CHAPTER - I

INTRODUCTION

In third world countries, majority of the people pursue age old traditional occupations like agriculture. Agriculture was the main stay of Indians and the majority of India's population was directly or indirectly dependent on agriculture and its allied activities. The number of agricultural labourers and cultivators rose from 131 million in 1961 to 147 million in 1981.¹

The proportion of agricultural labour to the total workforce of India stood at 17.17 per cent in 1961, 26.88 per cent in 1971, 24.94 per cent in 1981 and 26.15 per cent in 1991.² Agricultural labourers who were landless and dependent on their living solely on wage earning, was the single largest sector of the total labour force in India.³

Increasing population pressure on land, low capital base, the vagaries of nature, uneconomically small and fragmented holdings, low yield per acre,

¹Census Reports, 1961,1981.


illiteracy and low levels of wages contribute to the conspicuously low per capita income of agricultural labourers. They are worst hit by the rising prices because their works do not provide them with adequate remunerations.\(^4\) It was significant to observe that agricultural wage rates seldom attained more than one-half of the industrial wage and almost invariably ranked at the bottom.\(^5\)

The problems of agricultural labourers were manifold and the Rural Labour Enquiries and the various reports on rural labour prepared by the Labour Bureau brought out the plight of agricultural labourers in India.\(^6\) Agricultural workers constituted the most backward, mostly unorganised and downtrodden sector of the workforce. They were mostly below the poverty line and had really been deprived of the fruits of their own labour over decades and even did not get an adequate share of the fruits of planned economics development.\(^7\)


\(^5\)Howard as quoted in *Indian Journal of Agricultural Economics*, XII(2), April-June 1957, p.53.


According to Dandekar and Rath, in 1968-69, 223 million people out of the total Indian population of 532 million were found to be living below the minimum level of living.\(^8\)

The landless form the majority among agricultural households. Those who did not own any land and those who owned less than 0.02 hectares together formed 72.57 per cent of the total agricultural labour households in the early 1980's. The National Sample Survey Organisation (NSSO) in the 37th (1982), 38th (1983) and 42nd Rounds (1986-87) provided further confirmation of poverty syndrome observed in earlier studies of agricultural labourers.\(^9\)

Unemployment and low labour productivity created a labour market situation in which stagnant real wages form a longer historical perspective, occasionally marked by rise in real wages during periods of a slow to moderate rise in food price index.\(^10\)


Even if wages responded to productivity and to demand and supply conditions, they departed from the marginal productivity due to monopsonistic and oilgopolistic power of the employer in the labour market and segmentation of the labour market. The dominance was reinforced by the workers dependence on consumption credit during slack season. Credit-labour linkages get established between the employer and the labour with disadvantageous wage terms for the labourer.\(^{11}\)

The trickle down effect of land-augmenting technology in agriculture could improve employment and wages. But such improvements were noticeable only under conditions of relatively high land-man ratio and with sustained high rates of growth, far exceeding the rates of growth of agricultural labour. But in most other situations, the evidence on the trickle down effects of growth was mixed, particularly for agricultural labour.\(^{12}\) In brief, the context of assetlessness, unemployment, low and stagnant wages, and poor access to basic needs constitute a vicious circle.

It is true that Indian Economy has gone through a transformation from the traditional to modern methods of farming due to planned development during the

\(^{11}\)K. Bardhan Pranab, *Land Labour and Rural Poverty*, op.cit., p.86.

\(^{12}\)Ibid., p.188.
last three decades. India witnessed a break-through in agricultural production after the introduction of high yielding crop varieties 1967.

Government of India took many ameliorative measures to improve the living conditions of agricultural labourers by enacting protective legislations and by adopting several other welfare measures. Government of India passed many Legislations such as Abolition of Zamindari Systems, Tenancy Reform, Ceiling on Land Holdings, Consolidation of Land Holdings and Cooperative Farming to create institutional changes in order to achieve higher productivity in agriculture. In order to provide a living wage, Payment of Wage Act, 1936, and the Minimum Wage Act, 1948 were amended in favour of agricultural labourers.

This empowered the State Governments to fix minimum rates of wages for agricultural labourers. The wages fixed by the government should not fall below the poverty line and it should be linked to the consumer price index. Enforcement of minimum wages was one of the main state policies. This Act aimed at protecting the labourers in employment where they were vulnerable to exploitation on account of the lack of organisation and bargaining power.\textsuperscript{13}

However minimum wages for agricultural labourers had gone through many problems in its content and implementation. In many states, wages paid to the agricultural labourers were lower than the minimum wage fixed by the government. The Act was found to be a dead letter in several States in that the wage paid even by government departments were less than the minimum wage fixed by the government.\textsuperscript{14}

According to the section 5 of the Minimum Wage Act, 1948, "where the same work of a similar nature was performed, no distinction in the payment of wage should be made as between men and women workers". Article 15 of the constitution of India guaranteed to the citizens that State should not discriminate on the basis of sex. The Equal Remuneration Act (ERA) was passed in 1976 by the Central Government. ERA required equal remuneration for male and female employees performing the same work and it prohibited employers from discriminating on the basis of sex. Later, Equal Remuneration Act was passed (TERA) in 1983 by the Government of Tamilnadu.\textsuperscript{15} Sex discrimination in wages was not just the Indian fact of life but common in most parts of the world.

