Chapter -1

Review of Literature and Methodology
CHAPTER - I

SELECT REVIEW OF LITERATURE

"It ain’t so much the things we don’t know that get us in trouble. It’s the things we know that ain’t so”.

- ARTEMUS WARD

1. INTRODUCTION

Despite the rapid strides made in economic development nearly 70 per cent of labour force is located in the agricultural sector of the less developed economies. Workers labouring on Family Farms in low and middle income countries account for 40 per cent of world’s labour force. Due to capital intensive technique of production, these workers are getting displaced and joining the ranks of agricultural labour. Non-agricultural economic activities in the rural sector are limited and are shrinking due to increasing competition from modern industry. In 1993, the contribution from agriculture has fallen to 28 per cent. Thus the low productivity of agriculture which employs about 70 per cent of the labour force is responsible for the persistence of poverty in the rural areas. India is no exception where agriculture accounts for hardly 33 percent of NDP. Rural India constitutes three-fourths. It comprises 150 millions of rural labour in 1987-88 as per the definition of the National Commission on Rural Labour. Rural labour engaged in agriculture would be around 110 millions or 73 per cent of the total rural labour. Lack of capital, assets and skill are responsible for the persistence of poverty. In this chapter it is proposed to undertake a select review of relevant literature for gaining some insights into the issues involved in the domain of labour in the context of development and the strategies, evolved to tackle the problems, the experience gained and the need to keep a continuous watch over the problems faced.
1.2 Burgeoning Literature

The literature may be broadly classified into four categories. The first category deals with studies by international agencies as well as general and analytical ones. They have a global coverage. Regional studies are also touched upon. The second category deals with studies at the national level in a chronological order. Because India is of continental size, sub-national studies assume prominence and they are covered in the third category. In the last category a few studies on the subject pertaining to Andhra Pradesh are considered.

The literature on rural and agricultural labour is very extensive and is burgeoning at the international level. The World Bank has evinced keen interest in poverty alleviation in the third world and has carried out several studies on the different dimensions of rural poverty. Similarly, the F.A.O. and the I.L.O. are deeply involved in identifying the causes of rural poverty and unemployment and have published several reports and organised several seminars at the global and regional level. The Economic and Social Commissions for different continents have also generated a lot of empirical studies and brought out many reports touching upon the economic conditions of agricultural labour in our country. Government of India has been focussing its attention on the problems of agricultural labour right from the very inception of development planning. Starting with the first agricultural labour enquiry in 1950-51 it has carried out enquiries on agricultural and rural labour on a continuing basis. Several evaluative studies on social and economic conditions of agricultural labourers and marginal farmers have been made by official and non-official agencies from time to time.
1.3 World Labour Report : 1992

This is volume 5 of the World Labour Report and the first issue of a new annual series. Each year the report reviews significant recent events and policy experiences in the following areas:

1. Human Rights at work
2. Employment
3. Labour relations
4. Social Protection and working conditions

Human Rights at work and labour relations have recently improved as a result, for example, of the political transformation in Eastern Europe, the process of multi-party democracy in Africa, and in many parts of the world. Workers now have full freedom to organise themselves even though some trade unionists, and sometimes employees are still murdered, harassed or restricted in their activities. In Eastern Europe many new trade unions have appeared, both to represent workers and to exert political pressure. In Latin America many trade unions have now become trusted partners of Government and employees while in some African countries unions have helped to establish a multi-party democracy.

Exploitation of child labour, however, remains a disturbing aspect of the international labour scene. Hundreds of millions of children around the world work to support themselves and their families, often sacrificing their education, their health and their childhood. Even though a few countries have developed comprehensive plans to deal with this problem, there are many steps that can be taken including improving and enforcing legislation, promoting school enrolment, raising and supporting actions by communities and organisations which are helping child workers.
The employment situation in 1992 is hardly encouraging in the industrialized market economies, unemployment is likely to rise to over 7 per cent as a result of the continuing recession. In Eastern Europe and the USSR the radical shake out of the under employed may lead to unemployment rates of 15-20 per cent in the future. New social security schemes financed by employers and workers contributions are needed to protect the unemployed and the old-age pensioners. The economic crisis in Africa persists with increasing numbers of working people gravitating towards the informal sector. The motive towards the informal-sector and the informalization of employment contracts can also be seen in Latin America and Asia.

