Chapter - III

REVIEW OF LITERATURE
3.1 INTRODUCTION

Labour is one of the crucial inputs in the process of production in particular and economic development in general. Rural labourers constitute the largest segment of work force in India. India lives in its villages which is evident from the fact that about three-fourths of its population still lives in rural areas sulasisting on diverse rural occupations to eke out livelihood. Agricultural labour predominate rural labour and most of the rural labourers depend, on wage paid employment in agriculture and non-farm rural activities. India's economic growth depends more significantly on the well being of this vast army of rural labour who are almost landless with no assets to support them and purely depend on wages. Several Agricultural and Rural Labour Economics surveys were conducted (at the all-India level) to examine the economic conditions of rural labourers and the trends observed were appraised in the previous chapter. Several studies have been conducted and several economists made an attempt to analyse the rural labour problem from different dimensions. In this section, an attempt is made to review briefly the selected literature on the various aspects of rural and agricultural labourers like income distribution, saving, employment, consumption expenditure, poverty, indebtedness, participation in NREGP, etc.

3.2 RURAL LABOUR

According to Dandekar and Rath¹ (1971), the average per capita consumption figure of National Sample Survey (NSS) for 1967-68 was an underestimate. They observed that the (NSS) estimate was below the official data. According to Dandekar and Rath, the annual per capita expenditure required for rural areas to ensure a diet which fetches 2250 calories per day was Rs. 180 and the urban consumer needs 50 per cent more to get the same level of nutrition. On the basis of the above norm, Dandekar and Rath considered a per capita annual expenditure of Rs.324 for rural areas and Rs.486 for urban areas at 1967-68 prices.

Singh and Mehrotra² (1973) in their study conducted in the Ballia district of Uttar Pradesh made a comparative analysis of credit and indebtedness among the landless labourers and various categories of farmers. It has been found that among the sample households, most of the highly indebted households belong to the landless labourers and the marginal farmers. The study further discloses that the percentage of households in debt decreased with the increase in size of holdings while the size of
debt per household increased with the increase of size of holdings. For the landless labourers the village money lenders were the main source of finance. The marginal and small farmers obtained about 80 per cent of their total borrowings from the institutional sources like the government and the cooperatives. On the other hand, these institutional agencies accounted for about 96 per cent of the total borrowing of the large farmers.

By excluding the expenditure on clothing, fuels, light, health and education, Minhas (1974) based on the minimum expenditure of Rs.200 per annum at 1960-61 prices has estimated that the number of poor a may the rural areas has declined from 173 million in 1956-57 to 154 million in 1967-68 i.e., from 52.4 per cent to 37.1 per cent. On the basis of Rs.240/- poverty norm of the study group of Planning Commission, Minhas estimated that the number of poor has declined from 215 million in 1956-57 to 210 million in 1967-68, i.e., the per cent of poor in rural population has declined from 65.0 per cent in 1956-57 to 50.6 per cent in 1967-68. Minhas also observed that there was no substantial change in the absolute number of poor but in percentage terms, it has been declining steadily.

Bhatty (1974) estimated the poverty levels for different categories for 1968-69 by using Sen.’s Poverty Index and Head Count Ratio. He observed that incidence of poverty was maximum at 89.56 per cent among agricultural labours, followed by non-agricultural workers (78.77 per cent) and cultivators (70.28 per cent).

Chawla’s (1975) study revealed that the wage earnings, wage rates and employment of the casual labour have gone up since the introduction of High yield verity (HYV) technology. The demand for permanent farm labour has gone up in all the farms. Similarly, the annual earnings of permanent farm labourers increased by 38 per cent from Rs.1630 in 1966-67 to Rs.2, 260 in 1973-74. On the whole, it is observed that with introduction of HYV technology and associated modern inputs, the volume of employment, earnings and wages in the rural area have gone up during the last eight years.

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On the basis of the 25th round of (NSS) for 1970-71, Deepak Lal (1976) concluded that in contrast with earlier studies, it is found that the real agricultural wage rose in India during the period 1956-57 to 1970-71. However, in the first half of this period (1956-57 to 1964-65), real wages rose sufficiently to offset the earlier decline and the stagnancy or decline of real wages prevailed till 1967-68 in the green revolution belt.

