CHAPTER IX

CONCLUSIONS AND SUGGESTIONS
Economically, Jalaun district is one of the most backward districts of Uttar Pradesh. Its economy is entirely based on agriculture, and there is not even a single large industry in it. The unfavourable physical and climatic conditions, non-availability of raw materials and inadequate infrastructure facilities have been the major constraints to its industrial and economic development. However, the land resources of the district are abundant and its soil is fertile. In such a set up, almost the entire population of the district has to depend, directly or indirectly, on agriculture for their livelihood.

Notwithstanding the new changes introduced in agriculture, the average yield per ha in the district is much below the state's averages in respect of almost all crops. This is largely due to inadequate irrigation facilities, low cropping intensity, lack of infrastructure facilities, irregular and inadequate supply of new farm inputs and excess population engaged in the primary sector. Despite a general declining trend in the percentage of total workers engaged in agriculture in the other parts of the country, the percentage of workers engaged in agriculture in the district has been constantly on increase largely because of the absence of the non-farm sector.

AL, earning their livelihood mainly from wage paid employment, form a big chunk of the total workers in the district. During 1961-71, their population rapidly increased from about 10 per cent of the total workers in 1961 to 21 per cent in 1971 as revealed by
the Census Reports. Such an increase in the number of agricultural proletariat took place largely due to eviction of tenants, abolition of crop-sharing arrangement, impoverishment of small holders, inadequate development of non-farm sector, particularly of cottage and small scale industries, rapid increase in the size of population (especially of SC population), exploitation by the moneylenders, etc. In fact, a high pressure of population on land and a consequent increase in the volume of marginal farmers mainly swelled the ranks of AL. At present, AL — particularly those without a single piece of land — form an important segment of the rural population. Though their number is large, their economic condition is deplorable and has evoked general concern during the last few years.

The majority of AL come from socially and economically backward sections of our society. Our investigation reveals that about 71 per cent of the total ALs belonged to SC. Thus the common belief that the continued poverty and deprivations of AL are because a large section of them belong to socially depressed castes, is further strengthened. Further, the social and cultural environment do not provide necessary incentive to them for making efforts for their economic betterment. Unfortunately, most of the AL are uneducated, immobile, indolent and un-enterprising. They have no will for economic uplift.

As regards land resources, there was no marked difference between SC households and other classes of households. This situation has emerged largely due to allotment of surplus land to
the landless labourers, preferably to SC households. Consequently, the number of ALHs with land (53 per cent) surpassed the number of households without land (47 per cent). The average size of ALHs was worked out as 5.05 (or say 5) persons of whom 2.2 persons were earners. As per the Census Report of 1971, the average size of a household in the district was 5.9 persons. These facts contradict the generally held view that ALHs own big families. This finding would help dispel the common belief that most of the hardships of this class of people are due to their large families. The causes of their poverty should, therefore, be traced in low levels of employment and wages.

AL are usually employed either as a casual or an attached labour. While many farmers cultivate land themselves with the help of a casual labourer, some large farmers, using tractors and tubewells, prefer to keep certain number of workers permanently attached to them. However, owing to emphasis on timeliness of farm operations and short duration crops, the intermediate semi-attached labour contracts are now becoming more popular. Generally, an attached worker was found to be in employment for a longer period than a casual labourer. On an average, a worker got wage employment for 226 days, i.e. for about 7-8 months, and was self-employed for 25 days in a year. The number of days of employment of AL varied to a great extent in different crop seasons and months of the year. During the peak season of harvesting and sowing, all the workers get fully absorbed, but during the slack seasons of weeding and transplanting, most of them remain unemployed. The hours of work
are not fixed and usually AL are required to work for a longer period.

Distressed by inadequate job opportunities available at their habitat, some workers migrate from backward villages to advanced villages in peak season and from villages to towns in slack season with a view to getting higher wages and better work opportunities. Nevertheless, a large volume of labour force in the villages remains unutilized or underutilized largely due to skewed distribution of holdings, high pressure of population on land and seasonal character of agriculture. Usually, AL remain without work for about 4-5 months in a year. The present study reveals that AL were unemployed for about 76 days for want of work and were not available for work for about 22 days because of their illness, inclement weather and social ceremonies, etc. In such circumstances, mechanical device needs to be used on selective basis so that the already acute problem of unemployment may not be worsened.

