CHAPTER IV
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WAGES

When a land owner employs agricultural labourer, mental or physical, for some agricultural work on his field, he has to pay him something in cash, kind, or both in return. This equivalent payment to the labourer is termed as 'wages' which is used for existence. In case of family labour, although no payment is made yet this amount is added to the total investment for calculating the cost of production of the crop. These wages are not the same for all the labourers, but depend upon the type of work, time devoted for the work, experience and efficiency of the labourer, and some other basis used for the determination of the wages.

The details of these wages have been discussed under the following heads:

1. MEANING AND DETERMINATION OF WAGES

i) Labour means all those efforts, physical and mental, which are made with a view to earn money. The portion of the income or the amount of money which is paid in exchange of the mental or physical help for the production purpose is known as wages'. In this way it is nothing but monetization of physical and mental labour, i.e. the price of the physical or mental labour of a labour.
These wages are paid to the labourer either in cash or kind or both. Cash wages are those which are paid in terms of money, and by kind we mean the articles or commodities which are essential for existence or efficiency to the labourer, eg. food, food grains, clothes, etc.

The wages of a labourer are determined on the basis of type of work and time devoted for it, experience and efficiency of the labourer, etc. Besides these wages, the labourers are also paid some non-adjustable amount at some special occasions, some of which are given below:

a) Marriage ceremony in the family of a labourer
b) Marriage ceremony in the family of the land owner.
c) Reward for the honesty, dutiffulness, sincerity and obedience of the labourers.
d) Some calamity on the family, or illness of a family member of the labourer.
e) Education of a promising child of the labourer.
f) At the time of a bumper crop which is much more than the expected one.

ii) Determination of wages

Actually, there is no hard and fast rule for determining the wages, but still they are determined on the basis of the cost of living index of the labourers, demand and supply, efficiency, and work load on the labourers. The following are some of the important issues which play an important role in determining the wage rate in Kanpur district.
a) **Prevalent wage rates in the market of labourers**

When the labourers are employed from the market, the land owner has to pay the wages at the local rates, irrespective of the honesty, sincerity and efficiency of the labourers. They are to be taken care of by the land owner himself. He has to utilize his services in the best possible way. Such rates are paid by the other land owners also.

b) **Demand and supply of labourers**

There are some such skilled labourers whose supply is less than the demand. In that case, the land owner has to pay more than the normal wages, if he has no other way out. In case, when the supply of the labourers is more than the demand, the labourers can be available at the cheaper rates also.

c) **Paying capacity**

There are some such rich land owners whose paying capacity is much more than that of other land owners. Such rich land owners pay more than the prevalent rates and utilize the services of the labourers. On account of this the land owners of less paying capacity have to be satisfied with less efficient labourers on lesser rates. This is not economical at all, because ultimately the crop production will be negatively affected. Although this is not the only factor responsible for low production, yet it is one of the important factors which are responsible for less production.

d) **Cost of living**

The wage rates are also changed with the change in the
purchasing power of money from time to time. This consideration
is always kept in mind while determining the wages so that the
living of the labourers may not be affected with humanitarian
point of view. With the increase in prices of the commodities,
the wage rates are also increased.

d) Productivity

Higher productivity is the result of higher efficiency of
the labourer and his devotion to work. Such a labourer has
definitely a claim and right for higher wages. It is quite justi-
fied that the advantage of higher production must be given to the
labourer also in the shape of higher wages.

f) Bargaining capacity

In cases, where the labour union is more organised and
united, bargaining is more effective. The agricultural labourers
become more successful in obtaining higher wage rates. On the
other hand, where there is dearth of such unions, the labourers
are not able to obtain higher wage rates and have to be satisfied
with what they get.

g) Type of work

Generally, for the work which needs more skill, technical
knowledge, responsibility and more risk, the wage rates are higher.
On the other hand, for the work in which there is less need of
these qualities, the wage rates are also less. Hence, the wages
are determined on the basis of type of work also with a view point
of skill, technical knowledge, responsibility and risk involved.
2. DETERMINATION OF WAGES IN KANPUR DISTRICT

Keeping the above facts in view, generally, the wages in Kanpur district are determined on the following basis:—

i) Through mutual agreement

In this system the type of work and the quantity of work are explained to the labourer and then the wages are settled through mutual agreement between the land owner and the labourer. Both, the labourer and the land owner, agree on some such amount with which both the parties are satisfied. Some times when the availability of the labourer is not much and the need of the land owner is great or urgent, land owner has to agree upon the wages demanded by the labourer which are exceptionally abnormal, because at that time there is no other way out. In the other case when the labourers are in abundance, labourer is the sufferer.

