	All	With Land	Without Land	All	With Land	Without Land
1964/	4.53	5.00	4.16	4.54		
1974/5	4.76	5.15	4.38	4.79	5.21	4.39
1977/8	4.67	NA	NA	4.72	NA	NA

Zone wise size of RLH's in 1974-5

B. <u>ZONES</u>	Central	Eastern	Southern	Western	Northern	All-India
All	4.76	4.84	4.52	5.03	5.25	4.79
with land	5.11	5.18	5.12	5.44	5.64	5.21
without land	4.35	4.43	4.02	4.71	5.11	4.39

Source: Reports of RLE's.

Note: ALH's - Agricultural Labour Households.  
RLH's - All Rural Labour Households.  
(ALH's+Non-ALH's)



TABLE 3.2.2

AVERAGE SIZE, EARNING STRENGTH AND NO. OF WAGE-EARNERS PER HOUSEHOLD  
OF ALH's AND RLH's (All India)

(No. of persons)

	<u>Av. Size of household</u>			<u>Av. earning strength</u>			<u>Wage-earners/ household</u>			<u>Earner-Popula-Wage- tion Ratio earner to Pop- ulation ratio</u>				
	M	F	T	M	F	T	Mn	WN	CH.	T	M	F	T	lation ratio
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(4)/ (1)	(5)/ (2)	(6)/ (3)	(10)/ (3)
<u>ALH's</u>														
1964/5	2.28	2.25	4.53	1.28	0.85	2.13	1.16	0.76	0.12	2.04	0.56	0.38	0.47	0.45
1974/5	2.41	2.35	4.76	1.35	1.00	2.33	1.22	0.88	0.14	2.24	0.56	0.42	0.49	0.47
1977/8	2.37	2.30	4.67	1.35	0.78	2.13	1.07	0.61	0.11	1.79	0.57	0.34	0.46	0.38
<u>RLH's</u>														
1964/5	2.29	2.25	4.54	1.27	0.82	2.09	1.15	0.72	0.11	1.98	0.55	0.36	0.46	0.44
1974/5	2.42	2.36	4.79	1.35	0.96	2.29	1.23	0.83	0.14	2.20	0.56	0.41	0.48	0.46
1977/8	2.40	2.32	4.72	1.34	0.74	2.08	1.03	0.56	0.11	1.70	0.56	0.32	0.44	0.36

Source: Reports of RLE's

Note: (1) ALH's - Agricultural Labour Households  
RLH's - All Rural Labour Households  
(ALH's + Non-ALH's)

(2) For 1974/5, Earner-Population Ratios for labour households 'without land' were greater than those for households 'with land'.

(3) M = Male, F = Female, T = Total, Mn = Men, Wn = Women, Ch = Children.

Table 3.3.1

## Distribution of ALH's/RLH's with Cultivated Land by Size of Land - All India

Size of Cultivated Land in Acres	1974/s		1977/8		1983	
	ALH's	RLH's	ALH's	RLH's	ALH's	RLH's
0.01 - 0.49	40.1	40.9	33.50	33.22	33.8	34.8
0.50 - 0.99	19.9	19.3	21.30	20.52	21.0	20.6
1.00 - 1.49	15.7	15.4	16.47	15.77		
1.50 - 1.99	5.3	5.1	6.81	6.62	30.8 <sup>@</sup>	30.1 <sup>@</sup>
2.00 - 2.49	7.4	7.2	7.68	7.56		
2.50 - 4.99	8.4	8.5	9.98	10.92	10.4	10.2
5.00 & above	3.2	3.6	4.26	5.39	4.1	4.2
All classes	100.0	100.0	100.0	100.0	100.0	100.0
Av. size of land Cultivated (acres)	1.11	1.15	1.33	1.50	N.A	N.A
% of households 'with land'	49.2	48.8	48.63	48.52	44.0	43.3

Sources: For 1974/5, RLE, Final Report on Employment and Unemployment.  
 For 1977/8, Sarvekshana (1985), Vol. VIII (Nos. 3 & 4), "A Note on Indebtedness of Rural Labour Households."  
 For 1983, NSSO, No, 341, "Report of the Third Quinquennial Survey on Employment and Unemployment."

Note: @ Figures refer to all three size-classes.

Table 3.3.1 A  
Percentage of Area Operated by Major  
Size Classes : India

Size Class (ha)	1953/4	1959/60	1970/1	1976/7	1980/1
< 1 (Marginal)	5.58	6.71	8.98	10.72	12.16
1 - 2 (Small)	10.02	12.17	11.89	12.82	14.11
2 - 4 (Semi-Medium)	18.56	19.95	18.50	19.84	21.23
4 - 10 (Medium)	29.22	30.47	29.75	30.39	29.69
> 10 (Large)	36.62	30.70	30.88	26.25	22.81
Total	100.00	100.00	100.00	100.00	100.00

Source: NSS Reports and Agricultural Censuses as cited in Nripen Bandyopadhyay (1988), "The Story of Land Reforms in Indian Planning "in AK Bagchi (ed), Economy, Society and Policy, CSSS, Calcutta.

Table 3.3.2

Percentage Distribution of Household Members by  
Level of General Education, 1974/5 - All India

	Male	ALH's Female	Total	Male	RLH's Female	Total
Illiterate	36.57	43.85	80.42	35.02	42.65	77.67
Literate but below primary	9.42	3.58	13.00	10.08	4.13	14.21
Primary	3.40	1.38	4.78	4.00	1.72	5.72
Middle	1.15	0.31	1.46	1.43	0.46	1.89
Matric/Hr.Sec.	0.28	0.04	0.32	0.39	0.10	0.49
Graduate & above	0.02	-	0.02	0.02	-	0.02
Total	50.84	49.16	100.00	50.94	49.06	100.00

Source: Report of RLE.

Table 3.3.3

Average Per Capita Income of Labour Households  
Compared to Per Capita National Income

Year	Per Capita ALH's	Income of RLH's	Per Capita National Income at Current Prices
1950/1	104 (39.2)	N.A.	265 (100.0)
1956/7	99 (33.9)	N.A. (100.0)	292
1963/4	122 (33.3)	153 (41.8)	366 (100.0)
1974/5	331 (33.0)	393 (39.1)	1004 (100.0)

Source: Reports of RLE 1963/4, RLE 1974/5 and Monthly Abstract of Statistics.  
Note : Figures in brackets indicate percentages of per capita national income.

TABLE 3.3.3 A

Average Annual Income of Labour households  
(Rupees)

	All	With land	ALH's Without land	Casual	Attached	All	RLH's With land	Without land
1950/1	447 (104) <sup>1</sup>	--	--	442 <sup>2</sup>	489 <sup>2</sup>	--	--	--
1956/7	437 (99)	--	--	417	492	--	--	--
1963/4	552 (122)	--	-	--	--	695 (153)	--	--
1974/5	1574 (331)	1591 (309)	1566 (358)	--	--	1882 (393)	1965 (377)	1811 (412)

Source: Reports of ALE's/RLE's

Notes: 1 Figures in brackets indicate income per capita.

2 ALH's with land record higher income among casual and attached labour households

TABLE 3.3.3 B

Average Annual Income of Agricultural/Rural Labour Households  
by Source - All India, 1974/5

(Percent)

Source	ALH's			RLH's		
	All	With land	Without land	All	With land	Without land
1. Wage-paid manual Labour						
(a) Agricultural	74.3	60.6	81.9	57.6	52.3	62.5
(b) Non-Agricultural	7.1	8.0	6.6	20.8	18.3	23.2
(c) All	81.4	68.6	88.5	78.4	70.6	85.7
2. Wage-paid non-manual labour						
	1.0	0.3	1.3	1.0	0.8	1.2
3. Self cultivation						
	4.4	12.3	-	7.4	15.3	0.2
4. Livestock and poultry raising/maintenance						
	0.7	2.2	0.1	2.5	3.0	2.0
5. Other household enterprises						
	1.6	1.9	1.5	1.8	1.7	1.8
6. Other sources						
	10.9	14.6	8.7	8.9	8.7	9.0
Total (Rs)	100.0 (1574)	100.0 (1591)	100.0 (1566)	100.0 (1882)	100.0 (1965)	100.0 (1811)

Source: Computed from Table 3.3, pp. 80-81,  
RLE 74/5, Final Report on Income and, Consumption Expenditure

Table 3.3.3 C

Average Annual Income of Casual and Attached Agricultural  
Labour Households by Source All-India

(Percent)

	Casual Labour Households		Attached Labour Households	
	1950/1 (ALE-I)	1956/7 (ALE-II)	1950/1 (ALE-I)	1956/7 (ALE-II)
Cultivation of land	14.0	7.6	7.8	5.2
Agricultural labour	62.9	70.1	76.7	79.9
Non-agricultural labour	12.2	8.8	7.3	6.1
Others	10.9	13.5	8.2	8.9
Total	100.0	100.0	100.0	100.0
(Rs)	(442)	(417)	(489)	(492)

Source: Report of ALE 1956/7, Vol.I.



TABLE 3.4.1

Average daily earnings per worker in agricultural  
and non-agricultural occupations

	1964/5		1974/5		1977/8	
	<u>Ag.</u>	<u>Non-ag.</u>	<u>Ag.</u>	<u>Non-ag.</u>	<u>Ag.</u>	<u>Non-ag.</u>
<u>ALH's</u>						
Men	1.43	1.54	3.24	3.27	NA	NA
Women	0.95	0.92	2.27	2.12	NA	NA
Children	0.72	0.74	1.82	1.84	NA	NA
<u>RLH's</u>						
Men	1.41	1.88	3.26	4.09	3.79	6.20
Women	0.89	1.18	2.28	2.34	2.67	3.02
Children	0.76	0.81	1.82	1.84	2.17	2.49

Source: For 1964/5 and 1974/5, RLE 1974/5, Final Report on Wages and Earnings, Tables 3.1 and 3.2. For 1977/8, Sarvekshana, vol.X, No.4, April 1987, "Results on Wages and Earnings of Rural Labour Households: NSS 32nd Rd", Table (A), P. S-109.

Note:

Ag: Agricultural occupations.

Non-ag: Non-agricultural occupations.

TABLE 3.4.1 A

Average daily earnings per worker in different  
agricultural operations of workers in agricultural labour  
households, all India (in Rs.)

	Men			Women			Children		
	1964/5	1974/5	1977/8	1964/5	1974/5	1977/8	1964/5	1974/5	1977/8
Ploughing	1.39 (1.39)	3.35 (3.35)	N.A (3.84)	1.02 (0.88)	2.42 (2.35)	N.A (2.84)	0.90 (0.88)	2.15 (2.11)	N.A (2.77)
Sowing	1.51 (1.53)	3.74 (3.72)	N.A (4.05)	0.97 (0.78)	2.57 (2.60)	N.A (2.49)	0.86 (0.85)	1.86 (1.85)	N.A (2.70)
Transplanting	1.86 (1.86)	3.34 (3.38)	N.A (3.93)	1.15 (1.00)	2.46 (2.50)	N.A (2.88)	0.97 (1.01)	2.12 (2.15)	N.A (2.61)
Weeding	1.42 (1.38)	3.07 (3.11)	N.A (3.47)	0.87 (0.81)	1.95 (1.95)	N.A (2.29)	0.72 (0.72)	1.76 (1.78)	N.A (2.08)
Harvesting	1.43 (1.42)	3.41 (3.41)	N.A (3.85)	0.95 (0.87)	2.38 (2.39)	N.A (2.77)	0.79 (0.79)	2.08 (2.08)	N.A (2.41)
Others	N.A (-)	3.11 (3.13)	N.A (3.78)	0.92 (0.92)	2.30 (2.29)	N.A (2.73)	0.71 (0.71)	1.70 (1.70)	N.A (2.03)

Source: Figures for 1964/5 and 1974/5 are from RLE 1974/5, Final Report on Wages and Earnings, Table 3.3. Figures for 1977/8 are from Sarvekshana, Vol. X, No.4, April 1987, "Results on Wages and Earnings of Rural Labour Households: NSS 32nd Round, Table (5), p. 5-54.

Note: Figures in parthenses refer to RLH's.

TABLE 3.4.2

Share of cash component in average daily earnings  
by agricultural operations  
(Men workers in ALH's)

		(per cent)		
		1964/5	1974/5	1977/8 <sup>(1)</sup>
I.1	Ploughing	67	58	61
I.2	Sowing	68	62	69
I.3	Transplanting	51	70	70
I.4	Weeding	64	65	68
I.5	Harvesting	51	49	51
I.6	Others	NA	65	71
I	All agricultural	62	60	66
II	Non-agricultural	84	84	95

Sources: RLE 1963/5, Final Report, Tables 4.2 & 4.4: RLE 1974/5, Final Report on Wages and Earnings, Table 3.1 to 3.3 Sarvekshana (1987), Vol. X, No.4, April, "Report on Wages and Earnings of Rural Labour Households : NSS 32nd Round," Table (5), p.5-54.

Note: (1) Figures relate to RLH's.

TABLE 3.5.1

A Profile of Income, Expenditure and Debt  
of Labour Households (all India)

	ALH's				RLH's	
	1950/1	1956/7	1963/4	1974/5	1963/4	1974/5
1. Average annual income per household (Rs.)	447	437	552	1574	695	1882
2. Average annual receipts per household (Rs)	NA	NA	54	327	41	234
3. Income and receipts (1) + (2) (Rs.)	NA	NA	606	1901	736	2116
4. Average annual consumption expenditure per household (Rs)	461	617	1029	2443	1052	2514
5. Reficit per household (Rs)						
5.1 (4) - (1)	14	180	477	869	357	632
5.2 (4) - (3)	NA	NA	423	542	316	398
6. Average debt per household (Rs)	47	88	148	387	148	395
7. Average debt per indebted household (Rs)	105	138	244	584	251	605
8. Debt as percentage of income [Col. (6) as % of Col. (1)]	10.5	20.1	26.8	24.6	21.3	21.0
9. Expenditure - income ratio [Col. (4) % Col. (1)]	1.03	1.41	1.86	1.55	1.51	1.34

Source: Compiled from various tables in this Chapter.

TABLE 3.5.2

Pattern of Consumption Expenditure  
of Labour Households in India

(percentage distribution)

Group of Expenditure	ALH's				RLH's	
	1950/1	1956/7	1963/4	1974/5	1963/4	1974/5
- Food	85.3	77.3	73.9	78.8 (79.1)*	73.3	78.4 (78.6)*
- Clothing/bedding/ footwear	6.3	6.1	6.7	4.1	6.8	4.2
- Fuel light	1.1	7.9	7.6	6.7	7.5	6.7
- Stimulants/ intoxicants			4.0	3.0	4.1	3.1
- Services ceremonies miscellary	7.3	8.7				
			7.8	7.4	8.3	7.6
Total	100.0	100.0	100.0	100.0	100.0	100.0

Sources: Various Reports of ALE's/RLE's.

