CHAPTER -II


2.0: Land is the base of farm work, output and income in an agrarian economy. It also forms the basis of distribution of employment opportunities. Rural unemployment is, therefore, determined in part by land holding structures, system of land tenure, the organisation of agricultural production, the generation of marketable surplus and its utilisation. These institutional and economic relations in the rural areas constitute the agrarian structure. Lack of employment opportunities in rural areas is a reflection of iniquitable agrarian structure. Thus Griffin¹ argues, ".........an unequal distribution of land ownership, a defective tenure system, and privileged access to the capital market may combine to give landowners monopoly power over labour and where this occurs the result will be lower wages and less employment than would otherwise be the case."

The rural unemployed form an economically and socially heterogeneous group, made up of landless

labour, artisans, tenants, sharecroppers, marginal farmers and small farmers. In addition there is also another category of rural unemployed vis-a-vis, the educated unemployed (residing in rural areas) which, however, is not covered in the present analysis.

2.1. Employment Possibility

In the rural areas, employment is mainly in the form of self-employment. It depends on the type of farm. As for instance, family farms have larger employment potentiality than large "Capitalist farms". Surplus family labour is hired out or suffer acute unemployment in the slack agricultural seasons. Labour shortage in particular categories is met through hiring in or through substitution by machine. It is possible to characterise the employment potentiality of different farm categories in the following typology.
Table 2.1: Typology of rural employment potentiality and seasonal surplus labour.

<table>
<thead>
<tr>
<th>Size of holding</th>
<th>Self-employment through</th>
<th>Surplus labour</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hired-in</td>
<td>Hired-out</td>
</tr>
<tr>
<td>Landless</td>
<td>Zero</td>
<td>Zero</td>
</tr>
<tr>
<td>Marginal</td>
<td>Positive</td>
<td>Zero</td>
</tr>
<tr>
<td>Small</td>
<td>Positive</td>
<td>Zero</td>
</tr>
<tr>
<td>Medium</td>
<td>Positive</td>
<td>Positive</td>
</tr>
<tr>
<td>Large</td>
<td>Zero</td>
<td>Positive</td>
</tr>
</tbody>
</table>

The above typology is somewhat similar to the work of Roemer\textsuperscript{1}. However, the characterisation of the surplus labour against each farm size during the peak and slack seasons is ours. From the typology it is seen that only the peasant sector i.e. the small, marginal and landless labourers are caught in the 'unemployment trap' mainly in the slack season and not all the rural categories as often believed. There may, however, be exceptions to the above typology. As for instance, it may be difficult to appreciate zero self-employment of large farmers. Self-employment on land in this case is zero (looks queer!) in the sense that the

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large farmer does not produce himself by ploughing. He performs the entrepreneurial or managerial functions and is employed in the 'income employed' sense. Pure tenants and sharecroppers also are not depicted in the above categories though they may be in mixed form with the other categories. Bardhan (op.cit.) came across two additional categories in practice, where in one case self-employment, hired-in and hired-out labour are all positive and in the other case these are all zero. The degree of surplus labour in the former will depend on the net values of the different form of employments, while in the latter it is nil by definition.

2.2: Characteristics of farm categories:

(i) The landless farmers: According to Bardhan, the landless farmers are hired agricultural workers who do not rent, own or sharecrop any area of land. They possess only their physical labour power and skills acquired through tradition, inheritance and experience. Landlessness is a term relative to the size of the household. Some households may possess homestead or little land but are not dependent on land ownership or operation.

for the survival. Whatever little production they get from the land is hardly for three months' consumption. Alternatively, they may possess a pair of animal or so. They occasionally hire-out labour, both human and animal during peak seasons or remain idle or underemployed during slack season. In some societies, at times some landless household also get into the cobweb of bondage labour. Attached labourer, domestic servant are mostly recruited from this category.