But there are also some bright spots. An increasing flow of migrants from Eastern to Western Europe and from South to South-East Asia and to Japan would allow many of the unemployed to find productive employment in economically more advanced countries. In Latin America unemployment has been stagnant in the recent past. Even though real wages have continued to fall, in most of Asia poverty has been on the decline, while unemployment has remained stable in recent years. In the newly industrialized countries real wages have risen sharply.

This study deals with high rates of growth in agricultural production which need not be incompatible with increased employment, income, and the satisfaction of basic needs in the low-income developing countries. Emphasizing this theme, the author presents three alternative agricultural development strategies and suggests guidelines for identifying appropriate policies and programmes. These policies are designed to maximize agricultural production and provide additional opportunities for employment, thereby increasing the purchasing power of rural families.
The three models of agricultural development (the Dual-Size structure model, the Uniformly Small Farm model, and the Mixed Characteristics model) differ in terms of ownership and access to land and other resources, macroeconomic policies that determine the type of technologies available to farmers. The author assesses the potential of each strategy for generating employment and increasing income, drawing on case studies of Latin America, Asian, and African economies.

1.4 World Development Report: 1995

World Development Report focuses on the incomes workers receive, the risks they face, and the conditions under which they work. Inevitably, work has almost as significant implications for those who do not work—children, the old, and those unable to work—as for those who do.

What makes the report even more timely is the growing impact of two distinct global trends: reduced government intervention in markets, and the increased integration of trade, capital flows, and the exchange of information and technology. In such a climate of profound change, basic decisions about wages and working conditions are driven by global competitive pressures. The harsh reality of a global market is that policy failures are punished hard, through currency movements, shifts in market share, and, ultimately, through fluctuations in employment and wage levels.

Some see the new global market place as a source of opportunity, where industry and energy bring swift rewards; others regard the changes as a threat to security, and in parts of the industrial and the developing world the cause of protectionism is far from defeated. This report makes four key points:
First, it emphasizes the benefits to workers in all countries, and especially poor ones, of productivity-raising economic growth driven by sound investments in capital and in people's health and education.

Second, increased integration between countries, including through migration, can benefit workers in poor and rich countries at the same time. But governments have an important role in helping workers who are adversely affected by change in trade patterns and capital flows. This can involve not just providing a social safety net, but also helping to equip workers for change.

Third, labour policies in many countries have been misguided in favouring those in good jobs at the expense of workers in the rural and informal sectors and the unemployed. Governments have a distinct role in setting the legal and regulatory frame works within which trade unions and firms can operate and in ensuring that those frame works encourage their positive contributions to development. Governments also need to define minimum standards and prevent exploitation and discrimination. Successful labour policies are those what work in harmony with the market and avoid providing special protections and privileges to particular labour groups at the expense of the poorest.

Fourth, workers eventually benefit from economic reform as states move from central planning to market systems and from protectionism to openness. The change, however, can be wrenching as employment and wages often decline temporarily and as workers have to move from old to new jobs. There remains a need for governments to provide strong support to workers and their families in such times of transition.
Human Development if not engendered, is endangered - that is the simple but far reaching message of Human Development Report 1995. The report analyses the progress made in reducing gender disparities in the past few decades, highlights the wide and persistent gap between women's expanding capabilities and their limited opportunities, introduces two new measures for ranking countries on a global scale by their performance in gender equality, analyses the undervaluation and non-recognition of women's work and offers a five point strategy for equalizing gender opportunities in the decades ahead.

An innovative feature of this year's report is the design of two new composite indices - the gender-related development index (GDI) and the gender empowerment measure (GEM) both of which rank countries on a global scale of gender equality. The GDI captures gender inequality in human capabilities, and the GEM reflects inequalities in key areas of political and economic participation and decision making. The report also brings together, for the first time, considerable data from a sample of 31 countries on the contributions of women and men to paid and unpaid work. The report concludes that the unvalued contribution of women is so large that any reasonable valuation would lead to a fundamental change in the premises on which today's economic, social and political structures are founded.