\* Figures refer to households 'without land'.

TABLE 3.5.2 A

Average Annual Consumption Expenditure  
per Household All India (Rupees)

	1950/1	1956/7	1963/4	1974/5
<u>ALH's</u>				
All	461 <sup>a</sup>	617	1029	2443
with land	499 <sup>1</sup>	660*	1181	2701
		710**		
without land	417 <sup>1</sup>	530*	851	2221
		692**		
<u>RLH's</u>				
All	NA	NA	1052	2514
with land	NA	NA	1211	2767
without land	NA	NA	867	2300

Source: Reports of ALE's/RLE's

Notes: @ Expenditure per casual labour household was Rs. 457; per attached labour household, Rs. 494.

1 Refer to casual labour households.

\* Casual labour households.

\*\* Attached labour households.

NA Not Available.

TABLE 3.5.2 B

Annual Receipts from Sale of Assets  
and Increase in Liabilities

(per cent)

	ALH's				RLH's			
	All		with land		All		with land	
	1963/4	1974/5	1963/4	1974/5	1963/4	1974/5	1963/4	1974/5
Loan taken	66.7	81.0	65.2	77.3	78.0	83.8	78.6	80.3
Sale of livestock	13.0	7.3	16.8	9.2	12.2	6.0	10.7	6.8
Sale of land	18.5	6.7	15.7	9.2	2.4	6.0	5.4	7.8
Others (Sale of house/ornaments/ implements, etc.)	1.8	4.9	2.2	4.2	7.3	4.3	5.4	5.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
(In Rs.)	(54)	(327)	(89)	(564)	(41)	(234)	(56)	(295)

Source: RLE 1974/5, Final Report on Income and Consumption Expenditure.

Table 3.5.3

Percentage of Indebted Households and Average Amount of Debt (in Rs.)  
per Indebted Household - All India

	1964/5		1974/5		1977/8	
	% of house holds indebted	Amount of debt (Rs.)	% of households indebted	Amount of debt (Rs.)	% of house- holds indebted	Amount of debt (Rs.)
<u>ALH's</u>						
All	60.6	244	66.4	584	52.3	660
with land	NA	NA	71.0	660	57.4	747
without land	NA	NA	61.8	498	47.5	560
<u>RLH's</u>						
All	59.2	251	65.4	605	50.5	690
with land	NA	NA	70.2	682	55.1	773
without land	NA	NA	60.8	520	46.1	596
<u>ALH's</u>						
		1950/1		1956/7		
All	44.5	105	63.9	138		
Casual	44	100	63	136		
Attached	51	143	68	141		

Source: ALE's/RLE's, Reports on Indebtedness

Note: Average debt per indebted rural family as revealed by RBI's All-India Rural Credit survey, 1951/2, was at Rs. 447. A decade later, in 1961/2, the RBI estimate was 674 (RBI, All-India Debt and Investment survey, 1961-62).



Table 3.5.3 A  
Percentage Distribution of Debt for Indebted Households  
by Purpose - All India

	Household consumption			monies 1964/5	Marriage & other cere-			Productive purposes			Others	
	1964/5	1974/5	1977/8		1974/5	1977/8	1964/5	1974/5	1977/8	1964/5	1974/5	1977/8
<u>ALH's</u>												
All	53.3	48.2	44.4	24.3	18.8	22.3	11.9	12.7	20.9	10.5	20.3	12.4
with land	NA	44.1	39.7	NA	17.4	20.9	NA	16.7	27.4	NA	21.9	12.0
without land	NA	54.2	51.6	NA	20.9	24.5	NA	7.0	11.1	NA	18.0	12.8
<u>RLH's</u>												
All	52.0	46.9	42.9	24.6	19.3	22.9	12.0	12.7	20.4	11.4	21.1	13.8
with land	NA	42.8	38.6	NA	17.6	21.5	NA	16.9	26.8	NA	22.7	13.3
without land	NA	57.8	49.3	NA	21.8	25.0	NA	6.7	11.2	NA	18.7	14.4

Source: RLE Reports on Indebtedness.  
NA: Not Available

Table 3.5.3 B  
Percentage Distribution of Debt per Indebted Household  
by Nature of Loan - All India

	ALH's			RLH's		
	1964/5	1974/5	1977/8	1964/5	1974/5	1977/8
(1) Hereditary Loan	6.1	5.2	4.8	5.8	5.2	4.9
(2) Contracted Loan	93.9	94.8	95.2	94.2	94.8	95.1
<u>of which</u>						
in cash	71.5	74.0	78.2	72.2	75.1	78.7
in kind	12.8	14.0	11.2	12.7	13.2	10.9
in cash and kind	9.7	6.8	5.6	9.3	6.5	5.4
(3) Total Loan [ (1)+(2) ]	100.00	100.0	100.0	100.0	100.0	100.0

Source: RLE Reports on Indebtedness.

Table 3.5.3 C  
Percentage Distribution of Debt per Indebted Household  
by Source of Debt -- All India

	Coop Societies			Employers			Money lenders			Shopkeepers			Banks			Others		
	64/5	74/5	77/8	64/5	74/5	77/8	64/5	74/8	77/8	64/5	74/8	77/8	64/5	74/8	77/8	64/5	74/8	77/8
<u>ALH's</u>																		
All	5.1	5.3	8.6	19.7	10.2	7.0	30.6	47.9	37.3	7.3	6.7	6.7	N.A	3.5	6.7	37.3	26.5	34.5
with land	N.A	6.8	11.6	N.A	6.9	4.6	N.A	48.5	36.1	N.A	6.4	5.5	N.A	4.7	8.0	N.A	26.7	34.3
without land	N.A	3.1	4.1	N.A	15.0	10.5	N.A	47.0	38.9	N.A	7.0	8.4	N.A	1.8	3.2	N.A	26.2	34.8
<u>RLH's</u>																		
All	5.5	5.7	9.4	18.1	9.7	6.7	31.8	46.5	36.7	8.3	7.3	6.8	Neg	4.0	6.5	36.3	26.9	33.9
with land	N.A	7.2	12.3	N.A	6.6	4.5	N.A	46.5	35.1	N.A	7.2	6.0	N.A	5.3	8.4	N.A	27.2	33.9
without land	N.A	3.4	5.4	N.A	14.0	9.9	N.A	46.4	39.1	N.A	7.5	8.2	N.A	2.1	5.7	N.A	26.6	33.9

Source: RLE Reports on Indebtedness.

Note: Others include 'Friends, Relatives, etc.'.

TABLE 3.5.4.

Annual Per Capita Consumption Expenditure of  
ALH's/RLH's vis-a-vis All Rural Households

All India

(1) <u>ALH's/RLH's</u>	(2) <u>All Rural Households</u> (Based on NSS Rounds on Consumer Expenditure)	(3) Col. (1) as % of Co. (2)
ALH's 1950/1 : Rs. 107	1949/50 : Rs. 204	52.4
ALH's 1956/7 : Rs. 140	1956/7 : Rs. 208	67.3
ALH's 1963/4 : Rs. 224	1963/4 : Rs. 272	82.4
RLH's 1963/4 : Rs. 229		84.2
ALH's 1974/5 : Rs. 514	1973/4 : Rs. 636	80.8
RLH's 1974/5 : Rs. 538		84.6

Sources & Notes: Figures for 1950/1 through 1963/4, along with corresponding estimates for all rural households, are from ALE 1950/1 Report and RLE 1963/5 Report, especially Table 6.16 on p. 103 of the latter. Figures for 1974/5 have been arrived at by multiplying per capita annual expenditure on 'food items' (provided in Table 4.2 of RLE 1974/5, Final Report on Income and Consumption Expenditure) by a factor equivalent to the inverse of weights of 'food' in the total budgets for the year of ALH's/RLH's.

TABLE 3.5.4 A

Percentage Distributions of Estimated Number of  
ALH's by per capita Expenditure classes

All India

Annual Per capita expenditure class (Rs.)	Per cent of Agricultural Labour Households			
	1950/1	1956/7	1963/4	1974/5
0 - 50	2.0	2.24	0.32	0.04
51 - 100	24.4	25.25	5.19	0.13
101 - 150	36.0	31.52	18.98	0.57
151 - 200	19.6	19.88	23.17	1.72
201 - 250	9.0	8.77	17.59	3.90
251 - 300		4.68	13.02	5.71
301 - 350		2.92	6.78	8.30
351 - 500	9.1*			29.10
501 - 650		3.74**	14.95**	21.71
651 and above				28.82
All classes	100.0	100.00	100.00	100.00
Per cap. exp. (Rs.)	107	140	224	514
Poverty line (Rs.)	NA	195.62	257.40	662.40
% households below poverty line	NA	77.15	67.10	71.18

Source: Reports of ALE's/RLE's on Income and Consumption Expenditure. Figures in last two rows are from Rajaraman (1985).

\* Total for 5 size classes

\*\* Total for 3 size classes

TABLE 3.5.4 B

Per Capita Daily Consumption of Cereals and Pulses  
by Weight in Grams Among Labour Households

Group of Expenditure	ALH's			RLH's		
	1950/1 <sup>(1)</sup>	1956/7	1963/4	1974/5	1963/4	1974/5
I Total cereals	576 (+44) <sup>(2)</sup>	470 (+18)	540 (+35)	405 (+1.2)	530 (+32)	400 (0)
<u>of which</u>						
Rice		220	260	174	270	177
Wheat		40	70	76	60	74
Other cereals		210	210	154	200	150
II Pulses	31 (-64)	30 (-65)	40 (-47)	17 (-80)	30 (-65)	17 (-80)
III Total (I + II)	607	500	580	422	560	417
IV Share (%) of cereals and pulses in total consumption expenditure						

Sources; Report of ALE, 1950/1, statement 34 on p. 145; Final Report of RLE 1963/5, Table 6.7; and Final Report on Income and Consumption Expenditure, RLE, 1974/5, Table 4.5.

Notes: (1) Figures pertain to averages per 'consumption unit' which subsumes the age-sex composition of households while subsequent enquiries provide estimates in 'per capita' terms. Figures for 1950/1 were given in ounces. They have been converted into grams at the ratio 1 ounce = 28.35 grams.

(2) Figures in parentheses are deviations in percent from quantities required of a 'balanced diet'. The standard norms taken are 400 grams of cereals and 85 grams of pulses.

## CHAPTER - IV

### ALTERNATIVE STRATEGIES OF SURVIVAL OF RURAL LABOUR HOUSEHOLDS

#### 4.1 Introduction

Given their asset-income-debt structure as analysed in the previous chapter, rural labour households can be expected to adopt one or more of the following more important strategies for survival: (a) employment on farm and hiring out of family labour, (b) employment in off-farm activities, (c) attachment of labour services, (d) female- and child-participation, (e) migration, and (f) employment on public works. At the level of the household these strategies are not mutually exclusive, for at any given moment use of available labour may in principle take all the aforesaid forms. Survival strategies are often 'mixed' strategies; the mix would vary across households and for the same household through time, depending on the conditions of the labour market and those of the households. For particular workers in the household, it is not always possible to switch from one strategy to another. For example, once a certain amount of labour is committed to production on-farm, the same may not be available for hiring out. Similarly, attached labourer is precluded from entering the regular hire market during the period of contract. Or women's activity outside family farm or enterprise may be curtailed by their attachment to household responsibilities.

It may be pertinent here to note also some specificities of employment in agriculture[1]. Together with the institutional forces expressed in village economic differentiation and the survival (exploitation) strategies of labourers (employers), these specificities determine the extent and pattern of labour use in agriculture. Unlike industry, agricultural activity by which we mean cultivation is subject to a rhythm of its own. It is characterised by peaks of activity dotting on elongated troughs. Growth of irrigation might reduce year-to-year fluctuations in crop production and employment. It might also raise labour input per acre through increased cropping intensity and growth of commercial crops. But in a given crop-year, seasonality would still persist; it is built into the agricultural activity itself. "While the peak periods offer maximum employment to agricultural labourers, for the rest of the year they have to be continuously in search of other avenues of employment, wage-paid or otherwise, which being extremely limited, force them to remain either totally unemployed or under-employed. During the intervening periods...(they) often take up odd jobs like carrying loads, repairing houses, selling vegetables, driving carts etc." [2]

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[1] Recall that 80 percent of all rural labour households (RLH's) are agricultural labour households (ALH's).

[2] Report on Intensive Survey of Agricultural Labour, ALE 1950/1, Vol. I, p. 26



Land is a geographically specific resource and when, as noted in the first chapter, tardy accumulation in the economy and production relations within agriculture force a large mass of population to cling to small parcels of land for survival, the assumption in standard theory of a freely mobile labour resource, on par with capital, is not tenable. This has implications for migration decisions of labour in such an economy, as we shall see below.

Furthermore, crop-production is characterised by a technically determined time-sequence of labour inputs (which are complementary) any break in which might destroy the whole product. For example, lack of moisture or manure might destroy the whole crop, while in most industrial processes 'goods-in-process' or 'inventories' may still be recoverable. This renders the theoretical construct of marginal product problematic[3]. In order to ease seasonal fluctuations in demand for hired labour, very small cultivators whose mainstay is wage-employment (such as our RLH's 'with land') tend to choose cropping patterns and crop rotations that maximise use of family labour on farm. Such choices are, however, not independent of the expected quantum of employment outside. But once a cropping pattern is chosen, family labour may not be available for hiring out to the extent it is already committed to production on family farm. Thus decisions

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[3] Bharadwaj (1974).

about family labour and hired labour, and on-farm and off-farm employments represent interconnected decisions[4].

#### 4.1.1 Overall Pattern of Labour-Use

Pattern of labour use in rural India may be viewed at three levels: (1) all rural activities, (2) in agriculture, and (3) among labour households. In 1977/8, the latest year for which estimates are available, around 63 million mandays were utilised in all rural activities, 50 million mandays (or 80 percent) of which were in agricultural activities alone (Table 4.1.1). Thus the as yet little importance of non-agricultural employment in rural areas may be one reason not to expect a structural change in the work force distribution in recent years. In all rural activities as well as in agriculture over two-thirds of labour-use is accounted for by family labour. Casual labour amounted to only a quarter of total labour-use. Regular employees worked for about 5 percent of days spent in agriculture and almost 10 percent of days spent in all rural activities. In rural non-agricultural activities (which as we just noted amounted to only 20 percent of all labour-use in rural areas) the share of casual labour was relatively less, at 21 percent, while that of regular employees relatively more at 26 percent. The latter group presumably accounts for government functionaries for the most

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[4] Bharadwaj, *ibid*

part. Family labour in non-agricultural labour-use was of the order of 52 percent. This group mainly consists of artisan families and other household enterprises. Between the sexes, male workers accounted for over 70 percent of total labour-use in agriculture as well as in all rural activities. While the overall share of females is thus low at around 30 percent, their share in casual labour is little higher at 37 percent.