On the basis of arguments given by different authors, Rohini Nayar (1976), observed that real wage rates, in one of the main green revolution regions, viz western Uttar Pradesh showed no tendency to rise over the period 1956-60 to 1973-74. In fact, after 1970-71, real wages have declined. There is no simple casual relationship between the introduction of HYV technology that leads to increased agricultural output and trends in real wages. A complex set of factors in the realm of political economy, the bargaining power of the agricultural workers, the power of the land owners, the nature of contractual relation between the two, of alternative employment and the pattern of land ownership would also influence real wage rates.

The planning Commission (1979) has set up the Task Force on Projection Minimum Needs and Effective Consumption Demand in 1977 which defined the poverty line at the per capita expenditure level which ensures a daily calorie intake of 2400 in rural areas and 2100 in urban areas by giving due consideration to age, sex and occupational differences in rural and urban population. The poverty line for 1973-74 has been estimated using the same deflator for both urban and rural areas. The all-India poverty line has been used for estimation of state-wise poverty levels. For the Sixth Plan, the wholesale price index was used for the revision of poverty line and for the Seventh Plan; the poverty line has been updated using the Central Statistical Organisation (CSO's) private consumption deflator. The Planning Commission has always been making upward adjustment of NSS data to the CSO's data on private consumption expenditure since the estimates based on NSS data were found to be lower compared to CSO figures. The rural poverty lines have been thus worked out at Rs.49.09 in 1973-74, Rs.61.80 in 1976-77, Rs.65.00 in 1977-78, Rs.101.80 in 1983-84 and Rs.131.80 in 1987-88. Based on the above poverty lines, the Planning Commission has set the percentage of poor in rural areas at 54.1 per cent in 1973-74, 51.2 per cent in 1977-78, 40.4 per cent in 1983-84 and 33.4 per cent in 1987-88.
Amartya Sen⁹ (1981) has pointed out that traditionally, measurement of poverty is done very simply by just counting the number of the poor and then expressing poverty as the ratio of the number of poor to the total number of people in the community in question. This head-count measure H for short has at least two serious drawbacks. First H takes no account of the extent of the incomes of the poor without affecting the incomes of the rich will leave this head count measure completely unchanged. Second, it is insensitive to the distribution of income among the poor in particular, no transfer of income from a poor person to one who is rich can increase this head-count measure. Both these defects make the measure H, which is by far the most widely used measure, quite unacceptable as an indicator of poverty and the conception of poverty that lies implicit in it seems eminently questionable.

The biological approach has become a rather intense fire recently. There are indeed several problems with the use of biological approach. First, there are significant variations related to physical features, climatic conditions and work habits. In fact, even for a specific group in a specific region, it is very difficult to decide nutritional requirements. There is an inherent arbitrariness in drawing a line to represent minimum nutritional requirements. The translation of minimum nutritional requirement into minimum food requirements depends on the choice of commodities. The actual incomes of which specified nutritional requirements are met will depend greatly on the consumption habits of the people in question. For non-food items, such minimum requirements are not easy to specify and the problem can be solved by assuming that a specified proportion of total income will be spent on food which generally varies not only with habits and culture but also with relative price and availability of goods and services.

Food and agriculture organization¹⁰ (1982) in its study has reviewed rural poverty in developing countries and the means of poverty alleviation. The study stated that absolute poverty lies in an inadequate access to land and other resources. By projecting world agricultural perspectives and policy issues up to the year 2000 A.D. With particular reference to developing countries, the study observed that over the next two decades, the developing countries could double their food and agricultural production. The essential prerequisite is that the improved food production must be equitably distributed. The first part of the study observed that the extent of poverty...
90 developing countries and the relative incidence of poverty emerge as the major constituent of poverty worldwide because of two reasons. The rural poor outnumber the urban poor and the incidence of poverty is disproportionately higher among the rural population. The second part examined the causes of rural poverty. Limited access to land due to unequal distribution of land or galloping population are the major contributory causes of rural poverty. Case studies of FAO show that the incidence of poverty in rural areas was the highest among landless labourers and small land holder’s households. It was also projected that the number of absolutely poor will increase in four developing regions in the next 80 years. The third part of the study analysed the means of poverty alleviation and concluded that economic growth will not be sufficient to solve the problem of rural poverty and the alleviation of poverty requires of political commitment to restructure the pattern of economic growth and distribution of its benefits.

Thimmaiah (1983) in his study made an attempt to estimate inequality and absolute poverty in Karnataka based on the data of state level survey and secondary data. He analysed the trend in the inequalities and poverty at district level covering socio-economic aspects like religion, caste, education and occupation, and their interaction with inequality and absolute poverty. The study covered 31 towns, 76 villages and 2946 sample households. Thimmaiah uses Dandekar and Rath’s poverty line and inflated the figures by the extent of the rise in the price level. For this purpose consumer price index for agricultural labourers was used to revise poverty line for rural and urban areas, the weighted average of consumer price index for industrial workers and urban non-manual workers has been used.