(ii) Marginal farmers: Marginal farmers are those cultivators who possess very little land relative to family labour and depend on hiring-out labour to supplement their income from operational holding. They lease-in land if they possess a pair of bullocks; or hire-in bullocks to plough their own if they donot possess the same, in exchange of payment or labour. Some of them may hire-in casual labour for specific farm operations in the peak season while hiring out themselves (or some family member) already. The intensity of cropping is higher on marginal holdings because of the strategy to maximise output from the given tiny area for their ultimate subsistence.
They also resort to sharecropping if it prevails. During slack season they suffer from surplus labour, and unemployment if they do not migrate to urban areas for work in the informal sector. The concept of marginal farm is derived from marginal holding, a holding which is just sufficient to ensure bare subsistence. A marginal holding is such that its total production is just sufficient to support the farmer's family without putting him into indebtedness. They are found to put a higher proportion of their tiny area under cash crops. The sub-marginal farmers, on the lower end of this category are compelled to sell a higher proportion of their limited produce soon after harvest when the prices usually fall and buy food in lean season with wage earnings or arrange as advance from the well-off farmers.

(iii) Small farmers: The land-man ratio in this category though better than the marginal farmers is unfavourable. Hence the availability of labour relative to land is higher though not as high as in marginal farmers. Exploiting self and family labour, the small farmers raise more of subsistence crops on their land.

mainly for own consumption and mainly to protect themselves from market forces. At the time of distress, they may resort to sale or mortgage a part of their land. Their strategy in general is to maximise aggregate farm output, thereby raising intensity of family labour use. In general, they donot hire-in or hire-out labour, but during slack season they suffer from surplus labour. The small farmers have limited access to inputs like credit, irrigation, fertilisers etc. and have little or nil influence on State’s policy making machinery.

(i) Medium farmers: Medium farms have a favourable land-man ratio and the farmers are characterized by a predominance of self-employment on land. They donot hire-out family labour but hire-in labour for agricultural as well as domestic purposes. They donot suffer from un- or underemployment. Medium farmers are self-sufficient in domestic inputs like bullock, seed, manure, farm equipments etc. Medium farms have a higher level of use of irrigation, fertiliser and better accessibility to credit, which in turn make such farms technically more viable. They can minimise their risk by growing a crop-mix which
covers a variety of crops. Since they can secure surplus over subsistence consumption as a part of their production is meant for the market, the richer ones in this category can acquire land on mortgage from others and expand their operational holding. On the other hand, subdivision of holdings due to increase in family members may breakdown the medium farms into small ones.

(v) Large farmers: The large farms possess a highly favourable land-men ratio to the owner. Intensity of cultivation is much lower than the medium or small farms. Farming is based on hired labour. The landowner himself hardly puts in self or family labour in the physical farm operations, except by way of supervision. Labour-hiring capacity and supervision give him some degree of social power in the rural areas. The large farmers as a category has got the capacity to influence the decision of the state, recruitment process of hired labour at the market price along with supervision cost limits the process of labour-hiring itself, since with more hiring wage rate is likely to rise. Hence this class of farmers often resort to mechanisation and devote a considerable proportion of area to high-valued
cash crops. The large farmers enjoy full employment with perfect leisure or voluntary unemployment with sure return.

2.3 Size of Holding

In India the definition of various categories of farmers are given as under which came into vogue with the creation of Small Farmers Development Agency (SFDA) and Marginal Farmers Agricultural Labourers ("FAL) Agenices from 1970-71. Agricultural labourer households are defined to be 'those having a homestead and earning 50 percent or more of their income from agricultural wages'. For marginal farmers, the maximum limit of holding was fixed at 2.5 acres for irrigated areas. For other areas the limit could be raised depending on the availability of irrigation facilities, the type of soil, cropping pattern and other relevant factors. The size of holding for potentially viable small farmers is to range from 2.5 to 6 acres in the case of irrigated or irrigable land and upto 7.5 acres in the case of dry area. The size of holding in respect of large farms, however, is influenced by the ceiling limit that varies

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1. P.0 (301) : Report on evaluation study of Small Farmers, Marginal Farmers & Agricultural Labourers Projects, 1974-75 PP.9, 14 & 15.
In a country where land is a State subject, having as many as 174 rainfall zones with varied intensity that influence cropping pattern and yield, fixation of limits to classify farm categories is a very difficult task. Hence in practice, the size of marginal and small farms varies considerably as can be seen from the following observation in the report of the Programme Evaluation Organisation (PEO):