In contrast, among the rural labour households dependence on wage-paid employment is predominant (by definition). We do not have the break-up for casual and attached workers, but we can safely expect that most wage-employment is an account of casual labour (Table 4.1.2). Dependence on wage-employment is naturally more among landless labour households, as compared to RLH's with land. Although women in all households put in few days of total employment (on average 185 days in 1974/5) as compared to men (250 days), they put in proportionately more days of work in self-employment as compared to men. This is true for self employment in both agricultural and non-agricultural occupations as far as cultivating RLH's are concerned. It is easy to see that unlike among all rural households, among RLH's, self-employment is relatively low and salaried employment, almost non-existent. Across regions, agricultural wage-paid employment per worker is in absolute terms higher in the Northern and Western Zones as compared to other zones. This is true for both men and women workers. Agricultural wage-paid employment per adult male worker

is the lowest in the Southern Zone (Appx. A). A striking feature of changing employment pattern of RLH's follows from the macro-distributional shift of workforce in favour of non-agricultural activities within the rural sector (see Ch. 1, Sec. 1). There was not only a perceptible acceleration in the growth of non-ALH's as compared to ALH's between 1974/5 and 1977/8 (Table 4.1.2A) but non-agricultural wage-paid employment as a proportion of total annual employment of workers in all RLH's grew sharply during the late-70's (Table 4.1.4). This was true for men, women and child workers in ALH's. Although we do not have relevant information for 1977/8, judging by 1974/5 data it is possible that across regions, the relative importance of non-agricultural occupation in wage paid employment is high in all zones except the Northern Zone especially Punjab and Haryana (See Appendix Table A.I below). Also, there appears to be an increasing pressure among RLH's to lease in more land, given the inelasticity of total wage-paid employment available to them. This hypothesis is partly supported by the rising share of self-employment in cultivation (Table 4.1.4), and partly by the rising share of operated area in lower size-classes and rising fragmentation of holdings in recent years (Ch. 3 above). Such leasing-in, however, appears to be restricted to RLH's already, possessing some land, as the percentage of RLH's 'with land' has not risen overtime (Ch. 3 above). These hypotheses about 'trends' in employment of RLH's are too broad and cannot be held strongly given the fragmentary nature of data. In particular, we are

handicapped by the lack of details about the nature of non-agricultural wage-paid employment. We shall now turn to the consideration of various strategies that labour households adopt for survival.

#### 4.2 Employment on Farm and Hiring out of Family Labour

The choice between employment on farm and hiring out of family labour can, of course, arise only in the case of labour households with some land. A perusal of Table 4.1.2 reveals that for usually occupied men in rural labour households 'with land' self-employment in cultivation is sizeable. It accounted for 14 percent of all employment in 1974/5 and twice as much (28 percent) in 1977/8. As can be seen, the dependence of even landed labour households on wage-employment is overwhelming, although to a lesser extent as compared to landless labour households. Furthermore, their small parcels of land allow them little leeway to squeeze in family labour on farm, should the labour-hire market turn particularly unfavourable. Table 4.1.4 suggests a demonstration of this. In 1974/5, when wage employment in both agricultural and non-agricultural occupations dropped markedly as compared to 1964/5, male workers could raise their self-employment in cultivation by less than one-fifth. In absolute terms the increase meant just three days. Nor does an improvement in the labour market seem to replace appreciably the dependence

on self-employment as was the case in 1964/5 vis-a-vis 1956/7. (Table 4.1.4). The margins for adjustment are too small.

The relative dependence on wage-employment of landless labour households is near total, as is to be expected. For men workers in these households wage-employment accounts for about 90 percent of all employment (Table 4.1.2). Interestingly, landless households are barely better off even with regard to wage-employment (See Table 4.1.3) so that their total annual employment is lower as compared to households cultivating some land. The discrimination, however, does not end here. Owing to their non-possession of even small parcels of land - which is a crucial determinant of 'credit-worthiness' in rural areas - possibilities of even seasonal self-employment in non-agricultural occupations are extremely limited. Table 4.1.3 bears this out.

#### 4.2.1 Unemployment

For all one might say about the pattern and fluctuations of employment of rural labour households, one has little to complain as far as the quantum of annual employment is concerned: A male worker was on average employed for about 250 days in 1974/5. Given a six-day week (or roughly 313 days a year) this means for four-fifths of the year men are fully occupied. Or even if one took a full year (365 days) an adult worker was on average unemployed 'due to want of work' for only 71 days (see

Table 4.1.5) or below 20 percent of annual working time. These estimates of employment and unemployment are reckoned in days of 'full-intensity'. This means that on an actual day the worker is occupied, doing little or more of some work - a situation of underemployment rather than open unemployment. But this still does not explain the high proportion of 'employed' days normalised for work intensity along with the extremely distressing levels of living of rural labour as analysed in the previous chapter. The explanation lies partly in the underpricing of labour (see Ch. 3) and partly in the fact that, given the general stringency of productive employment in relation to needs of survival, RLH's engage themselves in low-productivity, time-stretching activities to eke out a living. Such activities include working 'overtime' on family enterprise, grazing cattle, time-spent in maintaining and developing land under possession and catching fish and game etc. As we shall see in the following section, women and children, especially, are employed in time-stretching activities. This phenomenon only grows in intensity with rising pressure on land and with the inelasticity of work opportunities elsewhere in the economy.

### 4.3 Non-Agricultural Activity

By 'non-agricultural' activity we mean all activity which is not 'agricultural' as defined in RLE's. Agricultural activity is broadly all land-based activity and includes, apart from farming/cultivation, forestry, horticulture, sericulture, fisheries,

dairy farming, raising/maintenance of livestock and poultry farming etc. We have seen in the previous section that all labour households, 'agricultural' as well as 'non-agricultural', occupy themselves in non-agricultural activity which in fact appears to have gained some importance in the total employment available to all RLH's. Such activity, of course, is the largest single source of household income for non-ALH's. RLE data affords us a disaggregated picture of agricultural (wage-paid) employment in terms of farm operations, but offers no analysis of non-agricultural employment. This remains an important limitation on our study.

Now, non-agricultural activity may take either the form of self-employment or wage-paid employment. But in the final analysis what is important is not the status of employment (i.e. wage-paid or own-account) which could alter under the seasonal impact and demand-supply forces[5], but the nature and viability of non-agricultural activity. To understand the general conditions of non-agricultural employment we turn to the results of an independent survey by National Sample Survey Organisation[6].

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[5] ITS/Varanasi, 1967-8

[6] NSSO, 29th Round, Survey of Self-Employed Households in Non-agricultural Enterprises, July 1974-June 1975. Earlier Rounds on the subject, vastly varying in coverage and concepts, were conducted in 1953-5 (7th, 8th and 9th Rounds), 1955-56 (10th Round) and 1958-59 (14th Round).



The NSS study covers "enterprises operated by own-account workers and those employers who did not usually employ more than five hired workers." Although there is no specific mention of labour households as such, we can safely infer from this definition and the following analysis that all RLH's who are engaged in non-agricultural activity, either as 'self-employed' or as 'wage-paid' have been covered by the survey. They would probably be concentrated in the lower rung of these enterprises. In 1974/5, the number of non-ALH's was estimated at 4.1 million against 13.7 million rural households estimated as 'self-employed' in non-agricultural enterprises in the same year. Several characteristics of these enterprises are striking. A preponderant majority (95 percent) of these enterprises are operated by own-account workers; that is, only 5 percent of them employ any hired labour (see panel A of Table 4.2.1). The product lines are essentially traditional e.g., textiles, food-processing, forest-based industries, leather products, retail-trade in food articles, animal and manual transport, non-metallic mineral products and personal services - embedded as they are in the historically conditioned village economic structure (see panel C of Table 4.2.1). The product range has barely changed since the 50's. There are, however, significant variations in shares of industries across regions, but the links with the local resource base are tenuous (Papola 1986). 'Food products' group has much higher share in West Bengal and Tamil Nadu than in Punjab and Haryana, despite the latter two states being the top



foodgrains-producers. Also, weaving and textiles have been found to be less important in the cotton-growing states of Gujarat, Maharashtra and Karnataka, the major cotton producers, as compared to Tamil Nadu, Orissa and Andhra Pradesh. The same (perverse) regional pattern applies to forest based industries.

The enterprises employ little labour (household and hired workers together per enterprise account for just about 1.6. See panel C of Table 4.2.1), are based on little fixed capital (less than a thousand rupees on average), only rarely use power and generate extremely low output, value-added and income (see Table 4.2.2). Underlying these characteristics is the fact that these household enterprises are not enterprises in the conventional business sense but are geared to earning a subsistence for the households. Especially so since they "swing in activity in the slack agricultural seasons and often stay moribund in the busy seasons.[7] Significantly, it is women and children that are mostly occupied in these enterprises[8].

On the demand linkages, Papola's study notes that a large agricultural sector in the region is not ipso facto associated with the extent of rural industries while the level of agricultural development, measured in yield per hectare in

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[7] Bharadwaj (1988), p. 60

[8] See below, Sec. 4.5.

production of foodgrains, is generally positively associated with value added per worker. But "the causal process... is not very clear." If, as he suggests, the explanation lies in the demand-inducing effect of higher productivity, "the requirement for the relationship is dynamic," as Bharadwaj (1988) points out. For once we discount resource base linkages, the relationship may emerge only "as a general impact of a rise in income, technological possibilities, infrastructural facilities and links with urban areas, accompanying development." The regional pattern as it exists at present, then, may signify "the continuation of an entrenched historical form of the enterprises despite commercialisation of agriculture," such as the earlier system of village barter exchange ('Jajmani') and skill-intensive crafts which dominated urban luxury consumption and export trade in older times (Bharadwaj 1988). Commercialisation to the extent it has taken place has only served to inject factory goods for basic consumption into rural areas. Also, as Papola rightly points out, a faster rate of growth of agriculture in a region might improve the productivity of these enterprises rather than increase employment as such. Such faster agricultural growth might only encourage scale economies and technological upgradation, shifting the enterprises to town centres under the impact of the 'general development of the area' rather than stimulate rural industrialisation.

Dynamic changes there are, but only for the worse. The illuminating case-studies by the official National Commission on Self-Employed Women[9] reveal that apart from the well-known problems of credit and inputs, several of these enterprises are fast losing their raw material base. "Many wood carvers, toy makers and bamboo and reed workers are suffering a loss of raw materials due to deforestation or laws prohibiting the harvest of these products[10]. And where raw materials and demand are not a problem, lack of skills is. Even more distressing is the phenomenon noted by the Commission of the subsumption of rural household production under the organised sector reducing the former to a kind of putting-out system. To quote from the Report:

"The organised sector (in urban centres) takes advantage of the vulnerable position of the labour force in the unorganised sector. Large industries now find it advantageous to decentralise production units of larger registered units. The powerloom industry is a case in point where large segments of artisans and workers are not independent producers, but are either employed on piece-rate basis or controlled by advances or working on substantive orders from large industrial units. A typical example is that of the large number of bidi workers....."[11]

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[9] Min. of Human Resources Development, GOI (1988), Report of the National Commission on Self-Employed Women and Women in the Informal Sector.

[10] Report of the National Commission, *ibid.*, p. xxxiii.

[11] *Ibid*, p. 9

Several other tendencies are quite plausible, such as the increasing competition the rural crafts are facing from the modern sector, and the withering away of traditional systems of patronage in the village society for a range of services. Making the rural household enterprises viable and growing calls for a multipronged intervention. It may not do to intervene in any one market. A simultaneous intervention in the areas of credit, inputs, skills, demand and relation with large industry would be necessary. In short, the entire livelihood of the rural household would need restructuring.

In the first chapter, we discussed the fact of a shift of workforce away from agriculture within the rural sector and towards casualisation. From the previous section we know that RLH's mix agricultural and non-agricultural wage-employment for survival, and although the latter is growing in relative terms, agricultural wage-paid employment is by far the predominant source of work. Further, total employment of labour household shows no tendency to rise over time. Labour households with land appear to command relatively higher total employment chiefly by virtue of higher self-employment. In general, non-agricultural activity is treated as a seasonal shift or 'sidelone' activity. Growth of non-agricultural enterprises in rural areas depends crucially, among others, on the investment decisions of 'surplus' households in the village economy, availability of other non-

productive channels of investment and on adequate and sustainable demand for the products of these enterprises.

Thus production conditions surrounding rural household enterprises do not make for their being potential sources of labour absorption in the country side. In the circumstances, the diversification of employment in rural areas suggested by macro evidence only signifies a tempology accommodation for rising pressure of population on land and in actual fact means no more than rising pauperisations. Any policy seeking to affect the situation must not only look into the entire livelihood of the rural labour household but bear on the macro variables of demand, credit, technology, the process of commercialisation in agriculture and the relation between the unorganised and the organised segments of industry and eventually on the question of accumulation in the economy.

#### 4.4 Forms and Systems of Hyring

##### 4.4.1 Introduction

The present section focusses on two dominant forms of employment prevalent in rural areas, namely, casual labour and attached labour, and, in particular, on labour attachment as a household survival strategy. There are, to be sure, other forms of employment, such as self-employment and regular/salaried employment, but as we have seen above (sections 4.1), these are

relatively unimportant among the RLH's. In any case the data-base of the present study does not allow any analysis of these forms. Furthermore, discussion of even casual labour and attached labour is confined to agricultural labour.

The data-base for the present section comprises the ALE-1950/1, ALE-1956/7 and the Intensive Type Studies of Rural Labour (ITS), 1967-70. The RLE's, from 1963-5 onwards, have abandoned analysis of attached labour or reference to it. The two ALE's provide break-down of important economic characteristics in terms of casual labour households and attached labour households, while the ITS-Regional Reports give a fairly exhaustive account of employment contracts prevalent in different regions. ALE-1956/7 defines attached labourer as agricultural labourers "with continuous employment under contract for the last agricultural year working irregularly, seasonally or annually with or without debt-bondage and with or without tie-in allotment." [12]

The perspective here adopted is that labour-attachment is the product of an interaction between the survival strategy of the labour household and the strategy that the employer adopts to ensure viable production activity. All cultivators, regardless of the size of their land, have to hire-in labour atleast during the peak season. Most of them have to employ labour casually.