\textsuperscript{14}Communist Party of India, \textit{Unorganised Rural Workers, op.cit.}, p.10.

Studies conducted by many Indian authors namely Rao and Reddy\textsuperscript{16}, Devi\textsuperscript{17}, Prasad\textsuperscript{18}, Unni\textsuperscript{19} observed that women workers were discriminated against in respect of wage payment as compared to male workers in Indian agriculture.

Agricultural labour suffered acutely from both social and economic handicaps. The majority of agricultural labourers, particularly the landless, belonged to backward communities. This less privileged community found considerable difficulties in dealing with the members of the more advanced communities. Any sort of bargaining over wages and other terms of services could not be seriously thought of. This social disability of the disadvantaged class necessarily led to economic exploitation. Lack of organisation was one of the major reasons for the low levels of wages in agriculture.\textsuperscript{20}

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The Problem Focus:

In Tamilnadu, East Thanjavur had been the scene of agrarian unrest since the beginning of the Second World War. The general pattern of these agitations was that the agricultural labour unions demanded higher wages and organised processions, meetings and strikes at critical periods of agricultural operations. Cultivators were generally reluctant to accept the demands of the labourers and as a measure of counteraction, organise themselves and fought against the labourers. The attempts of the cultivators infuriated the labourers and resulted in tension and violence. The police and other public authorities interceded on such occasions and at times succeeded in settling disputes. However occasionally, some of these conflicts went out of control and ended in calamities like one that occurred at Kilvenmani (Thanjavur) in December 1968, where 42 persons lost their lives.\(^{21}\)

Generally the labourers were well organised and politically motivated. Wage increases were often sought and the farmers obliged. That labour organisation had the last say was evident from the discussions conducted in the monthly meetings held in most of the villages. Usually on the first day of every

Tamil month, labour and land lords meet in a common place to resolve the village disputes and labour problems and take decisions.22

In this context, an empirical investigation may be fruitful to find out whether the green revolution, minimum wage, equal remuneration act and labourers union have influenced the wage structure of the agricultural labourers of Thanjavur. Naturally, it would be necessary to probe into the wages received by the agricultural labourers of Thanjavur District. More particularly, this study would probe also whether or not the real wage rate of the labourers had gone up, besides establishing the relationship if any, between productivity of crops and wage rates received by the labourers. In addition, this investigation would also study the fair wage, minimum wage fixed by the Government of Tamilnadu and the actual wage received by the labourers of Thanjavur. Further this study, would also examine the wage differentials between agricultural operations such as ploughing, sowing, plucking of seedlings, planting, harvesting and also the wage differences between the male and female agricultural labourers.

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Lastly this study also probes also whether the labourers of East Thanjavur received higher wage rates than the West Thanjavur agricultural labourers as trade union activities were more intensive in East Thanjavur then in West Thanjavur.

Objectives:

Overall objective of a study was to evaluate the wage rate and wage differentials by region and sex for agricultural labourers of Thanjavur district. Specific objectives are:

i) to examine the trend of Agricultural labourer's nominal wage, real wage and productivity of major crops of Thanjavur district over a period of 20 years from 1974-75 to 1994-95;

ii) to examine the wage differentials among field labourers of different categories such as ploughmen, sowers, pluckers of seedlings, transplanters, weeders and harvesters;

iii) to study the differences between the government prescribed wages and the actual wages received by the agricultural labourers of Thanjavur for different agricultural operations

iv) to examine the wage differentials between field labourers of West Thanjavur and East Thanjavur besides identifying by the important factors influencing agricultural wage with special focus on the influence of trade union; and
v) to study the wage differentials between male and female workers.

**Hypotheses:**

Studies conducted by Unni, Jose, Bhalla and Vaidynathan had sown that from the mid-seventies to mid-eighties, the real wage rates in agriculture tended to rise slowly. It also has been observed that over a period of time money wage in agricultural sector had increased. But the spiraling of prices had eroded the purchasing power of labourers in the country. Modernisation of agriculture has increased the agricultural productivity because of intensive cropping patterns, diversification of crops, large scale irrigation and intensive farm practices. These


observations have enabled the researcher to frame the following hypothesis that the money wage rates, real wage rates and productivity increased over a period of time and real wage rates had not increased in proportion to the raise in money wage rates and the productivity of crops cultivated in Thanjavur district. According to the 25th round of N.S.S., during 1970-71 the average daily wage earning of female worker was found to be lower than that of a male labourer. While the wages of female labourers are high in the States of Assam and Kerala, in Maharashtra, Madhya Pradesh and Orissa, the wages paid to the female labourers are the lowest when compared to other States. This observation lends support to frame a hypothesis that male labourers were earning higher wages than female labourers for all the agricultural operations in Thanjavur district.