"In the absence of positive norms in this regard, it is not known how different types of land were actually equated. The norms fixed for the size of irrigated land varied from 2 acres to 7.5 acres in the case of small farmers and upto 2.5 acres in respect of marginal farmers in different Project areas. In so far as unirrigated land is concerned, the norm generally ranged from 5 to 12 acres of ordinary land and in two Projects (Bhamara and Perna-Nealk) even upto 30 acres of "arcrea (hilly) land for small farmers. For marginal farmers generally an upper limit alone was fixed which generally

varied from 5 to 6.25 acres. In wetland areas, the upper limit was 10 acres in case of parkland. In those Agencies which had made no distinction between wet and dry land, the norm of land holding varied from 1 to 3 acres (Jammoo and Uilin) to 2.5 to 10 acres (Chhindwara) in respect of small farmers. In respect of marginal farmers, the maximum size of holding fixed ranged from 2.5 to 5 acres" (P.14 & 15, op.cit.).

Within homogeneous regions, the size of holdings should be determined on some objective criteria like size of holding in relation to family size, minimum level of subsistence (poverty line), productivity of soil, farm income, cropping pattern and technology used.

2.4. Pattern of operational holdings in India

In an agrarian economy the pattern of employment is directly related to the size of operational holdings. Hence size of holdings determines the degree of employment or unemployment. In this respect, it is necessary to look into the pattern of holdings with the launching of world
Agricultural Census from 1970-71, it has now become a fashion to classify the holdings below one hectare under marginal holdings, from one and below two hectares as small, from two and below four hectares as semi-medium, from four and below ten hectares as medium, and, from ten hectares and above as large holdings. Number as well as the area of holdings categorywise in the country as per 1980-81 census are presented below.

Table 2.2: Operational holdings in India, 1980-81.

<table>
<thead>
<tr>
<th>Size of Holdings (hectares)</th>
<th>Million Nos.</th>
<th>Million hectares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marginal</td>
<td>50.52(56.5)</td>
<td>14.80(12.2)</td>
</tr>
<tr>
<td>Small</td>
<td>16.03(13.0)</td>
<td>22.96(14.1)</td>
</tr>
<tr>
<td>Semi-medium</td>
<td>12.51(14.0)</td>
<td>34.56(21.2)</td>
</tr>
<tr>
<td>Medium</td>
<td>8.09( 9.1)</td>
<td>48.54(29.7)</td>
</tr>
<tr>
<td>Large</td>
<td>2.15( 2.4)</td>
<td>37.13(22.8)</td>
</tr>
<tr>
<td>Total</td>
<td>89.35(100.0)</td>
<td>162.79(100.0)</td>
</tr>
</tbody>
</table>

Note: Figures in bracket are percentages.

Indie's rural sector is characterised by land scarcity and labour abundance. The average size of operational holdings as per 1980-81 census stood at meagre 1.82 hectares. There are more than 89 million holdings in the country operating on about 163 million hectares of land. About 75 percent of the total holdings produce for subsistence i.e., mostly for self-consumption operating on marginally over one-fourth of the area under total holdings. Of the total holdings, more than half i.e., 56.5 percent are smaller than one hectare.

2.5: Operational holdings in Assam

Before touching the subject, it is necessary to briefly mention some basic parameters. The economy of Assam stands on an area of 78.52 lakh hectares of land with an estimated population of 199 lakhs in 1981. In 1980-81 the net area sown was about 35 percent of the total geographical area of the State. About 1.5 lakh hectares or about 5.5 percent of the net area sown are subject to 'jhum' (shifting) cultivation in the hills. The system of land tenure in the plain areas is mostly dyotwari. Peasant farming is carried on under
rainfed conditions, practising plough culture, and cropping is dominated by the subsistence crop rice, paddy occupying two-thirds of the gross cropped area.

The total number of holdings in Assam was more than 2,97 lakh operating on an area exceeding 31.20 lakh hectares. More than 82 percent of the total holdings produce for subsistence on about 43 percent of the total area. A little below 60 percent of the total holdings are under one hectare size, which collectively accounts for little less than 19 percent of the area. It has been noticed that there has been increasing marginalisation\(^1\) of the farms during the decade ending 1980-81. This shows that agrarian structure is very much imbalanced in Assam. Table 2.3 presents data on holdings.