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[12] ALE-1956/7, Report, p. 408.

Among the lower size classes (below 5 acres) such casual hiring is not rare and may be particularly acute in the case of those households who are not favoured with adequate earning strength for reasons of death, sterility or migration. This class of cultivators may not be having assets such as ploughs and bullock carts and usually hire labour along with the equipment. Also, a traditionally dominant form of labour--hiring exchange labour--may be disintegrating with growing commercialisation. A considerable proportion (10 to 16 percent) of those households cultivating 5 to 10 acres and more hire-in labour regularly and not just during the peak season or casually (See Table 4.3.1). For households cultivating 20 acres or more regular hiring of labour is even more crucial. It is these groups of cultivators which are potential employers of attached labourers. For them, not only is family labour short of total labour requirement at any point of time but the risk of shortage of casual labour in the peak season the greatest. However, no correlation between land concentration and incidence of attached labour appears to exist atleast until the late 50's[13]. This needs further investigation and is beyond the scope of our present exercise. We also note in passing that the incidence of attachment of labour has been growing over time in the country. In 1983, the proportion of

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[13] In both 1950/1 and 1956/7, the proportion of attached labour households to all agricultural labour households was the highest in the Northern Zone where land concentration was relatively low. The proportion was the least in South Zone which recorded a high concentration ratio.



persons of working age (5 + years) 'working under obligation' was 0.33 percent for rural males and much lower at 0.03 percent for rural females[14]. The proportions for 1977/8 were 0.18 percent for rural males and 0.02 percent for rural females. Evidence of two ALE's corroborates this broad trend. The proportion of attached labour households to all agricultural labour households rose from 10 percent in 1950/1 to 27 per cent in 1956/6. The terms of attachment, in particular the purpose of loans taken by attached workers may be also changing over time, although our data base does not allow a study of dynamic changes.

Workers prefer to be attached either because (1) attachment offers an assured flow of employment and earnings (although casual labour is, on average, paid higher wages), or, where the contract allows, because (2) they are desperately in need of a loan, or because (3) the award of a piece of land for self-cultivation of the worker affords better scope for use of the family labour or because (4) spouse and/or children would also get work from the employer. Normally, (2) has the tendency to degenerate into bondage-in-debt while (3) might be in the direction of the classic case of serfdom. Of course, all these elements may be combined in a contrast, and, indeed, in the survival/exploitation strategies. Also specific conditions

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[14] NSSO, No. 341, Report on the Third Quinquennial Survey of Employment and Unemployment (mimeo), Nov. 1987, pp. 97-98.

sorrounding the worker may change his/her perception of the 'uses' of attachment. Thus in the famine-prone areas of Eastern India workers perceive kind wages which meet worker's minimum food needs apart from providing immunity from price fluctuations, as the major incentive for going in for attachment[15].

#### 4.4.2 Employment Contracts for Attached Workers

In terms and conditions as well as in their substantive nature contracts for employment of attached workers vary across the country, reflecting as they do specific local conditions. Any attempt therefore at classifying these contracts according to any one variable, say, period of contract, rate/mode of wage payment, nature of loans/land/capital advance, etc. could be misleading since the form and content these various dimensions acquire in a situation may be quite specific to that situation.

In many regions, two broad systems of attached labour is prevelent. Under the one adult men are mainly engaged in core agricultural activities - e.g. Harwais of Varanasi (U.P.), Kamins/Gorabhias of Gaya, (Bihar) and Haluas of Kamrup (Assam). The other system involves children, and very rarely women, rearing cattle and attending to domestic work of landlord, - e.g. Charawais/Baredhi in U.P and Garkhias in Assam. Female attached

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[15] ITS - Ganjam (Orissa), 1968/9.

workers are a rarity - e.g. in Bengal Kamins are employed only during the peak season. In Wardha (Maharashtra) a special type of attached worker, known as Awari is reported. A trusted servant of the lord, he superwises the work of other hired labourers.

Almost everywhere the contract is struck between the employer and the worker. The period is generally one year, although variations exist -- one month (Maharashtra) and one season (Bengal). The landlord "may curtail the period of the contract if he finds the work unsatisfactory".[16] Where bondage-in-debt prevails - e.g. Gaya (Bihar) - the contract is renewed automatically and often rolls over more than a generation of workers. Apart from economic disabilities, such as casualisation and landlessness village social order plays a crucial role in the selection of attached workers. In several parts of the country attached workers are mainly drawn from 'Scheduled Caste/Scheduled Tribes' not only because these sections are economically the most vulnerable but because of a custom that prevents members of the upper castes from doing manual work[17]. In yet other parts where attached workers are mainly engaged in household work, sub-castes are preferred to Scheduled Castes/tribes, owing to the problem of 'untouchability'[18]. In Central India, a considerable

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[16] ITS - Hissar (Harayana), 1967-8.

[17] ITS - Bankura (West Bengal).

[18] ITS - Wardha (Maharashtra).

proportion of attached workers are drawn from aboriginal groups while in the South, specific caste groups subject to agrestic servitude have long been in existence[19].

Where the contract involves a tie-in allotment, attached workers are entitled to own-cultivation of a small plot of land, usually less than half-an-acre, sometimes as small as 0.16 acre[20]. Landlords may supply the seed and allow free use of bullocks and plough, especially when own-cultivation of the worker is on sharecropping basis. The share ranged from 1/5th to 1/7th of the net produce in Harayana[21]. The biproducts, such as straw, are often retained by the worker.

Advances or loans at the beginning or during the contract period takes different forms, each form in turn substantially determining the terms and conditions of contract. Thus in Varanasi (U.P) workers get interest-free loans at the time of marriage (of his own or his family members). The loan is recovered at the end of the contract. Wages and other perquisites in the interregnum are undisturbed. In other regions (e.g. Bankura, Bengal) loan takes the form of advance wages in full or part and the amount recovered regularly from worker's wages. In the dry region of Hassan (Karnataka) where agricultural activity

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[19] See Kumar (1962)

[20] ITS - Bankura (West Bengal).

[21] ITS - Hissar (Harayana).

is less intensive and demand for child attached workers more, there is a system under which "the gaurdians of children who may have borrowed money or wish to receive advance wages against children's services, strike the contract with the employers". Here the economic value of the children is tellingly brought about. "The loans are adjusted against children's services and since the child gets daily meals the parents are further relieved". Where bondage-in-debt is in vogue, as in Surat (Gujrat), advance and recovery go hand in hand throughout the period of contract and beyond.

The since qua non of bondage or labour attachment is that the worker is not free to seek employment elsewhere during the period of contract. In Surat, Gujrat local employers are so organised that an attached labourer cannot get employment with any other employer unless he is released by the employer to whom he is attached. This is despite the fact that an attached worker is not occupied to the same degree throughout the period of contract. The worker is engaged in subsidiary activities and light work including domestic help and minding cattle. The employer devices, within the framework of labour attachment, a system of incentives to ensure the utmost loyalty of the worker, especially during the peak season. Non-wage perquisites in normal times variously include free meals, clothes, smoking/chewing articles, gifts in grain etc. on all festivals and celebrations of the landlord. In times of harvest the worker in many places is

paid in terms of fixed share of harvest ostensibly to ensure efficiency and avoidance of pilferage. In parts of UP (Rewa), the share of produce paid, known as haq is different in the two crop seasons. In Kharif it is one kurai or three kg per khari or each lot of 60 kg of harvested produce. In Rabi it is two pailas or 1.5 kg per khari. "Thus the share works out to 1/20th of kharif and 1/40th of Rabi". In Tamilnadu, the padiyals ('permanent farm servants') are entitled to as much wages as are paid to any casual labourer during the harvest which is often his daily ration [22].

#### 4.4.3 The Economic Conditions of Attached Workers

The relative assurance of steady employment for attached workers must place them in an economically better position vis-a-vis casual workers. From Table 4.3.2 it is seen that indeed attached labour households command on average a higher annual wage paid employment. This is independent of land holding status of these households. Owing to their relative inability to seek wage-employment outside the employer's farm, attached labour households, however, record a lower non-agricultural wage-paid employment than casual labour households. But thanks to their markedly favourable position with regard to agricultural employment, attached labour household command larger total employment

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[22] Ramakrishanan (1948).

for wages. This is the cause for their distinctly better income - expenditure position as analysed in chapter 3. Also indebtedness and average amount of debt is higher among these households who have a ready lender in the employer and their own services as the pledge.

#### 4.4.4 Casual Labour

Casual labour is the more omnibus form of employment which in 1977/8 accounted for a quarter of all labour-use in agriculture (see section 4.1 above). A general rise in casualisation may occur under different circumstances. In a situation of accelerated commercialisation, new activities spring up demanding labour. New opportunities may not be stable yet, but do allow some diversification of employment meanwhile. A second circumstance is when an uprooted and pauperised labour takes on to supplementary activities. This, as we argued earlier, is most characteristic of current situation in India. Technical change, such as the one occurring in 'Green Revolution' areas in the country might set in motion casualisations accompanied by new hire systems such as gang labour and immigrant labour. Commercial crops require greater tending and monitoring and are subject to greater risks. Employers in regions are known to be tying - in labour to meet peak-season shortages of labour such type - in contracts assume a form of semi-attached labour. We shall look into the various forms of casual labour below.

An immense variety of wage-systems generating substantive differences in terms and conditions of employment characterise casual labour in agriculture. In the hiring of casual labour, too, employers operate over a wide range of options with regard to: (a) wage rates (b) mode of payment, (c) periodicity of payment, (d) basis of wage (e.g. time rate or piece rate) and (e) recruitment (e.g. individual hiring or contract labour) etc. Underlying the multiplicity of wage systems and the exploitations strategies of employers embedded in local 'customs' and 'traditions' which, however, have their own dynamics. Depending on local conditions, wage rates vary across regions (even villages) and agricultural operations and between the sexes and seasons. Thus wages are generally higher in villages close to urban industrial centres than in the hinterland[23]. Agricultural operations involving hard manual labour such as ploughing and harvesting fetch better wages than light operations like hoeing and weeding[24]. Women and children are generally paid lower wages as compared to men[25]. Peak season wages are understandably higher.

Wages may be paid in cash or kind or both. Though the kind component is still considerable it has been observed that during

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[23] ITS - Varanasi (U.P.), 1967-8.

[24] ITS - Visakhapatnam (A.P.), 1968-9.

[25] ITS - See below Sec. 4.5.



the 70's labour services were increasingly being commuted in cash, partly because of the employer's strategy to keep real wages down and partly due to rising commercialization in agriculture. Also wages in agriculture tend to be lower than those in non-agricultural occupations; they are at best equal to the wages paid to unskilled workers in non-agricultural occupations[26]. Though wages are generally paid daily, other cycles of payment such as 'weekly' and 'fortnightly' are not rare. Such a leverage may help the employer ensure adequate control over the labour process in crucial times.

Another practice that appears to be widely prevalent is that employers switch to piece-rate labour in the harvest season. This is also welcomed by the workers because piece rated workers tend to record higher earning (ITS - Wardha). Some cultivators in the harvest season contract the work out to a group of workers in which case the earnings are shared proportionately by the members of the group according to acreage harvested (ITS - Howrah).

#### 4.5 Participation of Women and Children

The story of a man who married his housekeeper and caused a decline in GNP of a few thousand dollars is well taken[27]. But

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[26] ITS - Varanasi and ITS - Ratnagiri. This partly relates to the larger issue of agriculture-industry relation and, in particular, to an asymmetry in relative wage levels in agriculture. Low agricultural wages serve to lower industrial wages, but high industrial wages do not induce a rise in agricultural wages.

[27] Paul A Samuelson, Economics, 10th Ed., Ch.10, Mc Grawhill.

women in rural India are more than housekeepers. Besides house keeping and bearing and rearing of children women are invariably involved in economic activities - as cultivators, as casual labourers, as keyworkers in household enterprises and as contributors to the family consumption or gain through a host of activities not usually regarded as 'gainful' by official censuses and surveys. The latter include: fetching water, collecting fire wood and fodder and husbandry. Yet much of women's economic role is invisible, 'marginal' and 'secondary'. "The reality, however" says a recent official report on women, "is that women's income is used for the survival needs of the family[28]. This position largely holds for children, too, in the rural areas and in the so-called 'urban informal' sector. It is the crucial link between survival of the rural labour household and participation of women and children that we shall be concerned with in this section.

#### 4.5.1 General Issues

Some general aspects of female participation are noteworthy. First, workforce participation of women in rural India is consistently lower by any criterion than that of males (see Table 4.4.1.). Second, their entry into the workforce is more

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[28] GOI, Min. of Human Resources Development, Report of the National Commission on Self-Employed Women and Women in the Informal Sector, New Delhi, 1988.

intermittent as evidenced by the large discrepancies between 'usual status', 'weekly status' and 'daily status' rates. Third, women record relatively higher participation as 'subsidiary status' workers. Nearly 80 per cent of rural women classified as 'usually employed' are cultivators and agricultural labourers (NSS 32nd Round data) in subsidiary capacity. These three features of female participation are, however, interrelated and founded upon the life and work conditions specific to women.

Surely, the socio-cultural forces preventing women from joining the ranks of wage-earners are important but such forces are tenuous on the lower rungs of rural society. In fact, responding to probing questions introduced in the NSS 32nd round, a high proportion of women who are already 'employed' in agriculture said they were available for additional 'full-time' work on farms[29]. And of those who are usually occupied in domestic duties, about one-third offered to do part-time work mainly in non-agricultural occupations[30].

The issue, therefore, is not whether rural women need more work or whether they are willing to work. It is that (a) there is not enough work going around and (b) any prospective work must

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[29] NSSO (Sarvekshana, Vol. IV Nos. 3 & 4, Jan.-April 1981) "Women's Activities in Rural India - A study based on NSS 32nd Round (9177-78). Survey results on Employment and Unemployment".

[30] NSSO, Sarvekshana, *ibid*

dovetail into the life and work condition of women. The first point needs no elaboration. On the second, we note that about 42 per cent of rural women ordinarily engaged in 'household duties' also participate in specific activities carrying benefits to the household (see Table 4.4.2). Indeed, some of these activities, such as fetching water and collecting firewood are indispensable to household survival. So until and unless the economy is so well developed as to draw these women completely into wage-labour (i.e. market for wage-labour is well formed) and the consequent diversification of employment takes care of these vital household functions, the 'supply' of female labour is constrained. It is for example instructive to note that about 23 per cent of rural women normally engaged in household duties are prepared to accept employment if provided at their residence. And any additional demand for female labour at the margin must take note of this[31].