In his study, he also estimated the extent of absolute poverty for the period 1960-61 to 1974-75. The study has observed that the inequality of income as indicated by the gini-coefficient declined consistently in rural areas whereas the inequality of income in urban areas declined between 1960-61 and 1970-71 but increased in 1974-75. The urban inequality has been consistently higher than the rural inequality which is consistent with the national trend. The inequality of consumer expenditure declined in both rural and urban areas and the rural inequality was lower than urban inequality. It was also observed that the share of bottom 40 per cent of the population has been consistently lower than the top 30 per cent of the population. The study revealed that
the percentage of population below the poverty line increased between 1960-61 and 1965-66, both in urban and rural areas and later gradually declined to 39 per cent in urban area and to 31 per cent in rural area during 1974-75. The incidence of poverty has been higher in urban areas than in rural areas of many districts. The level of poverty was higher among Muslim community than Hindu community. Among the different occupations, the proportion of people below the poverty line was the highest among agricultural labourers and non-agricultural labourers both in urban and rural areas. Incidence of poverty was very high in the illiterate population.

Sudipto Mundle\textsuperscript{12} (1984) in the paper entitled ‘Land, Labour and the Level of Living in Rural Bihar’ reported that the distribution of the land has remained highly un-equal in rural Bihar. Only 4 per cent of all households operated, over 25 per cent of the total cultivated area, whereas 67 per cent of the households operated 18 per cent of the cultivated area. Since land is still the principal productive asset in agriculture, around 50 to 60 per cent of the populations of rural Bihar live below the poverty line.

Based on the analysis, the author has come to the conclusion that improved agricultural performance would help to alleviate the ill effects of this poor land base of the large mass of households. It has been observed that the per capita production of foodgrains continues to fluctuate around the level of about 150 to 160 kg per head per annum and increases in aggregate production being largely offset by increase in population. The study has also observed that the total number of rural households increased from 7.7 million to about 8.9 million over the decade 1964-65 to 1974-75 while the number of rural labour households increased during the same period by over 33 per cent from 2.4 million to 3.2 million. Though there may be in census figures, the phenomenal increase in the supply of agricultural labourers is obvious and this has led to predictable consequences such as decline in real wage rates as well as the number of days of employment available per labourer. The decline in real wage rates and employment per labourer would normally lead to increase in the incidence of rural poverty.

Sudipto Mundle\textsuperscript{12} (1984) in another paper entitled “Land, labour and the level of Living in Rural Punjab”, that the incidence of rural poverty has declined significantly in Punjab during the sixties and early seventies. The principal factor accounting for the decline in rural poverty is improved agricultural performance. It
was observed that the real wage has remained roughly constant while the number of days employed in agriculture was 226 days per capita in 1974-75 compared to 282 days in 1964-65, resulting in the decline in the real income per labourer. The income from other sources including cultivation has increased. The author has concluded that there has been decline in the poverty. But is instead of the decline in poverty, it is still high. In terms of the norms of the planning commission, the author has observed that one-third of the Punjab’s rural population was still below the poverty line. This may be due to unequal distribution of land. In 1971, about 5 per cent of the households operated 30 per cent of the land or 80 per cent of the land was operated by the top 20 per cent of households while over 50 per cent of the households did not operate any land at all.