The wages of AL widely differ from village to village and operation to operation. Wages are paid in cash or kind or in both but perquisites are not much in vogue now. No doubt, the payment of wages in kind protects the real wages of AL and the system of giving a proportion of the produce harvested provides an opportunity to the labourers to share the benefits of the new farm technology. On the other hand, in a situation of rising prices and wages lagging behind prices, payment of wages in cash provides the employers with
a bigger share in real terms and consequently it has become popular and more and more farmers are switching over to this mode of payment. Monetisation of wage payment seems to have increased with technical advances in agriculture. But the fact remains that AL generally get unduly low wages. The average daily wages of AL in the district were Rs. 4.76 as against Rs. 5.26 in non-agricultural occupations. Wages in agriculture also lagged far behind those in industries. Normally, AL get higher wages for harvesting and sowing operations. Nevertheless, a worker owing loan in cash or grain from his employer-creditor against the future commitment of his labour, is paid wages at a lower rate than the one ruling in the market.

Wages in agriculture are determined by the marginal productivity of labour, cultural and institutional forces, seasonal factors and the market forces of demand for and supply of labour. The principle of a uniform daily wage rate is a matter that has got well-established in the consciousness of both employers and employees in the village labour market. In practice, however, wages vary due to diverse reasons. In fact, an upward shift in the demand for labour resulting in higher wage rates would depend upon, inter-alia, the size and distribution of land holdings and the type of farmers (big or small) that go in for the adoption of new or improved methods of crop production. If the new technology has been largely adopted by the bigger farmers and, more particularly, if there is a highly skewed distribution of land holdings in favour of large holdings, the demand for hired labour may increase but it may not push up the wage rates for the simple reason that the bargaining power of AL
conditioned is considerably poor and that the supply of wage earners is on a sharp increase.

Furthermore, in the post Green Revolution era, the rapid growth of farm output pushed up the real wages while the rapid growth of labour force tended to pull down the real wages and the net result was often decided upon by inflation which periodically eroded the real wages. While there is a general consensus regarding increase in the money wages of AL because of the adoption of the new technology, there is a serious controversy pertaining to its impact on the real wages. Our examination of wages of casual labourers in Jalaun district for the last 15 years reveals that the adoption of new technology in agriculture has increased both money wages and real wages, though the increase in the latter has been very nominal. This finding is quite in conformity with the results of studies conducted by Deepak Lal, James Gough and Ian R. Wills, but it goes against the findings of P. Bardhan, Krishnaji, Mahanti and A.V. Jose.¹ It cannot be denied, however, that due to lack of trade unions of AL, their bargaining capacity has been very weak as a result of which they are paid unusually low wages and are often denied even the payment of minimum wages.

The levels of employment and wages being low, most of AL are destined to remain in the lowest income groups. They are sunk in acute poverty and live a sub-standard life. The average annual household income of ALHs was worked out as Rs. 1926 and monthly per

¹. For references and critical analysis on the impact of Green Revolution on wages, see Chapter VI.
capita income was estimated to Rs. 32 only. A large part of the
income of ALHs is derived from wages, and they are mostly forced
to take up cultivation of land, milk production, hereditary
professions, and other works to supplement their meagre earnings,
thus keeping themselves busy throughout the year.

Indeed the average income of an ALH is too low to satisfy
even the basic needs of life. About two-third of their income is
spent on food items, which in itself is an indication of their
severe destitution. Their normal diet is poor in quantity and
quality. As per norms laid down in the Draft Plan (1978-83), nearly
all the workers (99.2 per cent) live below the poverty line. A
perusal of expenditure on each item of household consumption would
also indicate how desperately low the consumption standards are. No
wonder that they are at the lowest ebb of the levels of living.
Similar observation was made by Prof. P.V.S. Sukhatme in his ninth
Lal Bahadur Shastri Memorial Lecture held in January 1977 at New
Delhi.1