Rural women are caught between the need to eke out additional income for the family on the one hand and attachment to household duties of direct economic value and niggardliness and unsuitability of work outside home on the other. The problem is compounded by the numerous gender inequities that women have to face. These inequities are reflected in the division of

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[31] It is a different matter that in actual practice women may partly overcome these obstacles by drawing upon the resources of children.

labour, in wages and other rewards, in common property rights and sexual abuse at work place, etc.

#### 4.5.2 Women and Children in Labour Households

Participation of women and children in 'gainful' activity is crucial for labour households which constitute the poorest among the rural poor. Women and children are substantial contributors in absolute terms to total annual household employment (see Table 4.4.3). While on average women put in fewer days of work in a year than men (not surprisingly, on recalling discussion in the preceeding section) children record employment levels nearly equal to or even greater than those by men. At the same time this level of household employment does not appear to reflect in household income. Our rough calculation shows that had the daily wage earnings of women and children been the same as of men, average household wage income in 1974-75 would have been about 45per cent higher than what it was actually estimated for that year.

The explanation for the phenomenon of income contribution of women and children in labour households falling short of their employment contribution in standard person days must be sought in (a) the systematic bias against women and children in the payment of wages and other rewards (b) the relatively light, low productive and time-stretching activities which women and children tend to be employed in. The first point has been brought out in the

previous chapter[32]. The second is partly illustrated in Table 4.4.4 which shows that while men are usually employed in heavier and better paying operations like ploughing, women and children concentrate their labour in transplanting, weeding, harvesting and miscellaneous operations which are, rightly or wrongly, ill-paid in themselves, even more so when the sex-bias is brought in. The pattern of labour use in agriculture is not irrational on the part of the employers who are well aware that women and children are docile and enter the labour market essentially to supplement family earnings and that there are not many alternative work opportunities going round in the village.

This is, of course, the situation with wage-paid employment in agriculture. We know from sections 4.1[33] that the participation of women and children is substantial in self-employment (in cultivation as well as in 'other than cultivation') which is subject to worksharing among household members. This fact is well established in the case of both family farms and family enterprise. Family workers in the family enterprise work longer in the day than the wage paid do, reflecting less, and not more, work in the lean season[34].

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[32] See Ch. 3.

[33] See, especially Table 4.1.3. Ofcourse there is a natural reallocation of female and child labour towards wage employment in the case of landless labour households.

[34] ITS - Varanasi (U.P.), 1967-8.

In this precarious structure of household survival, the economic value of children would only be too high. While the suggestion that parents view children in the same way as they view the purchasing of any consumer durable may be far-fetched, child labour is important for household survival in two ways: (a) they directly participate in 'gainful' activities, on family farm, in family enterprise and in wage-paid employment and (b) they take over the crucial domestic chores like firewood collection and fetching water, so that women of the household are to that extent free to seek 'gainful' activity. Both these aspects have important implications for policy affecting fertility behaviour and literacy programmes [35].

#### 4.5.3 Fluctuations in Earner Population Ratios

An interesting question concerning the survival strategies of RLH's and in particular ALH's is how these households defend themselves from the year to year fluctuations in agricultural output which directly affect the levels of living of these households who have no reserves to sustain themselves. One strategy is to reallocate the currently active labour in the household in favour of self-employment and agricultural employment. There are, however, clear limits to such an adjustment. For one thing, there may already be overcrowding on

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[35] See, for a discussion, Seminar, special number on child labour, No. 350, Oct. 1980.

own farms or enterprise. For another, non-agricultural activity in rural areas varies directly with crop activity fortunes.

Another possible adjustment is in terms of more members, especially women but also children and the aged, joining the household workforce temporarily and trying their luck at anything that brings in little income. It is difficult to statistically test any such hypothesis, given the few time-point observations provided by RLE's. Unni[36], who has calculated earner - population ratios (EPR's) at the disaggregated (state) level seperately for men and women, shows that year-to-year changes in EPR's are largely explained by changing EPR's for women.

The entry of women in the household workforce may be significant because 'while men may not work for a pittance, women have no choice'[37]. Also if male members migrate out temporarily in search of possible work opportunities, women's responsibilities acquire new dimensions.

#### 4.6 Migration

##### 4.6.1 Introduction

Migration or mobility of labour in rural areas has many aspects : type of migration streams (rural-urban or rural-rural),

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[36] Unni (1988)

[37] Report of the National Commision on Self Employed Women



time characteristics (seasonal, permanent or 'cyclical'), motivation of migrants, historical background of migration in specific regions, role of institutions (such as recruitment agents), and conditions prevailing in the place of origin and destination. All these have important implications for the formation of the rural labour market. Our concern here is, of course, to view migration as a survival strategy of the labour household and our data-base for the purpose is limited to the Intensive Type Studies of Rural Labour (ITS) as RLE's proper do not touch upon these issues.

We recall the analytical points most relevant for our purpose. The treatment of labour in neoclassical theory as a geographically mobile resource on par with capital, mobility being induced by price-signals, is not relevant in the case of an agrarian economy. Land is a geographically specific resource and as long as conditions necessitate the millions of small operators 'cling' to their tiny parcels of land, labour mobility must be studied under an alternative frame of reference, such as the one proposed in our first chapter. Secondly, given the survival needs of the labour household, decisions about migration (e.g. about who will migrate, for how long, use of remittances back home) by one person or the entire household are properly regarded as household decisions. The Todarian model, on the contrary, assumes that migration is the result of the return - maximising choices of individual migrants.

#### 4.6.2 Aspects of Mobility of Rural Labour Households

Findings of ITS-regional reports vindicate several propositions of the aforesaid framework. Migration, even for short spells, is not a universal phenomenon in rural areas. In villages where perennial work opportunities are provided by (developed) agriculture, out-migration of members of labour households is nil or negligible[38]. This also holds for villages close to urban centres because in such villages off-season employment opportunities are less of a problem.

There are also negative reasons for migration not taking place at all. Work opportunities may not be forthcoming even in the neighbouring areas in the slack season[39]. Or there may be informational constraints depressing migration. Such a phenomenon has been reported in Orissa where villagers are poorly linked to even neighbouring areas so that villages do not know of work opportunities[40].

To the extent that migration does take place it appears to be mostly temporary or seasonal[41]. This is so because the

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[38] ITS - Surat and ITS-Wardha

[39] ITS-Wardha and ITS-Visakhapatnam

[40] ITS-Ganjam

[41] ITS-Itawah, ITS-Hassan and ITS-Varanasi

decision to migrate permanently is a terse decision and is contingent upon such factors as the intensity and persistence of distress at the origin and stability of opportunities at the destination. Also, much of migration is to rural areas and within the same district[42].

In almost all regions, the motivation behind migration is not wage-differentials at all. In fact, in several regions there were no differences in wages ruling between the place of origin and destination and in at least one region wages paid for some agricultural operations locally were higher[43].

Important to the migration decision appear to be the endowments of the household, including especially family labour and landholding, prior commitment of labour, and opportunities in the village and at the destination[44]. Studies have pointed to an extremely low propensity to migrate among households cultivating less than half-an-acre. Should protracted distress force members of such households to migrate at all, the remittances of migrants are too often directed at making the cultivation of land a viable proposition[45].

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[42] ITS-Tonk and ITS-Etawah

[43] ITS-Tonk

[44] See Bharadwaj (1988).

[45] Bharadwaj (ibid).

To the extent that agriculturally progressive regions in recent times have induced large-scale, but mainly seasonal, migration of workers from far-off places, prospects appear to be bleak to the labour households. Such migration, at least partly, reflects the strategies of the employers to check possible increases in wages for local labour and to ensure certitude of labour. Such migration of further not accompanied by a generally growing demand for labour.[46] Migrant workers are not only paid low wages but are subject to various degrees of 'labour-tying'. The increasing preference of employers to go in for gang labour and contract labour implies the emergence of middle-men who cut in on the rewards to labour. There is a further problem attending 'woman-headed' households (resulting from the migration of adult male members). Such households are usually deprived of various forms of assistance from welfare programmes because "the delivery systems do not normally recognise women as heads of households"[47].

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[46] Ibid.

[47] Report of the National Commission on Self-Employed Women.

Table 4.1.1

## Patterns of Labour Use in Rural India 1977-78

(10<sup>9</sup> days/annum)

	All Activities				Agriculture			
	Family	Regular employees	Casual	Total	Family	Regular employees	Casual	Total
Male	30.2	5.3	9.7	45.3	25.2	2.4	7.8	35.4
		(72.4)				(71.1)		
Female	11.0	0.8	5.6	17.3	9.3	0.3	4.8	14.4
			(27.6)				(28.9)	
Total	41.2	6.1	15.3	62.6	34.5	2.7	12.6	49.8
	(65.8)	(9.7)	(24.4)	(100.0)	(69.3)	(5.4)	(25.3)	(100.00)

Source: Vaidyanathan, A (1986).

Note: Figures in parenthesis denote percentages of total labour use.

TABLE 4.1.2

Percentage Distribution of Days of Employment of Men and Women  
in RLH's with and without land, 1974/5 and 1977/8 (All India)

	Self Employment		Wage employment			Salaried	Total	
	agri	non-agri	agri	non-agri	all	emp.		
(per cent)								
-----								
1974 - 75								
Households With Land								
Men	14.1	5.4	19.6	70.2	8.6	78.8	1.6	100.0
Women	16.4	11.1	27.5	67.2	4.8	72.0	0.5	100.0
(255)								
(189)								
Households Without Land								
Men	0.4	4.9	5.3	82.8	9.4	92.2	2.4	100.0
Women	Neg	11.9	11.9	80.8	6.8	87.6	0.6	100.0
(244)								
(177)								
1977 - 78								
Households With Land								
Men	28.1	2.7	30.8	53.5	14.1	67.6	1.6	100.0
Women	28.9	3.9	32.9	57.9	9.2	67.1	0.0	100.0
Households Without Land								
Men	3.7	4.3	8.1	68.9	19.9	88.8	3.1	100.0
Women	5.3	5.3	10.5	73.7	14.5	88.2	1.3	100.0
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Sources: (1) RLE 1974/5, Report on Employment and Unemployment.  
(2) NSSO, No. 301/3, for 1977/8.

TABLE 4.1.2 A

## Growth of Rural Labour Households in India

	(Mill.)		
	1964/5	1974/5	1977/8
No. of agricultural labour households	15.3	20.7 (3.1)	28.6 (11.4)
No. of Non-agricultural labour households	2.5	4.1 (5.1)	6.6 (17.2)
No. of all rural labour households	17.8	24.8 (3.4)	35.2 (12.4)

Source: Respective RLE Reports.

Notes: (1) No. of non-agricultural labour households, is taken as the difference between the corresponding estimates of number of all rural labour households and agricultural labour households.

(2) Figures in parentheses indicate annual compound growth rates.

TABLE 4.1.3

Average annual (full) days of employment per worker of usually occupied workers in labour households, 1974-75

	Self - Employment			Wage Employment			Salaried Employment	Total
	Culti- vation	Other than culti- vation	Total	Agri.	Non- Agri.	Total		
-----								
Households with land								
<u>ALH's</u>								
Men	37	14	51	183	22	199	2	252
Women	31	20	51	132	9	134	neg	185
Children	44	61	105	162	15	151	5	261
<u>RLH's</u>								
Men	36	14	50	181	22	201	4	255
Women	31	21	52	130	9	136	1	189
Children	45	60	105	161	15	157	5	267
-----								
Households without land								
<u>ALH's</u>								
Men	1	12	13	205	22	223	4	240
Women	1	19	20	145	12	152	neg.	172
Children	4	45	49	194	18	193	4	246
<u>RLH's</u>								
Men	1	12	13	204	23	225	6	244
Women	neg.	21	21	144	12	155	1	177
Children	4	44	48	193	18	192	5	245

Source: RLE 1974/5, Report on employment and unemployment.

Note: Totals under wage employment do not add up because the break-up into agricultural and non-agricultural employment refers to 'agricultural labourers' only.



TABLE 4.1.4

Employment pattern of usually occupied workers in RLH's, 1950/1 to 1977/8  
(Av. annual days per worker)

	Wage Employment agri.	non-agri.	all	Self Employment culti- vation	others	all	Salaried Employment	Total
<u>Men</u>								
1950/1	189	29	218	-	-	-	-	-
1956/7	194	28	222	-	-	33	-	255
	(76.1)	(11.0)	(87.1)	-	-	(12.9)	-	(100.0)
1964/5	219	26	245	16	15	31	2	277
	(79.1)	(9.4)	(88.4)	(5.8)	(5.4)	(11.2)	(0.7)	(100.0)
1974/5	190	22	212	19	14	33	5	250
	(76.0)	(8.8)	(84.8)	(7.6)	(5.6)	(13.2)	(2.0)	(100.0)
1977/8	-	-	-	-	-	-	-	-
	(60.5)	(17.0)	(77.5)	(16.7)	(3.4)	(20.2)	(2.3)	(100.0)
<u>Women</u>								
1950/1	120	14	134	-	-	-	-	-
1956/7	131	10	141	-	-	27	-	168
	(78.1)	(6.0)	(83.9)	(-)	(-)	(16.1)	(-)	(100.0)
1964/5	161	11	172	11	18	29	neg	199
	(80.9)	(5.5)	(86.4)	(5.5)	(9.0)	(14.6)	(-)	(100.0)
1974/5	136	11	147	16	21	37	1	185
	(73.5)	(5.9)	(79.4)	(8.6)	(11.4)	(20.0)	(0.5)	(100.0)
1977/8	-	-	-	-	-	-	-	-
	(66.9)	(11.9)	(78.9)	(16.6)	(4.0)	(20.5)	(0.6)	(100.0)
<u>Children</u>								
1964/5	207	16	223	16	48	64	2	289
	(71.6)	(5.5)	(77.2)	(5.5)	(16.6)	(22.1)	(0.7)	(100.0)
1974/5	177	16	193	25	53	78	5	276
	(64.1)	(5.8)	(69.9)	(9.1)	(19.2)	(28.3)	(1.8)	(100.0)
1977/8	-	-	-	-	-	-	-	-
	(40.6)	(28.1)	(68.7)	(28.1)	(1.6)	(29.7)	(1.6)	(100.0)

Source: Reports of ALE's/RLE's; for 1977/8, figures are from NSSO, 301/3

TABLE 4.1.5

Av. no of days not worked (full days) by usually  
occupied workers in labour households,  
1964/5 and 1974/5

	1964/5			1974/5		
	Due to want of work	Other reasons	Total	Due to want of work	Other reasons	Total
<u>ALH's</u>						
Men	47	15	74	74	27	101
Women	91	24	147	119	46	165
Children	51	10	78	72	20	92
<u>RLH's</u>						
Men	48	18	78	71	28	99
Women	97	24	149	115	45	160
Children	50	11	78	72	20	92

Source: RLE 1974/5, Final report on employment and unemployment.