Jose A.V., 14 (1984) in his paper entitled “Poverty and Income Distribution: The case of West Bengal”, has examined the trends in the incidence of poverty and the associated indices of income distribution in rural West Bengal between the 1960s and 1970s. According to him, on the basis of consumer expenditure data, the rural poverty showed an increasing trend between 1956-57 and 1973-74. Discussing the general economic indicators, the author pointed to the fact that about three quarters of the population live in rural areas and agriculture constitutes the principal economic activity. About 88 per cent of the gross cropped area was under food grains. Between 1951 and 1981, the population grew at an alarming rate than the all India’s average. It was observed that the proportion of agricultural labourers increased from 26 per cent in 1951 to 45 per cent in 1981. By 1974-75, 54 per cent of the agricultural labour households were landless. It was observed that 60 per cent of the operational holding was of less than 2.5 acres and they accounted for less than 25 per cent of the area under cultivation. The author concluded that in West Bengal inherent advantages of a relatively more productive agriculture have been neutralised by the factors like high density of population, inequitous land distribution and high incidence of wage labour households in rural areas. It was observed that the proportion of rural population below the poverty line was 58.3 per cent in 1961-62, which rose steeply to 66 per cent in 1973-74 and fell up to the level of 61 per cent in 1977-78. Sen’s poverty index has increased from 0.20 in 1961-62 to 0.31 in 1973-74 and decreased to 0.27 in 1977-78. The above percentages of poor and poverty indices were higher than all India’s averages. Based on the available evidence on the incidence of poverty and the
consumption of basic services like education and health facilities in rural West Bengal leaves an indelible impression that the performance of the state was rather dismal compared to the rest of India with regard to incidence of poverty. There was some improvement between 1973-74 and 1977-78, while the proportion of population in poverty as well as the poverty index marginally declined between 1973-74 and 1977-78. The author has analysed the trends in the money and real wage rates of agricultural labourers, which were observed to have increased between 1964-65 and 1979-80. Jose has concluded with a note that institutional reforms and redistributive policies of the state Government implemented during the 1970's could have a significant impact on improving the living standard of the rural poor in West Bengal.

Singh's\textsuperscript{15} (1985) paper analysed the pattern of income and consumption expenditure on the basics of 29\textsuperscript{th} round of NSS data. The study showed that the average size of the rural labour household was the same throughout the country. The average annual income per rural labour household was the highest in the northern zone and was about 2.5 times the average annual income per rural labour household in the central zone which was the lowest. The consumption expenditure was the highest in the northern zone whereas it was of the same order in all other zones. In the eastern zone, it was the lowest, though not significantly different. But the percentage of expenditure on food articles was the highest in the eastern zone coming to about 83 per cent and the lowest in the southern zone (68 per cent).

Joshi and Alshi's\textsuperscript{16} (1985) study reveals that per hectare female labour use on HYV cotton and jowar farms was more as compared to the local variety farms. HYV cotton farms used about 157 per cent more female labour per hectare over the local variety, while in the case of Jowar crop, the HYV Jowar used 26 per cent more female labour over the variety. The adoption HYV of cotton and Jowar increased the requirement of hired female labour to a large extent, implying there by an increase in the employment opportunities for female labour seeking agricultural wage employment.

Subramanian\textsuperscript{17} (1986) in his study on 'Poverty and Inequality in Tamil Nadu' has used NSS data to estimate the incidence of both urban and rural poverty. He applied head-count ratio, Sen's poverty indices, gini ratio and lorenz curve techniques to study the inequality in the state. He used the poverty line of Rs.15 per
capita consumer expenditure per month for rural areas and Rs.20 per capita per month for urban areas at 1960-61 prices. The important conclusions drawn were that the absolute level of average per capita consumer expenditure has been low in both rural and urban areas and these levels have shown no increasing trend overtime. Inequality in the distribution of consumer expenditure was higher in the urban areas than in rural areas. The proportion of people below poverty line was 47.15 per cent in rural areas. With regard to trend in 1983 over 1961-62, there was no clear trend in respect of the proportion of people below poverty either in rural or in urban areas both in terms of head- count ratio and Sen’s index.

Jain et al.\(^1\) (1990) has conducted a study covering 56 out of 62 agro-climatic regions. The study was based on the data relating to NSS on Consumer Expenditure carried out between July 1972 and June 1973 during the 27th round, covering 72270 rural households on a stratified sampling basis. The study derived the state specific poverty lines based on the India rural poverty line of Rs. 15 per capita per month at 1960-61 prices. The poverty lines at 1960-61 prices are adjusted for price changes between 1960-61 and 1972-73 on the basis of state specific consumer price index of agricultural labourers. Each state- specific poverty line at 1972-73 prices was assumed to be applicable to all the regions within a state. Based on the rural poverty line of Rs.15 per month at 1960-61 prices, the study has estimated that 47.03 per cent of the rural population was below the poverty norm in 1972-73.