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### Operational holdings in Assam, 1960-61

<table>
<thead>
<tr>
<th>Size (hect.)</th>
<th>Operational holdings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lakhs ha.</td>
</tr>
<tr>
<td><strong>Marginal</strong></td>
<td>13.63</td>
</tr>
<tr>
<td></td>
<td>(59.34)</td>
</tr>
<tr>
<td><strong>Small</strong></td>
<td>5.23</td>
</tr>
<tr>
<td></td>
<td>(22.76)</td>
</tr>
<tr>
<td><strong>Semi-medium</strong></td>
<td>3.13</td>
</tr>
<tr>
<td></td>
<td>(13.65)</td>
</tr>
<tr>
<td><strong>Medium</strong></td>
<td>0.92</td>
</tr>
<tr>
<td></td>
<td>(4.00)</td>
</tr>
<tr>
<td><strong>Large</strong></td>
<td>0.06</td>
</tr>
<tr>
<td></td>
<td>(0.25)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>22.97</td>
</tr>
<tr>
<td></td>
<td>(100.00)</td>
</tr>
</tbody>
</table>

**Note:** Figures are rounded and those in bracket are percentages.

**Source:** Government of Assam (GOA): Agricultural Census, 1960-61.
In Assam 15.65 lakh marginal holdings according to agricultural census data or slightly over 59 percent of the total holdings suffer from unemployment for a major part of a crop year. Since mono-cropping is predominant so, they cannot expect to get evenly distributed employment throughout the year. Add to this category is the number of rural landless households, which according to NSS 37th Round (January-December 1982) stands at about 1.7 lakh households or 7.5 percent of the total rural households. Further, all the small farmers cannot be expected to be fully occupied in their land since the average size of holdings in this category of farm size is only 1.43 hectares. Hence, in Assam some small farmers (out of 5.23 lakh holdings) also suffer from some degree of unemployment. Though the Farm Management study (1968-69) data show that some small farms hire-in labour, it is however insignificant, being about 16 percent of the total farm labour. While the number of peasants is growing, the size of holdings is falling.

1. The numbers of landless rural labour households and agricultural labour households are 4.15 lakhs and 1.25 lakhs respectively in 1974-75 in Assam according to rural labour inquiry (1974-75) report.
On the other hand, the modern non-farm activities are either not coming up to the desired extent, or the traditional source of such activities are vanishing. Our investigation of the two major rural cottage industries of Assam vis-à-vis the bell-metal industry of Sarthebati and the brass-metal industry of Hajjop, both located in the erstwhile Kamrup district have shown that these two industries which came into existence without the availability of local raw materials or other inputs with recorded history from 7th Century A.D. in respect of the former, and as late as 1457 A.D. for the latter are gradually declining. The number of bell-metal artisans at Sarthebati declined from 2000 in 1958 to 400 in 1987. The number of families engaged in brass-metal industry stood at 120 in 1985. Most of the artisans are 45 years of age or older suggesting that new persons are not coming up for self-employment in the two industries. Similarly, other traditional industries like gold and silver-smithy, blacksmithy, oil ghani, paddy husking are gradually vanishing.

Historically migration has been a factor to relieve an overpopulated rural area. Studies have shown that incidence of unemployment among immigrants is very low, below 5 percent in Assam. However, the pull and push factors which usually inspire the surplus manpower to migrate to new virgin land or urban areas did not seem to act upon the overpopulated households in the State. The 'local' factors, assimilation complexities seem to have hindered such a process. Apt in this context is to quote the following:

"The tribal tradition of considering anyone outside one's own village territory as an alien not only persists in some form or other but also pervades the neighbouring villages in the Brahmaputra valley, particularly in lower Assam. The complexities involved in 'Far-janya' or 'Jeje janya' create troubles for easy assimilation with the local inhabitants, in spite of the fact that the villages are otherwise very hospitable in respect of the guest visitors. They

have reservations as far as entertaining of aliens as settlers is concerned. The same principle is involved in respect of leaving their own village in search of better opportunities in the fallow but virgin areas, which till the immigrants' occupation, were plentiful. The fear of being treated as aliens elsewhere hindered their migration inspite of the fact that their own habitat became inhospitable and unproductive to the extent of being compelled to construct houses wall to wall ...

Thus with deteriorating land-men ratio particularly among small farms, traditional technology, vanishing traditional industries and with inhibition to migrate on the part of the surplus manpower, the rural sector of Assam generated unemployment and underemployment trap within the agrarian system for the small and marginal holdings. While both landless households and other small farmers have to compete for employment opportunities these are more crucial for survival to the landless than to the latter.