AL are often forced to borrow money, usually at a very high
rate of interest, even for the sustenance of their families. About
77 per cent of the total ALHs were found to be in debt. The
average amount of debt per household and per indebted household was
Rs. 475 and Rs. 621 respectively. It was noted that a major part
of the debt (about 86 per cent) was incurred on non-productive uses,
such as the requirements of consumption and social and religious

1. See M.S. Swaminathan, 'Towards Replicating Economic Growth
Generating Gainful Employment', op.cit., p. 16.
obligations. Obviously, a loan taken for unproductive purposes puts a severe burden because it is self-accumulating and acts as 'the straw that breaks the camel's back.' In certain cases, indebtedness had been persisting for generations and the burden of debt kept on increasing.

As a source of credit to AL, the moneylenders continue to maintain their predominant place by providing about 46 per cent of the total debt owed by the ALMs. The Co-operative Societies have emerged as the second largest source by granting about 28 per cent of the total debt taken by AL. The evil designs of the moneylenders sometimes compelled a poor worker to surrender his labour or small plot of land or both to the moneylending Shylocks. In certain cases, bonded labour was the natural corollary of debt-bondage. It is heartening to find that not even a single case of bonded labour was reported during the surveys for the present enquiry.

To conclude, AL live in abject conditions due to low levels of employment, wages and income. Their condition is further worsened by a high incidence of indebtedness. In the absence of adequate arrangement of health, education and credit facilities available to them, most of the AL live below the poverty line. Our investigation suggests that their poverty owes its inception largely to low levels of employment and abysmally low wages. This finding goes against Lakdawala's observations that, "In many parts of the country low standard of living of landless labourers are associated with fairly low unemployment rates."¹ But our finding

is fully confirmed by the results arrived at by Dantwala\(^1\) and Sau\(^2\) in their respective studies. Sau's view that 'a low level of standard of AL goes with a high rate of unemployment', seems to be more plausible. Moreover, in the absence of trade union organisations of AL, even the enactment of M.W.A., 1948, could not ensure the payment of minimum wages to them. What is needed therefore is a rise both in wages and in volume of employment.

Thus the picture of AL does not appear to be any brighter. Extreme poverty has lowered motivation among them and has killed their desire and urge for betterment. They need to be infused with the ideas of economic resurgence and a higher level of living. In view of the over-riding concern to the problems of AL, the Prime Minister had stated in 1966 that "...we must give special consideration to the landless agricultural labour. Although there has been tremendous progress in India since Independence, this is one section which has really a very hard time and which is deserving of a very special consideration."\(^3\) To cater for the interests of the suffering workers, various realistic measures should be undertaken and implemented with all sincerity.

The economic condition of AL can be improved by effective implementation of the MWA, regulation of working hours, organising workers into trade unions, conferring certain social security

3. Excerpts from Prime Minister's speech made in Lok Sabha on Aug. 4, 1966.
benefits to them and by providing protection to women and child labour. The permanent solution of various problems of AL can, however, be made by the development of rural sector with greater emphasis on agriculture and cottage industries, strict enforcement of ceiling laws, conferring ownership rights on tenants at will and share-croppers, giving priorities to AL in employment under the various rural development programmes, such as IRDP, Antyodaya Programme, FFWP and NREP, etc. and above all by providing basic minimum amenities in rural areas.

**Minimum Wages**

In order to safeguard the interest of AL, minimum wages have been fixed for them by almost all the states of India, but their implementation remain to be achieved as yet in many states. While wages higher than the minimum fixed are paid in the Punjab and Haryana states, in most of the other states not even the Statutorily fixed minimum wages are paid to AL. This is largely due to inadequate development of agriculture and poor bargaining strength of AL in the latter case than in the former. This situation calls for an strict enforcement of the MWA. It may be added, however, that the minimum wages fixed should be enough to keep a family above the poverty line. The per capita expense necessary to live at this level has been estimated to be Rs. 240 per year at 1960-61 prices.1 It should be adjusted according to the CPI for AL ruling in that area at the time of fixing the minimum wages. There should

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be some provision to compensate the workers for increase in the cost of living, but 'minimum wages should never be lower than the subsistence wage'.