Another special feature of this year's report is the contributions from seven current women heads of State Government. They present their visions of the challenges they face and the means they propose to attain greater gender equality in their countries.
1.6 Land labor and Rural Poverty : 1984

a. Agricultural Labour

In his study “Land, Labour and Rural Poverty” by K. Bardhan analyses the supply and demand sides in the agricultural labour market. The determination of equilibrium wage and level of unemployment, and the two-third labour markets where some part of the labour force enters into voluntary labour-trying arrangements with the employers. He concentrates on determinants of usual labour force participation by women on the pattern of their seasonal withdrawal from the labour force, and how, in view of this, the standard measures underestimate their underemployment. He analyses the farm-level determinants of the use of hired labour, shows how the agricultural wage rate is sensitive to the demand and supply factors contrary to the implications of the popular theories of determination of wages by custom.

He develops a theoretical model incorporating involuntary unemployment some degree of monopsony power on the part of the employer, and the high premium he places on quick and ready availability of labour during some peak operations. This model generates some comparative-static variations in wage rates and unemployment which seem to be consistent with Indian data at different levels of aggregation. He intensively probes cases of labour-tying arrangements cemented with credit from the employer, which reduce the latter’s recruitment costs of casual labour in the peak season, or act as a risk-sharing device against the uncertainties of peak wage rates facing the laborers or as an inter temporal barter transaction in the case of a double coincidence of wants between employer-creditors and laborer-borrowers arising out of irregularities of the agricultural crop cycle.
b. Land Lease

The author analyzes the rationale and the consequences of the various observed patterns of land-lease contracts, summarizes some of the essential arguments of market imperfections, uncertainty, and information asymmetry as rationale of sharecropping contracts, and also shows how in the absence of observability of inputs (like fertilizers) other than labour, the landlord provides incentive for their use by effectively paying the tenant a fixed sum: there is cost-sharing, but not at the margin, contrary to the usual analysis of this problem. He advances the conflict between the threat of tenurial insecurity as an incentive to tenant performance and the consequential disincentive to tenant application of labour on durable land improvements. He reports the results of a primary survey of 334 sample villages in North and East India on terms and conditions of sharecropping contracts and the nature of relationship between the landlord-creditor and the tenant-borrower. He uses cross-section data at varying levels of disaggregation to test theoretical hypotheses relating the extent of tenancy and technological, economic, and demographic variables. He carries out a similar hypothesis-testing on the different forms of tenancy (particularly, sharecropping vis-a-vis fixed-renting).

c. Production relations and Poverty

P.K. Bardhan discusses the possibly ambiguous relationship between agricultural growth and poverty of agricultural labourers and the complexities in the relationship of poverty and child mortality. He studies the institutional environment of persistent poverty and how the nature of production relations makes it difficult for piecemeal, policy solutions or isolated remedial efforts to
work. In particular, he shows how the absence of credit or insurance markets leads to contractual interlinking in land, labour and credit relations, and piece-meal reformist measures tinkering with one part of these transactions without taking care of the interconnections, may even worsen the lot of the poor tenant-labour-borrower. The same labour market segmentation fractures the process of class formation and class action on the part of the exploited. This underlines the importance of channeling organizational resources toward the building of viable local community institutions providing alternative sources of credit and social insurance. The need for similar community organizations for water management, which can rise above or supersede the private property interests of landlords and "waterlords" and thus relieve one of the major constraints on broad-based agricultural growth, is emphasized by this study.

1.7 The Assault that Failed : 1987

The Assault That Failed is by Mosharaff Hossain. The core of the monograph is the presentation of results from a survey carried out in six rural villages of Bangladesh in 1984 and 1985. In the first stage of the survey, the economic activities and position of all households in the villages were investigated; in the second, very detailed data on employment, income, expenditures and living standards were collected from 178 of the poorest households on a continuous basis throughout an the year. The result is a valuable addition to the rather sparse existing data on these subjects.

The levels of deprivation recorded can only be termed staggering. The average annual income of the 178 households was US$67 per capita, and that of the poorest 20 per cent was $29. The latter were starving.
to find any other theme in Russian Economic literature to which has been devoted such an immeasurable quantity of books and pamphlets with varied approaches to the problem and very different trends of thought.