With the objective of providing a living wage consistent with a decent standard of living and full enjoyment of social and cultural opportunities, agricultural employment had been brought under the Payment of Wage Act 1936 and the Minimum Wage Act of 1948 and amended subsequently. The Act provided for the fixation of minimum rates of wages for agricultural labourers by the state governments. The wage so fixed would not

fall below the poverty line and should be linked to the consumer price index, so as to protect the labourers in employment where they are vulnerable to exploitation on account of the lack of organisation and bargaining power.\textsuperscript{28}

Although the Minimum Wage Act was passed, it was not in operation in many states and the wages of agricultural labourers were fixed arbitrarily.

East Thanjavur had been the theatre of a series of wage agitations led by the Communist Party of India since 1939. The government of Tamil Nadu appointed an enquiry commission into the agrarian labour problems of East Thanjavur under S. Ganapathi Pillai, a District Judge. His report submitted in May 1969, led to the enactment of Tamilnadu Agricultural Labour Fair Wages Act under which minimum wages for agricultural labour were notified for the first time in the eight taluks of East Thanjavur.\textsuperscript{29}

This observation enabled the researcher to frame a hypothesis that the wage rate was higher in the East Thanjavur as the agricultural labourers' trade union activities were very high in this region. In the context of above discussion, the researcher of the following specific hypotheses were put to empirical test:

\textsuperscript{28}\textit{Ibid.}, p.3.

i) The real wage rates of agricultural labourers had not increased in proportion to the rise in the money wage rates or with the productivity of crops cultivated in Thanjavur district.

ii) The agricultural labourers were getting the wages above the minimum and fair wage fixed by the government.

iii) Trade union activities influenced wage rates and was the major cause for the higher wage rates in East Thanjavur and the high wage rates reduced the demand for agricultural labourers in East Thanjavur.

iv) Male labourers were receiving higher wages than female labourers for the same work done, in agriculture.

**Scope of the Study:**

This study contributes to the area of research concerning the wage structure of labourers in the agricultural sector. First, it has made an attempt to study the trend in money and real wages of agricultural labourers for different operations and it compares the trend in productivity of crops and the trend in real wages of male and female agricultural labourers.
Secondly, it has attempted to compare the actual wages received by the labourers in relation to the wage rate fixed by the Government of Tamilnadu.

Thirdly, the study would emphasise the effect of trade union movement on wages within the agricultural sector between regions of the same district.

Lastly it has examined the extent to which the female agricultural labourers lagged behind the male agricultural labourers with regard to wage payment in different agricultural operations.

Limitations:

The limitations of this study have been pointed out here, so that the implications of this study could be evaluated in proper context. This work attempted to study the wage structure of agricultural labourers of Thanjavur district. The district's annual figure of wage rate was obtained by aggregating the twelve monthly averages and by dividing it by twelve. These averages were simple and not weighted due to absence of information such as the number of days spent in each category of agricultural operations. This was the major limitation of the secondary data relating to the wage rate of agricultural labourers of Tamilnadu.
To find out real wage rates from money wage rates, agricultural labourers' consumer price index of Tamilnadu was used as deflator as there was no separate consumer price index for agricultural labourers of Thanjavur district. In fact, as the consumer price index varies from one district to another district, the analysis of real wage rate has lost its significance to some extent.

Though secondary data are available for three categories of agricultural labourers namely casual labourers, labourers tending cattle and other agricultural labourers, this study was restricted to casual labourers only. Hence the other two categories of agricultural labourers did not come within the scope of this study.

The required primary cross section data for the year 1994-95 were collected by personal interview method. Since the farmers and the agricultural labourers do not keep records on the different aspects, they furnished the information from their memory. Therefore, in spite of specific efforts taken to minimise the recall bias of the respondents, it could not be completely ruled out.

The wages paid to the agricultural labourers within a region itself differed widely due to the multiplicity of operations, between sex, between seasons and between wet and dry crops. Hence the variables used in the
functional analysis such as average wage rates and number of days employed were not weighted ones.

Yet another limitation of this study is that the results of this study can be generalised to the conditions of Thanjavur district of Tamilnadu only because the sample fairly represented the socio-economic and agro-climatic conditions of this district alone. However, attempts had been made to make this study as objective and as scientific as possible by using standard accepted research techniques in the field of social sciences.

**Organisation of the Thesis:**

This thesis is arranged in the following order:

**Chapter - I**
Introduction, problem setting, objectives, hypotheses, scope and limitations of this study are outlined.

**Chapter - II**
Concepts used in the present study along with the wage policy of the government are presented and review of the past works are analysed and discussed.

**Chapter - III**
The study area and its socio-economic conditions influencing the wage rate and employment of agricultural labourers are discussed.
Chapter - IV : Methodology and techniques of analysis are given in detail.

Chapter - V : Major findings of the empirical study are presented and discussed.

Chapter - VI : Summary and conclusion with policy implications are stated.