Jain and Tendulkar\(^1\) (1991) in their studies adopted the poverty line of the planning commission, i.e., monthly per capita expenditure of Rs.49.09 for rural areas at 1973-74 prices. They did not present the percentage of poor on the basics of direct they estimated. On the basis of weighted aggregate for 20 states, the researches arrived at the conclusion that 57.3 percent of rural population was in poverty in 1970-71 and the percentage has come down to 49 per cent in 1983 and to 42.2 per cent in 1988-89. On the basis of per capita monthly expenditure of Rs.15 at 1960-61 prices, 45.3 per cent of the rural population was observed to be below the poverty norm during 1970-71 and the percentage has come down to 37.5 in 1983 and to 30 in 1988-89. On the basis of weighted aggregate for 20 states, they have arrived at the conclusion that 47.1 per cent was below the norm in 1970-71, while it was estimated at 39.3 per cent in 1983 and 36.2 per cent in 1987-88.
Minhas et al.\textsuperscript{20} (1991) have constructed state-specific cost of living indices and the inter-state price differentials, relevant to the poverty groups and estimated state-specific poverty lines for the six NSS periods. Based on these, estimates of the indices of rural and urban poverty in each state and all-India (directed as well as alternative derived from the state total) have been worked out. In another study, Minhas et al. (1991) have worked out the rural poverty line at Rs.33.01 in 1970-71, Rs.93.16 in 1983 and Rs.122.63 in 1987-88.

They researchers estimated the incidence of poverty, one directly based on the state-specific poverty lines and the other based on an alternative estimate. According to direct estimate, 57.3 per cent of the rural population was in poverty in 1970-71 and the percentage has come down to 49.0 per cent in 1983 and to 44.9 per cent in 1987-88. In absolute numbers, the number of person below the poverty norm has been estimated at 252 million in 1970-71, 267 million in 1983 and 261 million in 1987-88. According to the alternative estimate, 58.8 per cent of rural population (258 million) was below the poverty norm in 1970-71 and it was 50.8 per cent (277 million) in 1983 and 48.7 per cent (284 million) in 1987-88.

Reddy M.A.,\textsuperscript{21} (1993) made an attempt to analyse the trends in the level of agricultural wages in the district of Nalgonda in Andhra Pradesh between 1950 and 1992. The main sources of data were the season and crop reports supplemented by the field data from private source. Wages of the able-bodied adult male field labourers were chosen. The wage rate paid to the local ploughman was standardized in terms of the second sort rice. The study revealed that the wage rate of ploughman declined during 1950 to mid 1970s and increased there after. The wage paid in kind was higher than that of cash wage. However, this was not so if hourly wage rate is considered. Both the minimum and average wage rate out agricultural labourers increased over the years. Real minimum wage in the post green revolution period was higher than that during the pre green revolution period.

Gouthan and Krishanaiah's\textsuperscript{22} (1993) paper examines the wage employment of rural labour and variations the earnings, by labour class and operation. The study was taken up in four villages of Narayanpet and Ieeja Mandals in Mahabubnagar district of Andhra Pradesh. A sample of 100 labour households was selected through probability random sampling method. The data pertained to the year 1992-93. The
results revealed that the wage employment was 165 days in farming and 60 days in non-farm activities. Preparatory cultivation and sowing were the major farm activities for males and children while sowing and harvesting were the major source of employment for female labour. The total farm earnings of male were three times that of children and 3 ¼ times that of female labour. The non-farm earning of the females and children were more or less same and were nearly 54 per cent of the total male labour earnings. Wage employment was high in the irrigated villages compared to the unirrigated villages. Based on the need it was suggested by the to implement wage employment schemes in the unirrigated area to augment farm labour employment.

Pratap Singh Birthal23 (1997), observed that the shift of employment for rural labour into non-farm employment would be conditioned by the degree and patterns of rural industrialization and the skills/capabilities of the labour who migrate to non-farm jobs. Though our results indicate that increasing opportunities for employment in agriculture would help improve rural income distribution, the opportunities for wage employment in agriculture seem to be limited due to decreasing size of land holding and increasing landlessness. The alternative is to develop agro-industries in rural areas based on locally available raw materials, which would strengthen the linkage effects of agricultural growth on rural employment. This is likely to promote many other activities like, repairs and maintenance, small scale business and other tertiary activities. However, to reap the benefits of rural industrialization and the externalities associated with it for equitable socio-economic development it is imperative to upgrade or impart the technical skills and education to rural population at the lower end of income distribution.

Chandha G.K.,24 (1999), stated that the recent years provide a disappointment employment scenario for the rural workers in general and rural female workers in particular what ever additional employment came, that was largely confined to agricultural sector perhaps the locale of such jobs is shifting from rural to urban areas or the slackening pace of public (and private) investment in rural areas is squeezing the total size of this sector, or whatever new job or coming up in this sector are quantitatively superior for which the big mass of 'unskilled' or 'un-educated' female workers are not qualified. For all that one can anticipate for the further, job markets, the Non-Agricultural sectors are sure to pose more difficulties for the rural, especially
female workers. Even a number of agriculture jobs are going to be more and more education and skill incentive if Indian agriculture gets truly globalized. In India, the imagination of the illiterate rural labour force in general, and rural female workers in particulars, would not stir beyond there village life and economy. As production agents, they remain dormant, and as formal jobs seekers in the imagine labour market scenario they are unwanted.