Therefore, in coming forward with a new work on the peasant farm it is absolutely essential to orient oneself with regard to all theories that formerly existed, problems that have been posed, and to determine as strictly as possible one’s tasks and method of work. If this is not done, it will be difficult to avoid unfortunate misunderstandings and quite incorrect interpretations of the results obtained. The whole key to the problem is in the confrontation of these two hypotheses. They ought to accept either the concept of the effective two-fold nature of the peasant, uniting in his person both worker and entrepreneur or the concept of the family farm, with work motivation analogous to that of the piece-rate system. No third possibility is offered.

They have chosen the second hypothesis that is less effective and more simply explains all the phenomena observed. Moreover, a certain extension of the theoretical statement of the peasant farm problem has influenced their choice to a considerable extent.

The concept of the peasant farm as an entrepreneurial one in which the head of the farm hires himself as worker is conceivable only in a capitalist system, since it consists entirely of capitalist categories. The peasant farm as an organisational form, however, and at the moment, that is all that interests us is also completely conceivable in other systems of national economy, semi feudal or peasant and artisan countries and, finally, purely natural economy i.e.,
economic systems in which the categories of hired labour and wages are logically, if not historically, completely absent.

In accordance with this, if we wish to have a single organisational concept of the peasant labour farm independent of the economic system into which it enters we ought inevitably to base our understanding of its organisational essence on family labour.

It is self-evident that for each system of the economy and even for each phase of its development the part played by peasant farms in the national economy, the interrelationship of their farms with other types of economic units and the interrelationships and struggle of the peasantry as a class with other coexisting classes, and, finally, the way in which they participate and share in the distribution of the national income will vary to a great extent, yet, the organizational shape of the basic cell, the peasant family labour farm, will remain the same, always changing in particular features and adapting to the circumstances surrounding the national economy, as long as the peasant farm exists as such, of course, and has not begun to be reconstructed into other organisational forms.

The author was hailed by some as peasantry's new Marx, a hero-inventor of a radically new political economy. He was attacked with equal heat by the defenders of the intellectual old regimes. For a time Chayanov was high fashion but even when the swing of academic attention moved to new names and "fads" many of his questions, insights, and even terms like "self exploitation" have remained as fundamental points of reference to the contemporary social sciences.
1.9 Amartya Sen’s study on Poverty and Famines: 1986

This study was undertaken for the World Employment Programme\textsuperscript{10}, launched by the International Labour Organisation in 1969. It is concerned with the causation of starvation in general and of famines in particular. The method of analysis adopted is the ‘entitlement approach’, which concentrates on ownership and exchange.

Entitlement relations accepted in a private ownership market economy typically include the following, among others:

(1) **trade-based entitlement**: one is entitled to own what one obtains by trading something one owns with a willing party (or, multilaterally, with a willing set of parties);

(2) **production-based entitlement**: one is entitled to own what one gets by arranging production using one’s owned resources, or resources hired from willing parties meeting the agreed conditions of trade;

(3) **own-labour entitlement**: one is entitled on one’s own labour power, and thus to the trade-based and production-based entitlements related to one’s labour power;

(4) **inheritance and transfer entitlement**: one is entitled to own what is willingly given to one by another who legitimately owns it, possibly to take effect after the latter’s death (if so specified by him).

After introducing the ‘entitlement approach’ to starvation analysis, the author examines problems of conceptualising and measuring poverty, and discusses the specific problem of starvation in general terms. He then analyses the ‘entitlement approach’ in detail and applies it to four case studies of famines from different parts of the world. In the final chapter he looks at general issues of deprivation related to entitlement systems.
The study attempts a comparative analysis of employment, earnings and poverty in rural India and rural Indonesia\textsuperscript{10a} mainly based on micro level data. However, its macro links and implications are explored and should be of particular interest for the policy makers.

The author divides districts of India into four types. I. those districts where both farm and non-farm sectors are backward, II. those agriculturally developed but non-agriculturally backward districts, III. both sectors in the district are developed; and IV. agriculture is poor but non-agriculture is fairly developed. Using these classifications, he divides 393 districts based on per hectare agricultural productivity levels into two distinct groups. Group I represents a situation of backward agriculture and group 2, a situation of developed agriculture.