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2.7 Available Estimates

The existing estimates on unemployment or underemployment in Assam put one in total bewilderment. Some estimates are for the state as a whole, some for the rural sector, while others focus on agricultural sector of particular districts. Similarly, some estimates are sex-wise, while others are not. The list of the studies along with their estimates are given in appendix 2.1. Some studies are based on primary data. These are of Goswami and Sore for Hagon district, Gaidh for Mibagar district and those of I.M.A.S.C. and University. Some estimates are given in terms of percentage of labour force, some in absolute numbers while others in terms of numbers unemployed. It needs to be pointed out that in an economy where population is growing explosively while output is lagging, the scalar quantity of unemployeds are not that meaningful. The methods used in the estimation of unemployeds varies widely from author to author or organisation to organisation. The NUS methods are well known. Its 11th, 12th and the 19th rounds considered here used 'availability for work' i.e. willingness criterion of unemployment with reference period of one day or one week.
Census used 'seeking work' principle. The State Planning Board of Assam and the Agro-economic Research Centre (Assam) while making their estimates hinged on the productivity criterion. The rural Labour Inquiry considered unemployment as equivalent to the number of days without work. The rest of the estimates, by and large, are based on the timeless stock concept. Estimates based on poverty criterion or in terms of employment capacity of land have not been tried so far. Because of the differences in concepts, coverage, reference period and the objectives of the study conducted by various authors and organisations, the estimates also vary significantly. In terms of percentage of labour force, the rural unemployment in Assam according to the existing evidences increased from minimum 1.31 percent in 1964-65 to 18.15 percent in 1972 in some places. Among the females it was as high as 50 percent during 1968-70 according to the Farm Management study in Nagon district. In terms of mandays, according to Rural Labour Inquiry unemployment ranged from 37 to 43 days for men in 1974-75 compared to earlier 57 and 49 in 1964-65 depending on his status as agricultural labourer or rural labourer. For women it varied
between 81 and 77 and deteriorated from the earlier levels of 73 and 67. Children seem to have been more exploited now as their labour are cheaper. Alternatively, in specific areas like Sibsagar district the percentage of mandays unemployed varied between 52.17 for male to 42.88 for female. In absolute terms, the number of rural unemployed varied from 5.2 lakhs in 1971 as suggested by Prof. Goswami to 7.4 lakhs. As against the estimates on unemployed, the rural underemployment estimates varied between 10.54 percent of male farm labourers in 1950-51 to 41.56 percent in 1974. Shakuntala Bhra's estimate ranged between 57.6 percent to minimum 21.7 with an average of 39.6 percent of the total agricultural work force in Assam during 1956-57.

Most of the estimates suffer from two serious limitations viz. the technology prevailing in the specific areas or time and the lack of a common notion of full-employment. It is 'fait accomplis' that employment and technology are closely related. Analysis of unemployment is peculiarly dependent on analysis of technology, since technologies are categorised in terms of their employment effects. Hence estimates without detail reference to technology are not meaningful.
Almost all the studies seem to have agreed on 8 hours a day norm for work, but because of sex-
division, seasonality, festivals, rituals, farmers' inhibition to plough on fullmoon days, eclipse days,
etc., the number of full-employment days cannot be
taken as 365 or so for all categories of cultivators.
Nor can it be same for male and female, however,
since the casual workers and agricultural labourers
depend on their daily earnings for daily meals so,
365 days needs to be considered as full-employment
norm for this category. The full-employment norm as
suggested by Bhagwati Committee\(^1\) on unemployment
stands at 273 days. The National Commission on
Agriculture\(^2\) hinted the norm at 265 days. Prof.
\(P.C. Goswami\(^3\) suggested 300 mandays as the full-employment

1. GOI: Report of the Committee on Unemployment (1973)
P.136.


3. Prof. P.C. Goswami & J.K. Bora, "Unemployment and underemployment among farm families in Assam: A case study in Nowgong district, (1968-69)".
norm. On the other hand, Dr. M. S. Sridhar argues that a rural male worker is available for work for 330 days in a year. In view of such differences and the limitations already pointed out, it is therefore natural that the estimates would vary over time and space. The same are therefore, at most, valid at a point of time under specific conditions.