Moreover, there should also be periodic revision of the minimum wages fixed for AL. It is distressing to note that the minimum wages fixed by the state governments, except Punjab are not adequate to keep the ALHs above the poverty line and, what is worse, they have not been revised for a long time. For example, in Uttar Pradesh, minimum wages fixed for different regions ranged between Rs. 4.50 to Rs. 6.50 per day, and they have not been revised since 23rd October, 1975. In Jalaun district, the actual daily wages of AL were Rs. 4.76 as against the minimum of Rs. 5.50 fixed for it.

For ensuring an effective implementation of the MWA, steps should be taken to strengthen the administrative arrangements by involving the staff of Development Block and Revenue Department in addition to Labour Department for this purpose. Furthermore, tripartite committees consisting of the representatives of the employers, workers and the government, should be formed at different levels within the state to observe the implementation of minimum wages in agriculture. A better strategy could be to link the minimum wages with the Employment Guarantee Scheme (E.G.S.) and rural development programmes assuring jobs at the minimum wages to

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the willing persons as is being attempted in Maharashtra. Once the demand for labour at the minimum wage is assured, it can be expected that the prevailing wage rates in the surrounding areas will not fall below it.

**Regulation of Hours of Work:**

The fixation of minimum wages would be meaningless without regulating hours of work. The hours of work should be fixed as 8 hours for male workers and 6 hours for female workers per day. There should be a recess of an hour after a continuous work of 3–4 hours. An extra payment should be made for the work done in excess of the above limits.

**Encouragement To Trade Unions:**

It is an admitted fact that the socio-economic conditions of AL can be improved, to a great extent, by organising them through trade unions. There are adequate facts to show that as a result of their strong trade unions, AL have secured the benefits of Land Reforms, less hours of work and higher wages in West Bengal, Kerala and Tamil Nadu. Conversely, there are ample evidence to indicate that chiefly because of their poor strength, the rural poor, particularly AL, have not been able to avail themselves of

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the benefits conferred by different laws or to defend themselves adequately against injustices perpetrated by the powerful sections of the society.¹

It may also be mentioned here that the trade unions of AL have made a good progress in most of the European countries in securing better wages, security of employment, social security benefits, better health and housing conditions, and so on through collective bargaining or legal means.² Therefore, it is highly desirable that legislation should be enacted in near future to facilitate the creation of trade unions of labourers, small tenants and share-croppers. The state should permit, encourage and help the rural poor, particularly AL, to have their own independent organisations without compromising their position in any way.

Social Security Benefits:

The ILO convention No. 102 provides that social security benefits in the form of medical care, sickness benefits, old age benefits, maternity benefits, survivors' benefits and employment injury benefits should be extended, as far as possible, to all AL. Being a member of ILO and committed to establishing a welfare state, India should endeavour to provide some of these amenities to AL. To begin with, certain measures of social security benefits such as security of employment, injury benefits and medical benefits


for certain diseases, should be extended to AL in order to improve their health and efficiency. The Employment Guarantee Scheme (EGS) introduced by Maharashtra Government, is a pioneering attempt in this direction.

Protection to Woman and Child Labour:

There is an urgent need of a legislation prohibiting the employment of children in agriculture and granting protection to women against hard and excessive work. Moreover, women should not be required to work after the sun set.

However, the above measures would not be of much avail in redressing the hardships of AL permanently. An effective strategy for improving the economic condition of AL would be the overall development of rural economy with a special emphasis on the development of agriculture. Indeed the stagnant economy of Jalaul district can be propelled by modernisation and development of agriculture and its allied sector and by the net work of cottage and small scale industries.

Improvements in Agriculture:

The development of agriculture and expansion of job opportunities in this sector can be brought in by intensive cultivation and extensive use of new inputs. Irrigation projects, in particular are expected to play crucial role in generating employment opportunities in the construction work of dams, canals, wells and their distributaries etc. Besides, such projects enlarge job potentials
by increasing cropping intensity and by stimulating dairy development. Likewise, the use of implements which are land augmenting and labour absorbing, such as tractors and pumping sets, should be encouraged, but such machines as harvesters and threshers, which are generally labour displacing, should be used sparingly. Therefore the main emphasis in the coming years should be to make farming a much more intensive activity through extension of irrigation, increase in the cropping intensity and widening the scope for application of new inputs and innovations in agriculture.