Based on stratified random sampling, he draws a sample of 1091 landless labourers, marginal and small farming households, covering three major areas and levels of development.

He shows that scenario I, type areas with a backward agricultural base have largest concentration of poverty and its associated welfare problems in terms of poverty. Output per worker and earnings per household are very low in such areas. Apart from natural constraints technological lags are quite conspicuous in the agriculture of such regions. His policy conclusion is that in backward areas public investment and infrastructure must be accorded the highest priority. He also finds that rural institutions in economically backward areas are generally weak.
He observes sharp contrast in borrowing and indebtedness in the three scenarios. In scenario I, money-lenders played a major role while half of the total borrowing in scenario II and more than 90 per cent in scenario III, had access to rural credit from public agencies at subsidised interest rates. This enables him to highlight the reinforcing nature of interaction between technology and rural institutions.

On the intensity of employment and earnings, he finds that number of days worked per year and levels of earnings are weakly related. He found that a region’s move from backward agriculture to agriculturally developed economy results in larger number of total working days of employment per year as well as earnings per day resulting in a much higher level of income. Accordingly, the trickle down effect becomes far more progressive when the economy expands beyond agriculture as in the case of scenario III.

He finds that non-farm employment and earnings are extremely important to the landless working class, availability of such employment is much higher in scenario III type of development where it is possible to find non-farm employment inside the village economy itself. The findings have enormous development policy implications.

1.10 The Rural Poor : 1983

Abdul Aziz’s study11 examines the need for and the possibility of organising the rural poor and also outlines the manner in which they should be organised. Identifying their socio-economic problems and evaluating the existing practices of the group specific organisations among different sections of the poor, a case is built for a common organisation. Having suggested a single organisation for all sections of the rural poor, the strategies for and the methods of organising them into such organisation are outlined in some detail.
P.C. Joshi deliberates that eradication of mass poverty is now becoming the widely accepted normative basis of economic and social thought in underdeveloped countries. In India, for instance, an anti-poverty orientation is no more the exclusive hallmark of politico-economic radicalism. If an anti-poverty premise is considered to be the dividing line between radicalism and conservatism, then all trends of politico-economic thought have a radical tone in India. The divergence of these perspectives is most marked on questions relating to the agrarian structure and the rural poor. The study attempts to review these perspectives which have crystallised in India in the course of lively debate among economists in recent years.

The spread effects from the dynamic sub-sector which is growing within agriculture are bound to permeate the backward peasant sector. Thus, in conformity with the principle of percolation from the top to the bottom layers, the backward peasant sector will also acquire properties of dynamism. In this conception the capitalist and the peasant sectors are assumed to be inherently complementary to each other. A rigorous scientific statement of the conception has constituted the unstated assumption of scientific research by a section of scholars in India.

In India, when the new agricultural strategy was first introduced, the first conception seemed to be implicit, if not the explicit, basis of scientific research and policy-making. Subsequently, however, the widest consensus seems to prevail round the second conception. The third conception can be said to constitute a minority trend among scientists and policy makers.
1.12 Agricultural growth Rural Development and Poverty : 1988

The volume contains writings of Prof. G. Parthasarathy over the last three decades on a theme close to his heart. 'Agricultural Growth, Rural Development and Poverty'. His writings reflect a patient search to ascertain facts and analyse them dispassionately. But no worthwhile research on socio economic problems can be pursued without deep convictions about an acceptable social system. For Parthasarathy, the paramount value by which a social system ought to be judged is equity. He would not accept growth devoid of equity and social justice. And for him this is not simply an ideal to be held aloft for exhibition. He has concrete ideas about policies and programmes, which would help to achieve growth with equity.

This concern for truth about social and economic reality is amply reflected in the articles published in this volume. The central theme around which his writings converge is India's agrarian economy, its inequity, poverty and unemployment. He sees the roots of these maladies in the agrarian structure and examines the manner in which the process of growth has affected the different sections and classes constituting the rural society.