Note: Totals do not add up for 1964/5 due to an 'unclassified component', see RLE 1963/5, Final Report, pp. 21-25.

TABLE 4.2.1

## SELECTED FEATURES OF SELF-EMPLOYMENT IN NON-AGRICULTURAL ENTERPRISES RURAL INDIA - 1974/75

## A Percentage Distribution of Rural Households self-employed in Non-agricultural Enterprises by Status of Self-Employment

	Households with one enterprise			Households with more than one enterprise			All households		
	Employer	Own-account worker	Total	Employer	Own-account worker	Total	Employer	Own account worker	Total
%	4.39	95.61	100.00	12.87	87.13	100.00	4.87	95.13	100.00
Estimated No (mill)			(12.9)			(0.8)			(13.7)

## B. Workforce composition and Fixed Assets (average per household)

persons	household worker	hired worker	value of fixed assets (Rs)
5.98	1.46	0.10	998

## C. Distribution of Enterprises by Broad Industrial Groups (percent)

Manufacture and repair services	44.69 <u>1</u>
Transport & storage	5.13 <u>2</u>
Trade, Hotel, Collectors etc.	32.82 <u>3</u>
Services and Construction	16.71 <u>4</u>
Mining and quarrying	0.65
	-----
All Industries	100.00
	-----

1. Mainly food-processing, agro-based and textiles.
2. Mainly 'transport by animal: passenger and freight
3. Retail Trade in food articles, beverages etc. account for more than half.
4. 'Personal service' accounts for 9 percent.

Source: NSSO, 29th Round, Self-employment in Non-agricultural Enterprises, 1974-75.

Table 4.2.2

## SOME CHARACTERISTICS RELATING TO THE WORKING OF RURAL INDUSTRIAL ENTERPRISES 1974-57 : MAJOR STATES

STATES	Household Worker per enterprise (N)	% of HH workers with HHI as princ- ipal occ- upation (%)	Hired workers per enter- prise (%)	Total workers per enter- prise	Fixed capital (assets) per ent- erprise	enterprises using power (%)	Output per enterprise (Rs)	Value added per enter- prise (Rs)	Charges paid for hired labour (Rs)	Net income per enter- prise	Output per work- er (Rs)	Value added per worker (Rs)	Net income per III worker (Rs)
A.P.	1.80	69	0.16	1.96	664	5.16	2,088	1,391	67	1,324	1,065	710	736
Assam	1.52	79	0.11	1.63	1,402	3.54	3,877	2,097	159	1,870	2,379	1,287	1,231
Bihar	1.58	61	0.05	1.63	871	1.64	1,787	1,302	63	1,237	1,096	799	763
Gujarat	1.58	61	0.09	1.67	1,927	9.31	2,831	2,003	153	1,850	1,695	1,199	1,17
Haryana	1.47	78	0.08	1.55	1,749	6.06	2,327	1,699	94	1,605	1,501	1,096	1,092
H.P.	2.00	52	0.05	2.05	1,656	3.76	1,732	1,405	82	2,323	845	685	662
J & K	1.36	51	0.07	1.43	1,515	17.45	2,218	1,416	101	1,315	1,551	990	967
Karnataka	1.61	81	0.06	1.67	1,014	4.06	1,736	1,166	55	1,111	1,040	698	690
Kerala	1.70	79	0.28	1.98	509	2.00	3,352	1,983	232	1,751	1,693	1,002	1,030
M.P.	1.53	59	0.02	1.55	619	3.40	1,194	952	22	930	770	624	608
Maharashtra	1.46	75	0.14	1.60	1,312	5.98	2,469	1,509	137	1,372	1,543	943	940
Orissa	1.81	62	0.03	1.84	444	1.24	1,608	872	26	846	874	474	467
Punjab	1.39	81	0.06	1.45	1,840	9.10	2,794	1,949	109	1,840	1,927	1,344	1,324
Rajasthan	1.56	59	0.02	1.58	1,479	4.06	2,134	1,515	33	1,482	1,351	959	950
Tamil Nadu	1.79	83	0.30	2.09	931	22.11	3,790	2,453	183	2,270	1,813	1,174	1,268
U.P.	1.56	69	0.11	1.67	1,323	6.61	2,936	1,758	139	1,619	1,758	1,053	1,038
W.B.	1.82	68	0.14	1.96	773	1.80	3,768	1,579	169	1,410	1,922	797	775

Note: Figures in the last seven columns of this table are 'annual'. 'HH' and 'HHI' stand for 'household and 'household industry' respectively.

Source: National Sample Survey Organisation, Self-employment in Non-Agricultural Enterprises, 29th Round as cited in T.S. Papola(1986).

Table 4.3.1  
Percentage Distribution of Households by Use of Hired Labour  
for Crop Production for each Size Class of Land Cultivated  
(All India Level)

Use of Hired Labour							
Size Class of Land Cultivated (Acres 0.00)	Regular	Peak season	Casually only	Hires no	Households with labour production	with no crop	Total
0.00	0.09	0.31	0.20	3.19	96.21		100.00
0.01 - 0.49	1.91	6.97	10.89	68.54	11.69		100.00
0.50 - 0.99	1.96	14.46	14.01	63.19	6.38		100.00
1.00 - 2.49	3.42	20.37	19.10	52.35	4.76		100.00
1.50 - 4.99	7.01	25.64	21.99	41.93	3.43		100.00
5.00 - 7.49	10.17	28.96	23.37	35.02	2.48		100.00
7.50 - 9.99	16.01	29.24	22.63	29.48	2.64		100.00
10.00- 14.99	17.55	31.40	21.93	27.10	2.02		100.00
15.00- 19.99	22.60	31.85	20.32	22.82	2.41		100.00
20.00- above	33.57	26.83	17.13	20.34	2.13		100.00
<b>Total</b>	4.75	14.01	12.26	31.92	37.06		100.00

Source: NSSO, No. 341, Nov. 1987, Third Quinquennial Survey on Employment and Unemployment, Table (9), p. A 14.

Table 4.3.2  
Annual Wage-paid Employment of Men in  
Agricultural Labour Households, 1950/1 and 1956/7  
(All India)

Type of ALH's	Agri. Employment		Non-Agri Employment		Total	
	1950/1	1956/7	1950/1	1956/7	1950/1	1956/7
Casual Labour	176	172	31	29	207	201
With Land	162	152	28	28	190	180
without Land	191	188	34	31	225	219
Attached labour	299	248	3	23	312	271
With Land	280	219	16	28	296	247
Without Land	309	274	11	18	320	292
All	189	194	29	27	218	222

Source: ALE 1956/7 Report, Vol. I Statement 5.1, p. 68.

Table 4.4.1  
 Percentage of Persons (5 Years +) Employed According  
 to Usual, Current Weekly and Current Daily Status  
 All India -- Rural

	Sex	Usual Status			All	Weekly Status	Daily Status
		Princi- pal	Subsidi- ary				
27th Round(1972/3)	M	NA	NA	63.84	62.13	58.92	
	F	NA	NA	37.53	32.60	27.21	
32nd Round(1977/8)	M	62.25	1.81	64.06	60.20	56.55	
	F	28.82	9.66	38.48	26.90	22.56	
38th Round(1983)	M	61.28	2.17	63.48	59.29	55.86	
	F	28.73	10.57	39.30	26.27	22.90	

Source: NSSO, No. 341, Third Quinquennial Survey on  
 Employment and Unemployment Nov. 1987.

Note: M= Male, F= Female.

TABLE 4.4.2

Percentage of Females (5 years +) usually engaged  
in household duties and also participating in  
specified activities carrying benefits to their households  
1983

		All-India (Rural)
Activity		% of females
(1)	Fetching water	
	- from outside household premises	63.0
	- from outside village	3.3
(2)	Preparation of cow-dung cakes for use as fuel	49.9
(3)	Free collection of firewood, cattle feed etc.	43.5
(4)	Grinding of foodgrains	38.8
(5)	Work in household dairy	31.8
(6)	Husking paddy	27.6
(7)	Free collection of fish, small game etc.	24.1
(8)	Sewing, tailoring etc.	17.4
(9)	Work in household poultry	14.5
(10)	Maintenance of kitchen garden, orchards, etc.	14.4
(11)	Tutoring of children	3.4
(12)	Preparation of gur	2.2
	Females engaged in household duties to total females	42.0

Source: NSSO, No. 341, op. cit.



Table 4.4.3

Employment of Usually Occupied Workers in all Rural Labour Households,  
According to Usual Occupation  
(in estimated number of full days in a year)

Category of Workers According to usual occupation	Wage Employment			Self Employment			Employment on salary basis			Total						
	1964-65	1974-75		1964-65	1974-75		1964-65	1974-75		1964-65	1974-75					
		With land	Without land	All	With land	Without land	All	With land	Without land	All	With land	Without land	All			
<u>Agricultural Labour</u>																
Men	245	203	227	214	25	45	10	28	-	2	2	2	277	250	239	244
Women	172	139	156	147	18	39	9	25	-	-	-	-	192	178	165	172
Children	223	176	211	193	22	60	18	39	-	6	4	5	259	242	233	237
<u>Non-Agricultural Labour</u>																
Men	237	225	239	232	19	35	12	24	-	12	16	14	279	272	267	270
Women	221	189	215	201	18	39	17	28	-	3	6	5	251	231	238	234
Children	212	221	235	229	51	51	15	32	-	9	12	10	297	281	262	271
<u>Other Occupations</u>																
Men	49	37	62	45	193	241	155	213	33	18	48	28	278	296	265	286
Women	21	28	29	29	187	224	236	229	6	2	7	4	215	254	272	262
Children	26	27	48	35	247	292	238	271	8	-	8	3	282	319	294	309
<u>All Occupations</u>																
Men	235	201	225	212	31	50	13	33	2	4	6	5	272	255	244	250
Women	167	136	155	147	29	52	21	37	-	1	1	1	199	189	177	185
Children	187	157	192	171	64	105	48	78	2	5	5	5	267	261	245	254

Source: Second RLE 1974-75, Final Report on Employment and Unemployment.

TABLE 4.4.4.

Percentage distribution of wage-paid employment  
(in person-days per day) of usually occupied  
workers in RLH's in agricultural operations,  
All India, 1977-78.

Operation	Men	Women	Children
Ploughing	14.6	1.3	3.6
Sowing	1.6	1.7	1.1
Transplanting	4.3	10.5	4.5
Weeding	8.6	19.5	12.1
Harvesting	16.8	25.3	17.0
Others	54.0	41.8	61.7
All Operatiuous	(100.0)	(100.0)	(100.0)

Source: NSSO, No. 301/3, Employment and Unemployment of Rural Labour Households, 32nd Round, Table 4.1, pp. 21-22.

## CHAPTER - V

### SUMMARY AND CONCLUSION

#### Analytical Considerations

5.1 The present study has been concerned with the description of the life and work conditions of rural labour in post-independence India. It is a description based on limited, cross-sectional evidence, but one that seeks to identify the broad structure of survival strategies of rural labour households which by definition derive their main livelihood from wage-paid manual labour.

5.2 A point of departure for the investigation of such a structure are the questions : What is 'labour'? And what is the 'labour market'? The tendency to subsume the several and vastly different labour processes in rural India under the category of 'wage labour' has led to many a paradox in categorising, aggregating and measuring employment. In particular, it gave rise to extremely low levels of unemployment in the country known for its chronic and massive unemployment and underemployment.

5.3 In reality, several labour processes are prevalent in rural areas - the mass of subsistence producers operating on tiny parcels of land and a section of artisan households who are 'own-account' workers, in addition to a large and growing group of landless/assetless labourers. For all of them, 'work for wage' is

very crucial for survival, yet it is only one of the ways of earning a living for the household. In the absence of conditions for the formation of a market for 'wage labour' on the lines of capitalist labour relations, livelihood takes several forms. We thus see that a great majority of rural households have to mix several activities and occupations and allocate in different ways the available family labour in an effort to raise incomes to meet requirements of household survival. There are varied and complex labour-hire systems and wage-systems prevalent; there is the coexistence of massive 'surplus labour' and positive wage; and there are peak-season shortages of labour which could be one of the important reasons for tie-in labour contracts - all these conflicting features cannot be satisfactorily or consistently explained under the competitive framework.

5.4 The conditions impeding the formation of a market for 'wage labour' in rural areas are themselves sought at two levels - (i) the character of accumulation in the economy, its pace and pattern, and (ii) production conditions in agriculture. The growth of output has been low, that of manufacturing/secondary sectors, moreso. Growth of employment in the organised sectors as a whole has been negligible in relation to the continuous accretions to the potential labourforce through population growth, so much so that even agriculture appears to have reached a limit in the absorption of pressure on land in the early 70's. Widespread casualisation and pauperisation ensued in rural areas.

5.5 Within agriculture which accounts for about 80 percent of all labour-use in rural areas, extant production relations and exchange processes do not make for the development of 'wage labour'. Without suggesting a dichotomy between capitalist development in agriculture and that in the economy, the framework that has been adopted for the present study (drawing from Bharadwaj, 1988) emphasises, among others, the structure of economic differentiation among rural households, the specific mode of operation of, and interaction among, the various agrarian 'markets' and the genesis of the rural labour 'market' itself as an interaction between the investment decisions and exploitation strategies of the 'surplus' households as net hirers-in of labour and the survival strategies of the 'deficit' households as net hirers-out of labour. With such a framework, it would be possible to view comprehensively and in an interconnected fashion the assets, activities, incomes and survival strategies of rural labour households.

#### Some Dimensions of Rural Labour

5.6 Despite their common characteristic of primary dependence on wage-paid manual labour for sustenance significant heterogeneity attends the rural labour households (RLH's). There are households 'with land', however small, and those 'without land'. There are 'agricultural labour households' and 'non-agricultural labour households'; attached labourers (a small but growing proportion) and casual labourers. Above all, there are

scheduled castes/scheduled tribes labour households whose problems are complicated by their low social status and the uprooting from their mores and common property resources (Ch. 3, Sec. 1).