The wages through mutual agreement are settled under the circumstances when the work is only for a short period and is such that there is no need of a permanent labourer. In Kanpur district mostly wages are decided through mutual agreement.

ii) On the basis of customs and traditions

In this system the wages are determined on the traditional basis. The wages which have been prevalent in a particular region for the past several years are the only wages which are acceptable to the labourers and not less in any case. In such cases land owner also agrees upon atonee with no other considerations. Thus the traditional wages are the wages upon which the land owner and the labourer agree. Mostly, in agricultural operations, like
ploughing, sowing, weeding, irrigation, harvesting, threshing, etc. This system of wage determination is very suitable and is in frequent use in Kanpur district.

iii) On the basis of efficiency of labourers

The wages of a labourer are determined on the basis of the efficiency of the labourer. Efficiency means the output of work per day, capacity to do different types of agricultural operations, knowledge about 'when, what, how much, and how' for the different agricultural operations in case of a particular crop, etc. On the basis of these criteria the labourers can be ranked according to efficiency. More efficient labourers deserve more wages. Females and children are generally less efficient than male labourers and hence, their wages are less as compared with those of males, but in some cases wages of both are the same. In this system the factor of production is main consideration. Labourers are generally employed by the land owner on a permanent basis. They are not in abundance and hence, there is no such market where one may go and catch them at the time of need. Mostly the employment of a labourer is on the contract basis.

iv) On the basis of need

According to this system the wages are paid to the labourer on the basis of the need of his family. This system of payment of wages was prevalent in Kanpur district up to the time of Zamidari abolition. The reason for this system was that the labourers who were engaged for the agricultural work on the farms of big landlords were paid wages partly in the form of cash and partly in the form
of food grains for the maintenance of their family. On the occasion of the marriage ceremony of their daughters and sons, or some other social function, some additional arrangement was done by the Zamidar. The labourers were also happy and satisfied by such kind cooperation by the Zamidar. After the Zamidari abolition this system of payment of wages also gradually came to an end and at present under the changed circumstances, there is no such system of payment of wages.

v) **According to work**

When a labourer is paid wages on the basis of the amount of work done by him, wages are known as wages according to work'. Thus, there is a direct relationship of the wages with the amount of work done by the labourers. This system of wage determination is of great importance in case of agricultural work. In Kanpur district mostly, an agricultural labourer accepts the wages according to this system and the land owner also, determines the wages by this system, because labourers and the land owner both are benefitted by this system. On one side, the work of the land owner is done in a good way and in less time, and on the other, the labourer also gets more wages for more work. Thus both get the optimum satisfaction.

vi) **Minimum wages determined by Government**

The idea of minimum wages formed by the Govt. of India, was that there should be such a minimum level of wages that not only they be sufficient for existence, but also they should be sufficient to meet the requirements related to education, medical
treatment, standard of living, etc. Thus the idea of minimum wages is not with those wages which are sufficient for a labourer to exist only, but it is with those wages which provide facilities to maintain his family with a reasonable standard, and also to develop good habits, and self confidence in a labourer and to encourage him for educating his children and creating a respectable position in the society.

Thus we see that minimum wages for agricultural labourers are of great importance and beneficial for the labourers. Although great efforts had been put during the period, June 1975 to March 1977, for ending the system of bonded labour and fix the minimum wages for the agricultural labourers, yet much success has not been achieved in this direction in Kanpur district.

Note: There are several methods of determination of wages for the agricultural labour, but every method has got its own merits and demerits. It is a fact that not a single method can be said to be the best for all the regions and under all the circumstances.

3. VARIOUS METHODS OF PAYMENT OF WAGES

Every land owner adopts a particular method of payment according to his own convenience, or he may use more than one methods in the mixed form. In general the basis of payment of wages is either the 'Time' or 'Amount of work done' or 'Both'.