1.13 Poverty, Employment and Social Services : India 1989

This report consists of two parts: Chapter 1, which analyzes recent economic developments and growth prospects; and Chapters 2-6, which discuss the problem of poverty in India and the Government’s poverty alleviation efforts. The review of recent developments emphasizes the vigorous recovery the Indian economy has made from the drought of 1987. The economy is likely to grow by
9 per cent in 1988-89, making it likely that the Seventh Five Year plan's target rate of growth of 5 per cent will be reached, and rendering the 6 per cent target of the forthcoming Eighth plan attainable. The report emphasizes, however that the fiscal and balance of payments deficits will have to be reduced in order to establish a sound base for sustained higher growth. It suggests that real export growth of at least 10 per cent per annum will be required to pay for the increased imports required for higher growth and to avoid an unsustainable build-up of external debt. Reducing the fiscal deficit is required to reduce the pressure on the balance of payments and permit efficiency-enhancing liberalization of the trade regime. The second part of the report finds that the more rapid growth of the Indian economy during much of the 1970s and 80s, coupled with an expansion of programs aimed at poverty alleviation. At the same time, poverty has become more strongly concentrated in Eastern India and more closely associated with landlessness and wage dependency, especially in unirrigated rural areas. It suggests that, while more rapid growth can lead to greater progress on the poverty front, policies which have inhibited the growth of employment both in agricultural and non-agricultural pursuits will have to be changed. At the same time, partly because of fiscal pressures, but also to increase the ability of the poor to participate in the growth process by improving their health and educational status will have to be more sharply targeted, simplified in their administrative structures and more closely attuned to the needs of the communities they serve. Finally, guaranteed employment will be required to protect those who, because they lack the human or physical capital, or live in chronically depressed regions, cannot benefit directly or immediately from the growth process.
Rural labour\(^{15}\) comprises persons living and working in rural areas subsisting partly or wholly from wage income. Besides, there are self-employed workers forming part of the petty production system who neither hire labour nor offer their services for a wage. They should also be classified as rural labour, since their living conditions are no better. Rural labour so defined would comprise wage-paid manual workers engaged in agricultural and non-agricultural activities, small and marginal farmers, tenants and share-croppers and artisans. Their number is estimated to be around 150 million in 1987-88. Rural labour constitutes the most marginalised section of our society. It benefitted least from the 40 years of development.

There are wide rural-urban disparities in access to education, health, potable water, foodgrains available at the fair-price shops, etc. The effects of this are more adverse for rural labour because a disproportionately large share of benefits of social development accrues to the non-labour segment.

Thus, even though there are some signs of improvement in levels of living during the 80s, the rural labour has been largely bypassed by the processes of socio-economic development over the last four decades. It is, therefore, necessary to identify the major structural, institutional and planning deficiencies responsible for this state of affairs.

1.15 Landless agricultural labourers and the law : 1995

The main objective of the book\(^{16}\) is to find out how legislative measures can help in regulating wages and, providing social security and welfare to the
landless agricultural labourers. Specific attention is given to agrarian legislation, including the land ceiling laws, labour welfare and social security schemes. The Chapters on 'Mechanization of Agricultural Labourers' offer a fresh data-base which can provide the essentials for an entirely new and comprehensive legislation for the landless agricultural labourers. A significant feature of this book is a proposed Model Bill on Landless chapter, which is more comprehensive in its scope as compared to all earlier applicable legislations and more detailed in its particularities.

1.16 Employment perspectives in Rural India : 1997

This book is the outcome of papers presented and deliberated upon in the National Seminar on "Employment Perspectives in the Rural Sector" organised by the Department of Analytical and Applied Economics, Utkal University and sponsored by the Ministry of Rural Employment and Poverty Alleviation, Government of India, held during January 30-31, 1996.

The book has three sections dealing with (i) Employment Prospects in Agricultural Sector (ii) Employment Prospects in Non-farm Sector and (iii) Financial Institutions in creating-self-employment in rural sector.

The view that emerged out of these papers was that through diversification of agricultural activities, improvement in irrigation and drainages system and development of various allied activities, more employment opportunities can still be created within the rural framework. The papers throw light on impact of technology, irrigation and other improvements in agriculture on employment. Prospects of employment in allied activities like dairy and poultry were also considered.
1.17 Marginal farmers and agricultural labourers in South Kanara District: 1976

Thingalaya study of marginal farmers and agricultural labourers in South Kanara District identified that the agriculture labourers were found to be employed for about 220 days in a year. Their average yearly income was found to be Rs.2340 and expenditure Rs.2410 thus leaving a difference Rs.70. The average borrowing of the sample agricultural labourers was Rs.169.8; most of the borrowings were for domestic consumption.