5.7 Although working members within an RLH might work as different workers with different 'usual occupations', the household, and not the individual workers, is properly regarded as the appropriate unit of analysis. For decisions concerning family labour-use and those geared to earning a common pool of income are essentially household decisions, even if in practice they are mediated through the 'head' of the household. (Ch. 2, Sec. 2.1, Ch. 3, Sec. 3.1).

5.8 RLH's have overtime grown in absolute terms and as a proportion of rural households. In 1977-8, they were about 37 percent of all rural households while the proportion was about 25 percent in 1963/4. Non-agricultural labour households (Non-ALH's), though still accounting for less than a fifth of all RLH's, nevertheless recorded sharp growth between 1974/5 and 1977/8. Scheduled Caste/Scheduled Tribe labour households together accounted for as much as 47 percent of all RLH's in 1977/8. (Ch. 3, Sec. 3.1 and Ch. 4, Table 4.1.2A).

#### Assets, Incomes and Activities of RLH's

5.9 Within the broad class of RLH's, household size seems to be positively associated with the resource position of the household. Non-ALH's and households with land have bigger

households compared to ALH's and landless households. However, earners per household vary negatively with the relative prosperity of the household which is interpreted as a distress phenomenon. The earner-population ratios for females are higher among the poorer labour households (Ch. 3, Sec. 3.2).

5.10 In 1983 about 57 percent of RLH's were landless; the ratio had grown slowly over the previous Enquiries. Of the cultivating households, more than half operated on farms less than one acre in size. The average size of land cultivated, however, rose from 1.15 acres in 1974/5 to 1.50 acres in 1977/8, following a macro redistribution of operated area in favour of lower size classes during this period. On available evidence it appears that absentee landlords belonging to the topmost size class have leased out land in small parcels to those in the lowest size groups, a phenomenon that signifies severe land-hunger at the bottom and a fresh intensification of semi-feudal relations in agriculture (Ch. 3, Sec. 3.3).

5.11 Livestock and draught animals may be the only non-land asset that RLH's possess, although the data base is weak on this. About 80- percent of members belonging to RLH's are illiterate and only about 6 percent completed primary level education. A very low proportion of members belonging to RLH's reported possession of skills. The skills reported were largely of traditional and hereditary nature (Ch. 3, Sec. 3.3).

5.12 Income per capita in labour households is low absolutely and as a proportion of per capita national income. Judging by evidence upto the mid-70's, cultivating and non-agricultural labour households record relatively higher incomes. So do attached labour households although the evidence here is more dated. About 78 percent of household income is on account of 'wage-paid manual labour' the bulk of which originates in agricultural work. Household enterprises and livestock/poultry contribute on average no more than 4.3 percent. Attached labour households have both higher income and a greater proportion of it coming from 'agricultural labour' as compared to casual labour households (Ch. 3, Sec. 3.3).

5.13 In the agrarian economy, the notion of 'wage rate' must be understood against the complexity and variety of wage-systems and labour hire systems. The agrarian wage structure is too complex. Work day, for example, cannot there be defined unambiguously as in industry. The time-cycles of wage payment range widely from 'daily' to 'at the time of harvest'. Kind payments and perquisites raise problems of valuation and analysis of wage differentials. Of particular analytical import are the facts that (i) there is no 'wage rate' independent of labour-hire system/wage-system specific to it and (ii) there is no price-quantity correspondence in terms of 'wage rate' and 'volume of employment.' As is well-known, the wage rates and amounts of work in different operations/activities together with the price of food determine the real earnings of RLH's. (Ch. 3, Sec. 3.4.1).



5.14 Average daily earnings per worker are usually higher in non-agricultural occupations. Women workers receive lower wages in all field operations, including those in which women tend to 'specialise'. For females average earnings in non-agriculture are lower than their own earnings in agriculture. Apart from gender-based exploitation, methods of recruiting may explain the sex-differentials in earnings. The share of kind component in earnings as in mid 70's was very substantial in agricultural occupations, especially in operations such as harvesting and ploughing. The importance of kind payments was relatively less in the western and southern zones. (Ch.3, Sec. 3.4.2).

5.15 Labour households are chronically deficit households on consumption account. Close to 70 percent of their annual consumption expenditure is on food and, especially, cereals (Data refer to mid-70's). There are therefore, continuous efforts to raise incomes to the subsistence level-even if such efforts are not always successful. Hence the need to study their survival strategies (Ch. 3, Sec. 3.5.1).

5.16 Although all labour households are deficit households and have to resort to debt-rolling, the quantum of credit they are able to command at any point is related to their relative resource position and creditworthiness, apart from the overall availability of credit. Thus cultivating labour households and non-ALH's report both higher incidence of indebtedness and higher

average debt outstanding. On average, only 5 percent of the debt is hereditary (may be mainly among attached labour households), with 95 percent of it being contracted loans. Traditional sources of debt dominate. Landless and assetless labour households rely most on friends and relative for loans (Ch. 3, Sec. 3.5.2).

5.17 A conceptual problem seems to arise when poverty norms pegged to percapita expenditure levels are applied to labour households whose consumption is to a significant extent debt-financed and chronically so. By any criterion, RLH's are among the poorest among the rural poor. According to one estimate, over 70 percent of agricultural labour households were below the poverty line in 1974/5 when the per capita consumption expenditure of ALH's seemed very close to that of all rural households. Per capita consumption of cereals and, especially pulses, is low among RLH's and there is no tendency of real consumption to rise over time (Ch. 3, Sec. 3.5.3).

### Survival Strategies

5.18 In an effort to raise incomes to subsistence levels, RLH's have to allocate the available family labour along with their meagre assets if any in a variety of activities/occupations and types of employment. Six relatively important survival strategies that labour households adopt have been identified in the present study: (i) Intensive use of family labour on farm and hiring out, (ii) non-agricultural activity, (iii) labour-attachment, (iv) participation of women and children, (v) migra-

tion and (vi) employment on public works. Of these, the consideration of the last has not been possible on the basis of the RLE data. (Ch. 4, Sec. 4.1) not provide the required break-up of wage-paid employment. (Ch.4, Sec. 4.1).

5.19 For RLH's with some land, usually very small and leased-in, a crucial choice relates to allocation of family labour between work on farm and hiring out. In fact, in a scenario of general lack of alternative work opportunities, leasing-in land and 'clinging' to land already owned or otherwise held are themselves strategies of survival. Intensive use of family labour on farm operates through choosing appropriate cropping patterns and crop rotations and development and maintenance of land. Such intensity of labour use is not independent of opportunities for hired labour outside. Furthermore, labour once so committed to work on farm may not be available for hiring out, which may partly explain the peak-season shortages of labour. Yet the position of cultivating labour households with regard to wage-paid manual labour is hardly different, as compared to landless labour households, although the former record higher total annual employment by virtue of 'self-employment in cultivation'. (Ch.4, Sec.4.2).

5.20 Significantly, the level of unemployment is extremely low among RLH's even while employment is reckoned in standardised 'full days.' This would mean that on any actual day, workers in these households are doing something or the other. The apparent

contradiction between high levels of employment and distressing levels of living of RLH's arises from the 'time stretching' types of work they have to engage themselves in. This is itself due to low incomes, inadequate employment and underpricing of labour. (Ch. 4, Sec. 4.2).

5.21 A second most important survival strategy is non-agricultural activity. Only about 20 percent of all labour-use in rural areas is accounted for by non-agricultural activity. It may not be a coincidence that non-agricultural labour households also account for about 20 percent of all RLH's. The scope for casual employment is much less still when allowance is made for the small rural enterprises, mainly using family labour. Independent evidence on rural non-agricultural (household) enterprises reveal their traditional nature and absence of their linkages with the local resume-base or demand pattern. These employ little labour (family or hired) and record low output/value-added. These may represent a seasonal shift activity more than business enterprises per sec. Under dynamic conditions in relatively prosperous regions further, these show a tendency to settle in urban centres (Ch. 4, Sec. 4.3).

5.22 A third survival strategy is attachment of labour which for the labourer offers more or less steady employment and income and possibly loans and a piece of land from the employer. For the employer, labour-attachment means ensured supply of labour at critical times in cultivation, lesser supervision especially of casual labour and a host of domestic services. The

wide variety in employment contracts of attached labourers is not incidental but represent conditions (such as the degree and nature of commercialisation occurring) peculiar to a region. To the extent that attached labourers are typically drawn from SC/ST labour households, analysis is complicated. Compared to casual labour households, attached labour households are at a definite advantage in their employment, income and access to credit (Ch. 4, Sec. 4.4).

5.23 The entry of women and children signifies an important survival strategy for the RLH. The important point is not that women's participation (in recognised 'gainful' activity) is 'marginal' but that they are willing to take up more work should the conditions of work offer meet their special circumstances. Their involvement in 'domestic duties', some of which are crucial for the family livelihood, such as making cow-dung cakes, fetching water and collecting firewood constrains their access to regular wage-paid employment. In view of their attachment to such critical domestic duties, women and children join the 'workforce' temporarily and intermittently to supplement family income in small ways, particularly in years of distress following general crop failures.

5.24 Attachment to land as the most reliable source of livelihood and general lack of adequate and stable opportunities

outside the village lead rural labour to migrate to rural areas in the immediate vicinity seasonally or for short periods. The inducement to migrate is not wage-differentials as such but maximization of total employment and earnings.

#### Diversification of Rural Employment?

5.25 The definite shift of rural workforce away from agriculture noticed in recent years may signify diversification of livelihood for the labour households, rather than a 'structural' change in the economy. As noted in Chapter 1, such shift of workforce was actually accompanied by widespread casualisation and relative decline in self-employment. Among the RLH's themselves, non-agricultural wage-paid employment certainly came to occupy a sizeable share in total employment. On close observation however it is seen that much of the relative rise in non-agricultural employment comes at the expense of agricultural employment and total employment of these households displays no tendency to rise at least until the mid-70's. The sharp growth in the number of non-ALH's in the late 70's would more likely signify the emergence of peripheral, and not-as-yet stable, alternative sources of livelihood.

5.26 It is perhaps true that new activities did come up in rural areas allowing diversification of livelihood directly and indirectly. General growth of trade and commerce and increased role of public works, not to say the changing consumption

patterns of 'surplus' households may have created new dimensions in the demand for labour. Also the provision of public goods and specific (target-group-oriented) welfare measures such as provision of housesites and subsidised food supplies may indeed have affected the levels of living of labour households in general. But confined as they are to peripheral activities and services in rural areas (See Ch.1), these new sideline activities cannot be regarded as sources of effective diversification. Growth of rural industries in a large measure is still severely constrained by rural demand and the encroachment into rural areas of a variety of factory goods and urban services.

5.27 At the same time, the survival strategies that rural labour households adopt may themselves create barriers to the development of labour opportunities within and outside agriculture (such as the ones noted in 5.19 above). This at least partly explains the failure in many instances of rural works programmes to muster adequate labour supply. Government intervention in the form of various poverty-alleviational programmes must pay explicit attention to the survival strategies of the poor. Any programmes such as raising rural employment through public works or provision of productive assets to individual beneficiaries may be frustrated if not based on a recognition of the extant production and exchange processes in rural economy.

## Limitations of the present study

5.28 The factual basis of the present study consists of cross-sectional, aggregative evidence, itself subject to problems of comparability. Further, except for a few characteristics of RLH's, the evidence is confined to the period upto the mid-70's, so that it is difficult to examine at the household level, the recent debates concerning changes in the structure of rural workforce and poverty.

5.29 The question of development of labour relations in rural areas must be seen in the dynamic context of changing agrarian relations, commercialization and agriculture-industry links, all of which themselves would vary remarkably across various regions of vast country like India. The present study based as it is on aggregative, cross-sectional data, is only a first step in the study of dynamics of labour processes and labour relations. In particular, it has sought to draw a broad picture of livelihood of rural labour households with a view to generating certain propositions for further work the author proposes to take up in the directions noted above.



## Appendix A

### SOME FEATURES OF REGIONAL DIFFERENTIATION

What is attempted here is but a brief summary of regional patterns of selected characteristics of rural labour households (RLH's) based on RLE data for 1974/5, as in the main body of this dissertation we have relied on all-India, aggregative data. No analysis of the causal forces underlying the observed regional patterns is presented here. Such a study would need a broader frame comprising the conditions of production in agriculture - both technical and institutional - patterns and pace of accumulation and the historical conditioning of all these in various regions[1]. A single year, 1974/5, has been selected to gauge through regional patterns because (1) our intention is not to analyse intertemporal changes across regions, and (2) RLE 1974/5 is the last RLE for which full information is published.

RLH's in the country have tended to be concentrated in the Eastern and Southern Zones (Table A.I). These two zones account for nearly 60 percent of all RLH's in the country. On the other extreme is the Northern Zone accounting for barely 4 percent. It would seem that historically, i.e., since RLE 1950/1, this regional spread of rural labour appears to have undergone little

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[1] See for an outline of such a framework Bharadwaj (1982).

change. Agricultural Labour Households (ALH's) being the bulk of RLH's, both in the aggregate and across regions, the regional distribution of ALH's is very closely the same as that of all RLH's. In most regions, the RLH's must acquire some kind of access to cultivation of land in view of heavy casualisation in wage-employment. Hence, except in the agriculturally more prosperous Northern Zone (with the possible exception here of Rajasthan), in all other zones, 43 to 55 percent of RLH's are 'with land.' In Punjab and Haryana, only 9 to 16 percent of RLH's have access to land.

Much sharper variation across the zones is noticed in annual employment. Average number of full days employed annually for adult male agricultural labourers in agricultural occupations was high at 227 for the Northern Zone and low at 166 for the Southern Zone. There are further more notable intrazone variations e.g. Rajasthan (238), Assam (298) and Kerala (136). A broadly similar pattern obtains when one looks at average daily earnings per adult male worker in agricultural occupations. Against the all-India average of Rs. 3.26, the average daily earnings recorded in the Northern Zone were high at Rs. 5.53 and low at Rs. 2.83 for the Western Zone. One could easily deduce the regional pattern of incomes and consumption expenditure from data on employment and earnings, although caution is required in income-consumption comparisons across states and zones as both the prices of various food articles and food habits would vary markedly. It is for this

reason, for example, that we cannot assign higher levels of living even in relative terms to RLH's in Rajasthan as they seem to consume 530 grams of cereals, over 30 percent higher than the all-India average.

Both the incidence of indebtedness (71 percent) and average amount of debt (Rs. 931) are higher among RLH's in Northern Zone. In this Southern Zone, the percentage of indebted households is relatively higher (76 percent), debt per household is much lower (Rs. 495).