In Kanpur district there are following three types of payment of wages in vogue.
1) **Time wages**

This is the system of payment of wages according to time for which the labourer has done the work. This is the oldest system of payment and the units of rate are per hour, per day, per week, or per month, etc. The main point in this system is that the amount of work done by the labourer is no consideration, and the payment of wages is made as soon as the unit of time is over. For example, if he is employed on per month basis, he will be paid wages after every one month. In Kanpur district nearly every land owner, who is quite well off and commands respect in the society, has at least one such labourer whose wages are paid on monthly basis.

ii) **Piece wages**

According to this system wages are paid to the labourer on the basis of the amount of work done by him. There is no importance of time in this system for payment of wages. It does not mean that the labourer is free to take as much time as he likes for any agricultural work, because, after all the agricultural operations are also to be done in time, otherwise there will be a loss in the production of the crop, and the cost of production will be increased. If the wages are paid by this system the labourer can earn more by finishing the work earlier by putting the labour with greater speed. This system of wage payment is adopted in such a case where there is a repetition of the same type of work.

In the rural area of Kanpur district this system of payment
of wages is more prevalent for a number of types of agricultural work. The main reason for this is that on one hand the work of the land owner is finished in a good way and in time, and on the other, the labourer receives proper charges for his work. Thus, this system gives proper satisfaction to land owner and labourer both.

iii) Incentive wages

Every land owner desires that his labourer according to his ability and efficiency, should put in such efforts that the production of the crop may be optimum. On the other hand, the labourer feels that even after payment of wages, the land owner is benefitted much more by his labour, and comparatively he is not. Thus on account of such opposite type of feelings, the labourer does not try to increase the production by using his full efficiency, but tries to do the minimum possible work. If a labourer is given allurement for bonus or some other type of additional income, he can do the work with more devotion and more efficiency. These are known as incentive wages which are paid to the worker in addition to his presettled wages, and which depend upon the profit received from the business.

Although a few of the land owners in Kanpur district have adopted this system, yet no much advantage of this system will be observed unless adopted by the majority of the land owners.

The majority of land owners do not pay the incentive wages in their farm, but indirectly make payments in the form of food grains, and clothes as a help. They also help them financially at
the time of some social function, or marriage ceremony of the
land owner's son or daughter. Also some additional payment or
advantage is given to the labourer. He is given some loan also
at the time of need. So far as this system, in case of agricul-
tural labourer, is concerned no cash payment is made in the form
of incentive wages but some real advantages are definitely given
in its place.

Thus in place of cash payment as incentive wages, a
labourer gets the advantage of residence, some cash/clothes on
the occasion of some festival, work for his children, loan
without interest and without any guarantee, and some food grains
on a good crop production.

Table 4.1: Average daily wages in 1985 in Kanpur district.

<table>
<thead>
<tr>
<th>Worker or work</th>
<th>Rural area (Rs.)</th>
<th>Urban area (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Unskilled labourer</td>
<td>-</td>
<td>13.00</td>
</tr>
<tr>
<td>2. Raj Mistri</td>
<td>23.41</td>
<td>25.64</td>
</tr>
<tr>
<td>3. Carpenter</td>
<td>21.40</td>
<td>25.10</td>
</tr>
<tr>
<td>4. Ploughing</td>
<td>10.40</td>
<td>-</td>
</tr>
<tr>
<td>5. Nirai &amp; Gurai</td>
<td>8.98</td>
<td>-</td>
</tr>
<tr>
<td>6. Harvesting</td>
<td>10.49</td>
<td>-</td>
</tr>
<tr>
<td>7. Other agricultural job</td>
<td>10.33</td>
<td>-</td>
</tr>
</tbody>
</table>

CRITICAL STUDY OF WAGES

The method of determination of wages of agricultural
labour in U.P. in general, and in Kanpur district in particular
is not satisfactory. Inflation of prices is at a very high level but the wages are paid on the historical contracted basis. Thus, the agricultural labourers are not well off, although they have to work more than what they used to do in the past.

In certain cases, on the basis of survey, it was found that wages were not paid to the labourers, when they tried to oppose them, and on the basis of this charge, deduction from wages was made by way of penal provision. In some cases land owners unnecessarily try to find faults in the work of labourers, and then, not only the wages are not paid, but also the employment is terminated.

As there are no trade unions amongst the agricultural labourers, they cannot demand their claims in a forceful manner.

The minimum wages, determined by Government, are also not satisfactory. It is a fact that, on an average, employer is attaching more importance to the payment of wages, because he feels that satisfaction of the labourers will contribute in more work and better work, but this state of affairs is not prevailing in the whole of U.P.