1.18 Economic conditions of agricultural labourers and marginal farmers: 1986

This study by Gain Singh is in the year 1980-81. The main objective of the present study is to analyse the levels of living of the agricultural labourers and the marginal farmers in the rural areas of Punjab. The aim is to study the sources, composition and patterns of income and consumption of the agricultural labourers and the marginal farmers in differently developed districts of Punjab. In addition, an attempt has been made to study the assets and liabilities of agricultural labourers and marginal farmers. He has examined the extent of poverty that prevails among these poor sections of society in the rural Punjab.

The sampling design consists of three steps 1. Selection of districts 2. Selection of villages 3. Selection of households. There are twelve districts in the state of Punjab. He has selected one district from each productivity group i.e. Ludhiana from the high. Bathinda from the medium and Ropar from the low productivity group. Ten villages were selected at random from each district thus in all, thirty villages were selected from three districts namely Ludhiana,
Bathinda and Ropar. All the rural households of 30 villages were enlisted and the proportion of the marginal farmers and the agricultural labourers was worked out. He has determined that 153 households should be picked out from Ludhiana, 224 from Bathinda and 73 from Ropar district.

A list of the marginal farmers and the agricultural labourers was separately drawn up for all the three districts. The combined list of 10 villages of each district was pressed into service to finally select the households belonging to the category of marginal farmers and agricultural labourers on random basis. The 450 sampled households of marginal farmers (273) and agricultural labourers (177) spread over three districts and 30 villages was arrived at.

He has formed three categories for a cross category comparison of income and consumption levels or their composition for the marginal farmers as well as the agricultural labourers. The three categories have been drawn up on the basis of income levels (i) First category. It includes those households which have an annual Income less than Rs.4000. (ii) Second category: It consists of household having income more than Rs.4000 but less than Rs.8000. (iii) Third category: All the households having income above Rs.8000 are included in this category.

The following are the main conclusions of the study. There is much similarity in the income patterns of the agricultural labourers across the income categories and the districts. By virtue of their being agricultural labourers the main source of their income is agricultural wages. They boost their income by resorting to subsidiary occupations like dairying, shoe-making or trade on a very small scale. However the value of poverty measure ‘P’ is inversely related to the income levels of the agricultural labourers. In general there is much similarity in
the consumption pattern of agricultural labour households in the rural areas of Punjab. They spend the major part of their income on food grains, milk and milk products, clothes and sugar and Gur/Khandasari.

However, there are considerable differences in the relative shares of the consumption expenditure on some items across the income categories and the districts. The agricultural labour households spend small proportions of the total consumption expenditure on services, marriages or other social ceremonies and durable commodities. In the case of services the agricultural labour households spend an insignificant amount on the education of their children and entertainment.

The poverty measure ‘P’ calculated on the basis of consumption is inversely related to the income levels of the agricultural labourers. The household durables account for the major proportion in the value of the total assets of agricultural labour households. About three-fourth of agricultural labour households in the rural areas of Punjab are under debt. The burden of outstanding loans is considerably high in all the income categories of the districts.

The average household and the average per capita income levels of the marginal farmers are marginally lower than those of the agricultural labourers in the rural areas of Punjab. The main reason is the socio-cultural milieu there, which forbids the marginal farmers to seek wage-employment in the agricultural sector even though such opportunities are available at the village level.

There is much similarity in the consumption pattern of marginal farms households in Punjab. These households incur the major part of their total consumption expenditure on food-grains, clothes, sugar and Gur/Khandasari, milk
and milk products and edible oils. The relative share of the household durable assets predominate over the income categories and across the districts. This is followed by the relative shares of live-stock and farm assets. As the resource base of the marginal farmers is small the relative share of farm assets in the total assets is also small. The per capita value of assets is highly correlated with the income level and the per hectare yield over the income categories and across the districts.