Following our discussion in Chapter 3 above, we would expect that the size of labour household varies positively and earning strength (or, more precisely, earner-population ratio), inversely with the general prosperity of different regions. An exception in this regard seems to be the Eastern Zone. Although the average size of the household is here lower than the all-India average the earning strength also is lower. Why the relative distress condition of RLH's in the zone does not force them to declare more members of the household as earners is not clear and requires further probing. This is especially intriguing since average employment per adult male agriculture in the zone is close to the all-India average.

Finally, we note that the Scheduled Caste RLH's are distributed across regions in the same way as all RLH's in

general one. Scheduled Tribe labour households, however, are concentrated in the forest areas of Madhya Pradesh and Orissa and the hill areas of Maharashtra, Gujarat and West Bengal, as is to be expected.

Table A.I

## Regional Pattern of Selected Characteristics of RLH's (1974/5)

	Percentage distribu- tion of RLH's	Percentage distribu- tion of ALH's	Percentage distribu- tion of SC RLH's	Percentage distribu- tion of ST RLH's	Percent of RLH's 'with land'	Av.size of land (her.)	Av.std. of hou- sehold	Av.ear- nings strength of RLH
I Central Zone	17.5	17.9	22.8	21.0	53.8	1.14	4.76	2.29
Utter Pradesh	11.6	11.5	18.6	1.7	53.9	.80	4.83	2.14
Madhya Pradesh	5.9	6.4	4.3	19.2	53.5	1.81	4.61	2.56
II Eastern Zone	30.8	30.8	30.6	41.9	55.1	.74	4.84	2.06
Bihar	13.0	14.3	14.7	9.0	59.1	.73	4.79	2.23
Orissa	6.1	6.0	4.5	16.5	62.2	.98	5.08	2.02
West Bengal	11.6	8.8	9.5	13.1	44.2	.49	4.62	1.90
Assam	1.9	1.4	1.6	1.3	54.8	.93	4.92	1.81
III Southern Zone	28.7	28.8	26.8	7.5	45.9	.87	4.52	2.36
Andhra Pradesh	11.8	12.9	11.0	5.1	39.0	1.23	4.25	2.44
Tamil Nadu	11.2	11.6	12.5	1.2	35.4	1.00	4.27	2.36
Kerla	5.4	4.3	3.3	1.2	82.9	.40	5.64	2.20
IV Western Zone	19.0	19.1	12.2	27.7	43.4	2.30	5.03	2.65
Gujarat	4.0	3.6	2.4	10.9	34.8	2.32	5.26	2.61
Maharashtra	9.0	9.4	5.4	15.0	46.3	2.41	5.07	2.73
Karnataka	5.8	6.0	4.3	1.7	44.7	2.14	4.81	2.54
V Northern Zone	4.1	3.3	7.5	1.9	24.9	2.21	5.25	2.17
Rajasthan	1.0	.8	1.5	1.8	53.1	3.21	4.84	2.38
Punjab	1.9	1.8	4.2	neg	9.2	1.47	5.62	2.31
Harayana	.9	.6	1.4	neg	16.3	.94	5.01	1.76
VI All India	100.0	100.0	100.0	100.0	48.8	1.45	4.79	2.31

Table A. Contd.

		Wage Paid Emp. of Agri. labourers (no. of days)						Av. daily earnings in Rs.					
		Agriculture			Non-agriculture			Agriculture			Non-agriculture		
		Men	Women	Children	Men	Women	Children	Men	Women	Children	Men	Women	Children
I	Central Zone	199	122	161	25	13	19	2.93	2.58	1.89	3.60	1.97	1.69
	Utter Pradesh	199	122	169	22	5	12	3.21	2.46	2.29	3.95	2.20	2.09
	Madhya Pradesh	197	123	154	32	21	25	2.42	2.71	1.53	2.80	1.82	1.29
II	Eastern Zone	193	123	168	21	9	17	3.29	2.60	1.51	4.05	2.41	1.98
	Bihar	185	115	120	18	7	15	3.24	2.75	2.67	3.86	2.39	2.24
	Orissa	162	111	148	27	15	16	2.64	1.82	1.55	2.70	1.76	1.42
	West Bengal	210	149	246	23	9	19	3.49	2.81	2.10	4.86	2.45	1.91
	Assam	298	272	269	13	6	25	4.02	3.06	2.59	3.64	2.99	2.11
III	Southern Zone	166	124	174	21	9	11	3.46	2.36	1.59	4.41	2.39	1.42
	Andhra Pradesh	192	137	188	21	10	11	2.66	1.95	1.59	3.26	2.06	1.66
	Tamil Nadu	147	117	150	24	8	12	3.69	2.33	1.58	4.44	2.37	1.66
	Kerla	136	105	162	12	7	9	5.97	4.27	2.05	5.62	2.80	1.63
IV	Western Zone	212	291	190	25	14	20	2.83	1.79	1.62	3.59	2.31	1.83
	Gujarat	205	156	148	27	16	31	3.22	2.51	2.36	3.11	2.62	2.16
	Maharashtra	220	178	208	24	15	16	2.64	1.54	1.38	3.70	1.88	1.52
	Karnataka	203	171	181	26	10	20	2.87	1.82	1.82	3.96	2.53	1.94
V	Northern Zone	227	159	229	18	10	22	5.53	3.02	2.96	5.39	2.69	2.68
	Rajasthan	238	161	199	17	8	22	3.85	2.57	2.17	3.91	2.24	2.19
	Punjab	231	169	249	14	7	24	6.40	3.41	3.38	6.11	2.47	3.01
	Harayana	202	130	202	26	25	16	4.82	3.88	2.58	5.01	3.89	2.29
VI	All India	192	136	177	22	11	16	3.26	2.28	1.82	4.09	2.34	1.84

Table A. Contd.

	Av. annual income per household (Rs.)	Av. annual con. exp. per household (Rs.)	percentage of RLH's indebted	Av. annual debt per household (Rs.)	per capita daily cons of cereals (gm)
I Central Zone	na	na	65.9	446	na
Utter Pradesh	1970	2657	68.3	483	493
Madhya Pradesh	1592	2252	61.2	361	435
II Eastern Zone	na	na	60.0	212	na
Bihar	1963	2357	70.8	289	428
Orissa	1300	1946	56.8	236	385
West Bengal	1936	2088	54.1	125	325
Assam	2685	2526	28.7	62	433
III Southern Zone	na	na	76.4	495	na
Andhra Pradesh	1517	2605	74.2	492	473
Tamil Nadu	1721	2476	74.8	546	391
Kerla	2171	3139	84.0	397	203
IV Western Zone	na	na	55.8	379	na
Gujarat	2267	2820	56.2	474	378
Maharashtra	1864	2321	50.0	269	351
Karnataka	1790	2587	64.5	483	416
V Northern Zone	na	na	70.6	931	na
Rajasthan	2367	3059	77.3	1204	530
Punjab	3387	4462	72.9	843	475
Hararyana	2554	3574	65.5	979	452
VI All. India	1882	2514	65.4	395	400

## APPENDIX B

### SCHEDULED CASTES AND SCHEDULED TRIBES RURAL LABOUR HOUSEHOLDS

The social dimension to the rural labour problem, we noted earlier[1] is significant in that many exchange systems in land and labour are characterised by caste. While a consideration of how the institution of caste impinges on the operation of the rural labour market (as it is understood in the framework adopted for this study) is substantive and outside the scope of the present exercise, we do note some characteristics - numerical and economic - of Scheduled Castes/Scheduled Tribes rural labour households vis-a-vis all rural labour households as evidenced by the first two Rural Labour Enquiries (i.e., in 1964/5 and 1974/5). Such a comparison, we believe, might be a useful, first step in underscoring the analytical and policy challenges thrown up by social dimensions to the rural labour problem.

Caste in traditional Indian society is at the centre of social backwardness of a large section of population. And from social backwardness flow various other types of backwardness - economic, educational and political[2]. Thus, social backwardness has a primacy over other kinds of backwardness and it cannot be

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[1] Ch.3 above

[2] GOI, Report of the Backward Classes Commission, (Mandal Commission) First Report, Vols. I & II, 1980, p. 17.



subsumed under the issue of poverty. Rather, poverty (of this section) is a direct consequence of backwardness[3]. The continuing stranglehold of caste in rural labour situations is, among other reasons, because of the absence of the socially homogeneising influence of wage-labour market. We cannot here dwell on any of the broad issues mentioned above.

Variouly described in common parlance as 'deprived', 'depressed' and 'weaker' sections, the scheduled castes and scheduled tribes (so called because of a specifications in a constitutional schedule of castes/tribes deemed to have been traditionally underprivileged and requiring direct state intervention [4] account for 16 percent and 8 percent respectively of total population, according to 1981 census. As Table B.I will show, SC/ST rural labour households (RLH's) in 1974-75 account for about 47 percent of all RLH's. This fact itself poses a formidable challenge to the analysis of rural labour market. Further, a relatively greater proportion of SC-RLH's are agricultural labour households (ALH's) as compared to ST-RLH's. This is associated with the relatively faster growth of ST-RLH's between 1964/5 and 1974/5 following displacement of tribals by large-scale development projects such as mining and dams. Stripped of thin common-land resources a relatively greater

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[3] *ibid.*, p. 57.

[4] 'Other Backward Classes' are also identified. See, for example, Mandal Commission, 1980, *op.cit.*

proportion of this tend to join the ranks of casual labour in semi-urban and urban areas. For in the case of tribals, spatial dislocation, as against mere occupational displacement, is more basic to their pauperisation. Hence a large proportion of ST-RLH's may be classified as non-ALH's.

Landlessness among SC-RLH's is more pronounced when compared to ST and all RLH's. Also, the average size of land cultivated by SC-RLH's is smaller. There are also confirmed for a more recent year, by the agricultural census data[5]. According to this data, in 1981, SC population accounted for only 7 percent of total operated area while ST population cultivated over 10 percent of operated area. A larger proportion of area leased in by SC households (55 percent) is under share of produce (against 30 percent for ST cultivating households and 38 percent for all cultivating households). Also, SC households record higher cropping intensity (1.227) as compared to ST households (1.131) and all groups of households (1.223). It may be noted that ST population is concentrated in the dry regions of Madhya Pradesh, Orissa, Gujarat and Maharashtra[6]. Located in forests and hills, their lands are certainly much inferior. Thus they have larger average size of holding (2.44 ha) but a smaller proportion of net

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[5] GOI, Min., of Agriculture, All-India Report on Agricultural Census, 1980-81, New Delhi, 1987.

[6] See also Appendix B below

sown area irrigated (about 9 percent against 23 percent for SC population).

From Table A.I it is also seen that SC/ST-RLH's record a higher average earning strength per household as compared to all-RLH's, although there is no significant variation in size of household among the three sets of households. This may only reflect the relative distress condition of SC/ST labour households[7]. Significantly, however, SC/ST labour households record levels of employment very close to those record by all labour households. This is also time of wage-paid employment in agricultural occupations. In fact, ST-RLH's register higher levels of employment. Furthermore, SC-RLH's record average daily earnings slightly more than the average levels for all-RLH's while ST-RLH's record lower-than-average earning rates. This may appear curious in the first glance, but reflection would suggest that SC and ST labour households may have a smaller component of non-wage income, so that their average total income may be smaller than all RLH's pooled together. Unfortunately, we have no income flow estimates separately for SC and ST households.

Both in terms of incidence of indebtedness and debt per household SC labour households record higher levels - and ST households, lower levels as compared to the overall situation with RLH's. As we saw above (in Ch. 3) a higher incidence of

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[7] See Ch. 3 above.

indebtedness and a larger average debt do not in themselves reflect a relative deprivation of SC-RLH's. On the contrary, they might reflect their relative access to credit, following the various direct assistance programmes initiated by the government. Outlined above are some broad features of the relative economic condition of ST and SC rural labour households which need detailed confirmation given the limited nature of RLE evidence on this count. Of importance are their numerical strength among RLH's and the specificities that caste imparts to the functionings of rural labour market. The latter issue needs to be tackled through microlevel intensive studies.

Table B.I

## CHARACTERISTICS OF SCHEDULED CASTE/SCHEDULED TRIBE RURAL LABOUR HOUSEHOLDS - ALL INDIA

	Type of rural labour households					
	Scheduled Caste		Scheduled Tribe		All	
	1964/65	1974/75	1964/65	1974/75	1964/65	1974/75
1. Number of rural labour households (mill)	6.9	9.1	1.8	2.6	17.8	24.8
2. % SC/ST rural labour households to all rural labour households	39	37	10	10	100	100
3. No. of agri. lab. household (mill)	6.2	8.1	1.5	2.1	15.3	20.7
4. % of agricultural labour households	90	89	83	81	86	83
5. % of RLH's 'with land'	42	44	46	51	44	49
6. Av. size of land cultivated (acre)	NA	0.91	NA	1.50	NA	1.45
7. Av. size of household	4.6	4.8	4.5	4.7	4.5	4.8
8. Av. earning strength	2.16	2.35	2.30	2.55	2.09	2.31

Type of rural labour households

		Scheduled Caste		Scheduled Tribe		All		
		1964/65	1974/75	1964/65	1974/75	1964/65	1974/75	
9.	Av. no. of full days employed in a year	Men	273	244	295	273	277	250
		Women	186	177	227	205	199	185
		Children	264	249	280	254	267	254
	Wage-paid employment of agri. labs. in agricultural occupation	Men	218	193	238	208	219	192
		Women	149	132	182	154	161	136
		Children	207	189	221	162	207	177
	Wage-paid employment of agri. labs. in non-agri. occupations	Men	27	22	26	25	26	22
		Women	10	10	17	14	11	11
		Children	14	14	20	24	16	16
10.	Av. daily earnings in agricultural occupations (Rs.)	Men	1.41	3.39	1.27	2.82	1.41	3.26
		Women	0.97	2.35	0.94	2.17	0.89	2.28
		Children	0.77	1.90	0.78	1.82	0.76	1.82
11.	Av. daily earnings in non-agricultural occupations (Rs.)	Men	1.75	3.85	1.67	3.82	1.88	4.09
		Women	1.07	2.38	1.49	2.34	1.18	2.34
		Children	0.77	2.17	0.83	1.74	0.81	1.84
12.	Av. annual income per households (Rs.)	NA	NA	NA	NA	NA	NA	
13.	Av. annual consumption expenditure per household (Rs.)	NA	NA	NA	NA	NA	NA	
14.	% of indebted households	65.0	70.1	45.5	48.8	59.2	65.4	
15.	Av. debt per household (Rs.)	164	397	78	185	148	395	

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1735