Isvilanonda et al\textsuperscript{23} (2000)-conducted a study on “Recent changes in Thailand’s Rural Economy-Evidence from Six Villages”. The study covered two provinces each covering plain and north eastern region to represent commercial and traditional rice producing areas respectively. In the province of the plain region three villages representing irrigated, rainfed and flood prone environments were selected. In the province of north east region, three villages representing irrigated, rainfed and drought prone environments were chosen. The number of households surveyed was 273 in 1978 and 295 in 1987. Their study concluded that Thailand has a favorable endowment of land and the land base remains strong because of a dramatic decline in population and rapid rural-urban migration of the population. Labour was, however getting scarce and only the less educated and the old remain in farming. The spread of modern varieties has been constrained by the scarcity of irrigation water, but labour-saving crop management technologies and agricultural mechanisation have spread due to rapidly rising rural wage rates. Farmers were also allocating resources to grow more profitable upland and horticultural crops. Income from rice was found to decline as an important source of rural household income. Instead, the main source of rural household income was from the production of non-rice crops and non-farm activities. The number of poor has declined despite the growing inequality in the distribution of income, because the growth in per capita income has been impressive. The intensity and the severity of poverty have, however, increased.

Pradhan et al\textsuperscript{26} (2000) in their paper have examined the rural urban disparities in income distribution, expenditure pattern and social indicators. Their paper is based on the data of all India rural household survey on Human Development Indicators (HDI) conducted by NCAER in 1993-94. This survey covered 195 districts, 1703 village and 35000 households spread over all the major states in India. This paper is a part of the project on micro impact of macro and adjustment polices (MIMAP). The
need for maintaining changes in the indicators was felt and the MIMAP survey health, basic amenities, social securities, etc. by taking a sub sample of HDI survey of rural households. MIMAP survey covered 5000 households which included 1255 urban households and 3725 rural households. The empirical results of the study were compared with the results of the similar survey conducted by NCAER in 1975-76 to monitor the changes in the pattern of income distribution. The study results indicate that the share of rural income was 55.6 per cent with 74.6 per cent of country’s population in 1993-94 which has 66.8 per cent with 79.1 per cent population in 1975-78 which shows that the share of rural income has gone down during the two decades. The survey observed wide disparities in the average per household and per capita income in favour of urban households in all the occupational categories. The consumption expenditure per household in urban areas was found to be higher by 1.97 times of the rural households. The share of food consumption in total consumption expenditure by agricultural wage earning households was the highest at 61 per cent compared to the other occupational groups. The share of education expenditure was the lowest in agricultural wage earners and the highest in salaried households. In terms of absolute total expenditure per capita, the salaried households spend 2.4 times more than an agricultural wage earning household and 100 per cent more on health at all India level.

Misra’s V.N., 27(2000) study on “The sex distribution of rural non-farm employment has been found to be adverse to the fair sex. The contribution of female labour force participation in explaining inter-state variations in NFE has so far been negative indicating thereby that the states with higher female participation have lower non-farm employment. Although the non-farm employment turned out to be non significant in this extremes in explaining inter-state variations in rural poverty, it has shown strong potential to raise the real agricultural wages, which have shown significantly positive impact on rural poverty. Therefore, it is required to develop female labour market for non-farm activities in the states having higher female labour force participation for reducing rural poverty.

Deaton’s 28 (2003), study on “The Expert Group of Planning Commission” has estimated the poverty line for the 55th round of NSS at Rs.327.50 for rural areas in 1999-2000. On the basis of this poverty line, the head count ratio of the persons below
the poverty line was estimated at 27.0 per cent in 1999-2000. There has been a steady decline in the percentage of poor from 39.4 per cent in 1987-88 to 37.1 per cent in 1993-94 and to 27.0 per cent in 1999-2000. State specific poverty lines for rural areas have been worked out and they range from the minimum of Rs.262.94 per capita expenditure per month in Andhra Pradesh to a maximum of Rs.374.79 in Kerala. Among the different states, the percentage of poor varies between 6.0 per cent in Punjab to 44.0 per cent in Bihar during 1999-2000.