There are adequate facts to suggest that yield and labour use per ha on small holdings are higher than the ones on large holdings, if the small holders have access to credit and other inputs. Increase in employment on small farms is effected by better utilisation of resources and higher levels of investments. Thus, the programme of land redistribution, through the strict enforcement of ceiling laws, should serve as an important cardinal factor in any policy of improvement in agriculture. The NCA has rightly pointed out that efforts should be made to procure all surplus land for distribution to the landless labourers and marginal farmers.¹ Thus, a more equal distribution of land would be conducive for restructuring our rural society.² However, the


experience so far indicates that 'in spite of the adoption by all states of the ceilings on land holdings, all surplus land has not in fact become available for redistribution.' A series of vigorous efforts will have to be made to plug the loopholes and ensure a more effective implementation of the ceiling laws and other tenancy legislations, which aim at providing security of tenure to tenants at will and share-croppers. These measures will undoubtedly provide a sense of pride to AL and will inculcate in them an urge for their uplift.

For increasing investment in agriculture, institutional agencies should liberally grant credit to the farmers and the weaker sections. Obviously, 'the aim should be saturation lending, i.e. lending for every worthwhile project of very small borrower.' Banks should provide credit to the weaker sections even for consumption purposes so that loans granted for productive purposes may not be diverted to unproductive uses. The adequate flow of credit to the above channels can make a significant contribution towards raising employment, income and productivity of the marginal farmers and landless labourers.

The examples of other countries also support the contention that AL can be gainfully absorbed in agricultural sector. It has been observed that our arable land employ 92 hands per 100 ha as

against 219 in Japan, 181 in Egypt, 224 in Indonesia, 261 in South Asia, 229 in Nepal, 242 in Vietnam, 153 in Laos and 119 in Thailand, and that at the existing level of technology, the possibility of gainful absorption of labour force in our agriculture has not been fully exhausted. Moreover, its allied activities, such as animal husbandry, forestry, poultry and fisheries would provide substantial job opportunities to the weaker sections of our rural population. Employment in rural sector can be further augmented by providing infrastructure facilities, such as transport, electricity, marketing, storage and banking services, and also by making essential services, including health care and educational facilities, available to all.

However, our long term strategy should be to attain a "proper balance and integration between agriculture and industry on the one hand and urban development and rural development on the other."

Rural Industrialisation:

Rural industrialisation is essential to absorb surplus manpower of the primary sector and to check the migration of labour from rural to urban areas. In fact, the organised sector is very small in India as well as in the district under study, and the job seekers are so large in number that even with the best policies urban industry will continue to be incapable of providing adequate job opportunities or a satisfactory level of living to all those


wishing to leave the countryside.\(^1\) Thus only a well thought-out and comprehensive programme of decentralised industries in the rural areas, implemented with drive, sincerity and a sense of urgency, can provide an answer to the vast problem of rural unemployment. In this context, the experience of Japan could be very fruitful.

In case of Jalaun district, there are good prospects for the growth of agro-based industries and processing of primary products. There is also vast scope for the development of cottage and small scale industries, such as spinning and weaving, khadi and handloom, handicraft goods, ghani oil, leather goods, gur and khand-sari, hand-made paper, bee-keeping, village pottery, and bidi making, etc. The revival and growth of these industries will have a salutary effect on the income and employment of the rural poor. The District Industries Centre (DIC) is expected to make a significant contribution towards promoting these industries by providing all the necessary facilities to entrepreneurs under one roof. Likewise, the nationalised commercial banks may give fillip to cottage and small scale industries by advancing a greater slice of their finance to these industries. Thus, the overall economic development of the rural areas would be highly conducive in redressing most of the hardships of the toiling workers.