1.19 Venkatanarayana. K: 1986

This study is made in Warangal District of Andhra Pradesh relating to employment, wages and living conditions of agricultural labourers with the help of stratified random sampling. It has brought out the following conclusions. A large segment of rural population belong mostly to weaker sections. Scheduled caste and scheduled tribes. Agricultural labourers are mostly illiterate, landless and indebted. Female and child labourers are discriminated against the male labourers in respect of rates of wages paid to them. It is partly due to unorganised nature of these categories of labour and partly due to the limitations of their physical capabilities. The casual agricultural labourers are slowly depending upon wage income and are employed in agricultural operations and allied activities. Though they are free from the elements of bondage but the uncertainty and absence of continuity in their employment keep them unemployed or underemployed over spells of time, the burden of debt among the poverty-ridden agricultural labourers forces them to enter into contract as annual farm servants. In such cases though their masters ensure them continuity and regularity of employment the element of bondage in their relation with the master is well marked off. The study comments that
Despite plethora of economic transformations in the living conditions of agricultural labourers, no significant dent has been made in the vital segment of agricultural labourers. The study concludes that any effort to ameliorate the levels of employment, rate of wage and other living conditions of agricultural labour without a simultaneous effort to re-orient and reform the socio-economic and political set-up of the rural scenario, will not yield the desired result.

1.20 Poverty and Agricultural growth in Rural Andhra Pradesh: 1991

Dr. S. Sudhakar Reddy in his study of poverty and agricultural growth in rural Andhra Pradesh (inter-district analysis) considers per capital agricultural output as a proxy for mean level of income and wage influences the distribution with this model. He attempts to explain inter-temporal variations in rural poverty and inter-district-variations in poverty during 1977-78 and 1987-88.

His empirical results suggests that real wage rate practically explains the declining poverty. His cross sectional analysis also suggests that wage rate along with land man ratio and land productivity explains the inter-district variations in poverty. The above study explain that there has been rapid growth of agricultural labourer mostly wage labourers in the rural-work force. Thus, agriculture labour households are constituting a vital segment of rural society. Such workers belonging to the socio-economically poor section of the society pose a special problem to the planners and administrators.
SUMMARY STATEMENT

The foregoing review of literature brings out the conditions of agricultural labour and peasantry in terms of their work, earnings, standard of living and allied matters such as unemployment and under employment in the global and national context. There are also comments in the studies on the impact of structural adjustment policies as well as growth enhancing strategies. It is presumed that workers eventually benefit from economic reforms which are market oriented. The human development indicators and the gap between women's capabilities and their limited opportunities are brought out with statistical evidence by UNDP reports.

The heterogeneity of the poor and the varied sources of employment and the processes of dispossession and impoverishment due to persistence of poverty are highlighted. The concept of self-exploitation in the peasant economy is also brought out. The studies on India bring out different scenarios relating to the dynamics of employment, earnings and poverty. Some other studies have brought the nexus between agrarian structure and rural poverty. The official reports on rural labour have thrown up evidence as to how the processes of socio-economic development over the last four decades have largely bypassed the rural poor, studies at sub-national level describe the characteristics of agricultural labour and marginal farmers in terms of their employment, earnings and living conditions, they also estimate the incidence of poverty.
2. Differing Perceptions

There is agreement among all writers that the conditions of agricultural labour are such that the incidence of absolute poverty is very high. The conditions of marginal farmers are not very different from that of agricultural labourers. What is the root cause of low-levels of productive employment, earnings and living conditions? The institutionalist school of thought emphasise the inequitable agrarian structure in particular land concentration as the root cause of poverty. Amartya sen and others of his school of thinking advocate entitlement and empowerment as means of tackling poverty and deprivation. In particular creation of wage and self employment on the one hand and social security on the other hand by government intervention are advocated to overcome the persistence of poverty. Mass poverty of agricultural labour and peasantry is such a complex and diverse problem that the perceptions and policy prescriptions naturally differ, poverty is not merely an economic issue, it is deep rooted in the cultural, social and psychological setting of eastern societies and naturally the processes of mobilisation of the poor and the weak for their betterment needs a group approach which is now-described as self-help group approach (SHGS).
REFERENCES