Chandha (2003) observed that the experience in rural Non-farm employment in India in the post reform period has not been quit encouraging. While highlighting the relevance and significance of the rural non-farm sector (RNFS), holds that the employment scenario during 1990s was marked by a serious setback in rural non-farm employment. In an attempt to assess future employment potential in RNFS, identified a wide range of manufacturing activities, construction, hostel, tourism, transport, storage, communications and some activities in the social sector. With regard to employment diversification in the rural area however suggested a selective approach to rural employment expansion keeping in view the ground realities and future potential in each State.

Bhalla and Hazell (2003) opined that the trends in rural employment have been similar to those for the whole economy. Growth in rural employment has decelerated whole economy. Growth in rural employment has decelerated sharply from 1.87 per cent per annum during 1973-74 to 1993-94 to only 0.66 per cent per annum during 1993-94 to 1999-2000. Agricultural employment also decelerated the 1993-94 to 0.19 per cent annum during 1993-94 to 1999-2000. In both the rural and urban sectors, the non-agricultural all sectors has recorded a higher growth rate in employment than agriculture in almost all periods. In rural areas during the overall period and during all the sub periods the growth rate of employment in non-agricultural sectors was appreciably higher than that in agriculture. As a result the manufacturing, trade and transport and service sectors are emerging as an important source of rural employment. This is indicative of a gradual diversification of the economy away from the primary sector, albeit at a low rate. This shift from agriculture to non-agricultural sector is not a distress phenomenon. Some studies also show that there was less poverty among non-agricultural works than agricultural
works. The relationship between agricultural growth and growth of non-agriculture through input, output and consumption linkages has been well documented. In India the emergence of numerous, growth poles, including corridors of development along highways and above all, public expenditure on anti-poverty and other rural development programmes and on rural infrastructure have all been instrumental in increasing output and employment in the non-agricultural sectors. The need therefore, is to develop a strategy to eliminate poverty in rural areas within a generation through accelerating the growth of agriculture for providing productive employment in agriculture and no agriculture through diversification of non agriculture and accelerated growth of non-agricultural activities.

Venkateswarlu 31 (2003) examined the changing structure of the workforce in all India and Andhra Pradesh based on the census data from 1961-to 2001. The distribution of workforce shows that in both the overall economy and rural economy, the share of agricultural labourers in Andhra Pradesh are higher than those in all India and the reverse is the with those of cultivators over the same period. Both in all India and Andhra Pradesh, the decade of the 1990s has witnessed a substantial shift in favour of non-agricultural workers. The growth rates of agricultural workers have continuously decreased among males, females and persons from 1971-81 to 1991-2001, while those of non-agricultural workers have substantially risen. The growth rates of population have declined considerably, during the 1990s at all levels, there by establishing a higher difference between these two growth rates. What is more important is that the time profiles estimated for the specified shifts in the share of the non-agricultural workforce show a some what less rosy picture for Andhra Pradesh than all India.

Kumar 32 (2003) reported that there has been extensive debate on the employment trends in the country in the post-reform as well as controversy over whether the scenario at the state level differs from the national aggregate picture or not. In his paper, be analysed some of the features of the process of growth of employment in the state of Uttar Pradesh including the hill region, which now forms the separate state of Uttarakhand. The paper discusses the growth in employment in the state during the last two survey rounds. It also looked at the sectoral and gender distribution of employment. The regional differences in the dynamics of employment
transformation within the state have also been briefly discussed on the basis of a comparative analysis of the NSSO-Employment- Unemployment surveys for 1993-94 and 1999-2000 (i.e. the NSSO 50th and 55th rounds), this paper examines, at the regional level, the changes in the size and structure of workforce in rural and urban Uttar Pradesh.

Premaratne and Senanayake\textsuperscript{33} (2004) observed data from various sources and indicated that about 25 per cent of population in Sri Lanka lives below the national poverty line. Majority of them lives in rural areas and depend on agricultural activities. However, recent evidences from Sri Lanka, India and other developing countries illustrate that the share of household income from rural non-farm activities is growing.

Jai Sing Rathor\textsuperscript{34} (2004) studied that Rajasthan has more than 9 per cent of India's geographical area but only one per cent of India's total water resources. The climate is hot and dry in two-third of the State area. The average rainfall varies from 15 cm. in the western districts (50 per cent of the States area) to about 90 cm. in the eastern districts. There are very few rainy days and 90 per cent of the precipitation takes place only in 3 to 5 days. Drought or inadequate rainfall is a common feature of the economy. At least half of 33,000 villages of Rajasthan are under the grip of drought almost every year. The farmers have to adjust to this situation by evolving strategies to cope with drought.