It is disheartening to note, however, that despite the various measures taken during the last three decades of planned development, the economic condition of the weaker sections did not

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improve much. The benefits of development, especially of the green revolution, have been largely cornered by the affluent and the resourceful to the disadvantage of the rural poor. In all programmes of rural development, therefore, special attention should be given to the schemes benefiting the weaker sections of our rural population. Guided by this motive, the SFDA and MFAL schemes were exclusively devised for the benefits of small and marginal farmers and landless labourers and in the other on-going programmes such as the IRDP, Antyodaya Programme, and FHP, special attention is paid to the weaker sections. It is gratifying to note that SFMFAI agencies have done commendable job in some areas. The benefits of this scheme should, therefore, be extended to the AL of Jalaun district.

The IRDP is specially focussed on the target group comprising the small and marginal farmers, rural artisans and AL. It has been devised with a view to generating employment opportunities by the optimum use of locally available resources. Apart from the development of agriculture and rural industries, this programme aims at providing infrastructure facilities and services in the area of health and nutrition, education and literacy, basic civic amenities, etc. with the ultimate objective of improving the quality of life in rural areas. The earnest implementation of this programme would be very fruitful in raising the employment and income of the rural poor including the AL.

The Antyodaya Programme (uplift of the poorest), which is essentially a Gandhian concept, is yet another measure to be

considered as the satisfactory answer to tackle the problems of the weaker sections by making the fruits of development available to them. First of all, it will meet out the requirements of the poorest families amongst the poor and will slowly travel upwards to cover other families living below the poverty line. It is making a significant contribution by infusing hopes and aspirations in the minds of the rural poor for their economic uplift and also by making them self-reliant.

The FFWP is a dynamic measure initiated by the Government in April, 1977 in order to improve the economic condition of the rural poor by raising their employment, income and nutritional levels. A study conducted by the PRO (in Sept-Oct., 1979) shows that the employment opportunities in the selected districts increased by 10.9 per cent in 1978-79 as compared to 1977-78, the overall percentage increase in income for all households being 17.7 per cent. In the years to come, this programme can be a big measure towards reaching the goal of full employment. The works executed under the programme are aimed at creating the durable community assets and strengthening the rural infrastructure through utilization of surplus foodgrains. Moreover, it does have a significant effect on the market wages and prices of foodgrains.

However, in the implementation process of the programme during the last three years, a number of shortcomings were noticed.

1. PRO, 'How Goes the Food For Work Programme?' Kurukshetra, 28(12), March 16, 1980, p. 9.
2. This fact can be verified by the PRO study, op.cit., p. 10.
It has, therefore, been suitably modified and re-structured. The new programme will be known as the National Rural Employment Programme (NREP). The programme's special feature would be the provision of cash component, besides foodgrains as in the case of FFWP. In the execution of works under the programme, preference will be given to backward areas, SC and ST, marginal farmers and AL. This programme will make a significant dent on the rural poverty and will, in particular, raise the level of living of AL. By ensuring the minimum essential needs in the rural areas, it may help improve the quality of life of the rural population as well. This will prevent the drift of rural population from villages to towns. But all this will happen, only if there is a firm determination on the part of the Government and the toiling workers to better their lot.

In fact, the problem of AL is closely linked with the problem of rural poverty and can be redressed by making a frontal attack on it by directing the process of development both in production and distribution to the rural poor, especially to the AL. This can be achieved by structural and institutional changes devised to providing a larger share of benefits to the rural poor. Obviously, the development programmes for raising the level of living of AL should be so devised as to ensure an increase in their purchasing power and supply of wage-goods. No doubt, the wage-goods model has greater

1. For details of the programme see 'Guidelines on National Rural Employment Programme', Kurukshetra, 29(8), Jan.-Mar., pp. 4-6.

relevance for India. Wages should be adequate to have command over those goods. In fact, "income policy for the poor has to be two pronged employment policy and output policy. It must create adequate employment for them so as to generate income in their hands. It must involve changes in the structure of production in favour of mass consumption goods."¹ In short, the economic condition of AL can be improved by increasing production, by ensuring a larger slice of it to them and by improving the quality of life in rural areas.

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