ABSTRACT

Rural casual labourers in India form an important segment of the labour market in the country. The situation of surplus labour has limited scope of research on labour supply situation in the nation to look for provisions of employment whereas in the recent literature and field observations, non-availability of labour especially on farms has been witnessed. Thus with these broader issues in backdrop with a thorough literature review has allowed to identify certain research gaps and thus this study endeavors to trace the dynamics or the changing rural labour supply situation in India and Karnataka in general and Chikkamagaluru district in particular. The study has attempted to identify and analyze the impact of various determinants of labour supply at all three levels aforementioned. Besides, the study has reviewed the approach of labour policy for rural labour. The study has also analyzed the inter-taluk variations in labour supply, wages and monthly per capita expenditure. Further demand side perceptions on the issue of non-availability of labourers have been captured to obtain a holistic picture of the situation in study area.

Evaluation of the labour policy approach for rural labour has thrown light on various contours of neglect of rural labourers in policy framework. Firstly they were identified under the vague definition of ‘rural poor’ and thus employment related aspects like skill building, ensuring dignity of labour, provision of social security, facility at work place etc have been grossly neglected. Even in the recent developments in labour policy framework on informal labour, there has been focus on the labourers belonging to urban informal economy. It was seen that labour policy framework across the agrarian economies focused more on active labour market programs but these were limited to the wage subsidy programs. Moving on the analysis of co-efficients of the determinants of labour supply at India and Karnataka level, which have been estimated using the NSSO 68th round unit level data and for Chikkamagaluru district the results have been estimated from primary data. Heckman sample selection model has been used for estimation at all the levels. The inter-taluk variations and the changes in the composition of workforce have been analyzed using dummy variable model. It has been found that there is statistically backward bending labour supply curve operating for rural casual labour at all the three levels and thus traditional neo-classical labour supply theory still holds validity that as wages rise preference for leisure becomes evident even among the casual labourers in a country like India. Further several demographic and socio-economic factors have also influenced the labour supply decisions; however mention must be made of the mode of payment in both cash and kind has positive influence on probability of labour participation and public policy MGNREGA has been seen to have negative effect on labour supply at Karnataka and in the study area. Another interesting factor is the provision of rationed items through PDS in the study area has also been negatively effecting the labour supply decisions of casual rural labourers in study area. Field level observations have noted that alcoholism is another major determinant of labour supply decisions of the labourers in study area irrespective of gender. Added to this
the there is lack of sense of dignity and social status in carrying out casual labour and caste hierarchy still plays a crucial factor in rural labour market especially in agricultural labour market. Even though farmers and employers have resorted to several strategies to cope with non availability of casual labour they were found to be in distress condition because raising cost of cultivation and non availability of labour adding fuel to the fire. Lack of interest and aversion for physical activities in casual labour activities and agricultural activities among the younger generations of both casual labourers as well as farmers have worsened the fate of agriculture in the study area as per the primary data findings. The results related to the examination of inter taluk variations in the study area and the changes in composition of labour force in India and Karnataka show that there exist significant inter taluk variations in labour supply, wages and MPCE across sample taluks and also over the study period there has been a significant change in the composition of labour force.

As the study observed significant backward bending labour supply curve and also negative effect of public policy on labour supply decisions, it would be ideal for the State to link MGNREGA with demand for labour in study area and in the regions where there is non-availability of labour. Further rampant alcoholism among the labourers which was found to be major factor hindering the labour participation demands immediate and effective actions by the State, the civil society and most importantly by the labourers’ initiative for themselves. Further there must be more focused selection of beneficiaries and more focused labour market oriented schemes for rural labourers than branding schemes under the names of anti poverty programs.