Narayan\textsuperscript{35} (2005) studied on "Forced Labour in India -Some Reflections". Forced labour is not a new phenomenon. Traditional and non- institutional loans from the money lender and or the landlord have resulted in the large scale phenomenon of forced labour running through generations of indebtedness, occasionally approximating conditions of slavery with beck-and-call relationship movements against forced labour or other forms of 'attachment' relationships associated with landlordism. The incidences of forced labour is prevalent in industries as well, especially in small sector and home based industries e.g. brick kilns, stone quarries, crushers and mines, power looms and cotton handlooms, rice mills, bidi-workers, fish processing, silver works, mat weaving, salt pan workers, fire-work, bangle industry, carpet industries etc.
Dewan\textsuperscript{36} (2005) studied on “Migration of Tribal land Non-Tribal Women: Socio- Psychological study in Jharkhand”. The problem of migration is a topic of great interest for social scientists. Migration has been defined broadly as a permanent or semi permanent change of residence. It has several dimensions, among which, the demographic and economic aspects have received more attention than the others. But, above all, migration is a socio-psychological phenomenon. Present paper analysed the socio-psychological aspect of woman migration in Jarkhand.

Abiodun O. Folawewo\textsuperscript{37} (2006) in his paper analyses the factors affecting labour demand in the urban informal sector using a matched employer-employee data set obtained from small and medium- scale enterprises in 28 cities from the southwestern Nigeria. Two different methodological approaches are used conventional ordinary least squares (OLS) and Investmental Variable (IV) estimation techniques and a probit model. The probit model is used to determine the probability of employees and absorption by firms. While the OLS and IV results indicate that informal sector’s labour demand is subject of firm’s optimization behaviour, as given by characteristics of the firm, the probit estimates, on the other hand, show that labour demand decision is based on employers, preference for discrimination, based on employees demographic and human capital characteristics. Thus, it is argued that empirical determinants of informal sector labour demand would to a large extent, depend on methodological approach.

K Sunderan\textsuperscript{38} (2007) in his paper analysed “Employment and Poverty in India, 2000-2005”. This paper is prince pally focused on the changes in the size and structure of the workforce and the changes in labour productivity, wages and poverty in India in the first quinquennium of the 21\textsuperscript{st} century. The period between 2000 and 2005 saw a sharp acceleration in workforce growth, and, on the observe side, a slowdown in the rate of growth of labour productivity across most sectors and in the economy as a whole, and, a slowdown (a decline) in real wage growth in rural (urban) India. Consistent with the trends in labour productivity and real wages, relative to the 1994-2000 period, the pace of poverty reduction between 2000 and 2005 shows, at best, a marginal acceleration ( or a marginal deceleration, depending on the choice of poverty lines) in rural India and a clear slow down in urban India. This period also

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saw a small rise in the number of working poor and a substantial rise in the number of self-employed and regular wage/salary workers in the "above poverty line" households.

Himanshu and Mahendra Dev Ravi\(^9\) (2007) this paper is observed principally focused on the changes in the size and structure of the usual (principal plus subsidiary) status workforce in India in the first quinquennium of the 21st century. It also examines the changes in labour productivity. Wages and poverty over this period. The estimates of poverty are derived by combining comparable estimates (on mixed reference period) for 2004-05 of the proportion of households in "below poverty line" households from the 61st round consumer Expenditure survey of the National Sample Survey and the size distribution of persons from the 61st round employment – unemployment survey. These estimates suggest that the extent of decline in poverty between 2000 and 2005. Our estimates of poverty also enable us to address the issues of the working poor and of the quality of employment growth over this period.

G.C Manna\(^{40}\) (2007) in his entitled "On calibrating the poverty line for poverty estimation on India" examined the issue of the appropriateness of using national sample survey 28th round data for setting the official base year poverty line. The poverty lines, as per the alternative base years according to the data of NSS 27th and 26th rounds, which are based on much larger sample sizes, are found to be significantly higher. The also bring out the fact that the rural-urban difference in the average daily per capita calorie requirement of the India population as per the official statistical system narrows significantly with the suggested change in the classification of worker population, which is by no means unrealistic or unwarranted.

Information on headcount ratio (HCR), i.e., the percentage of people below the poverty line, is of vital importance to planners and policy makers. The government often requires he state-level estimates of HCR to decide budget allocation, grants, etc, to be made to the states. The state government also needs reliable estimates of state-level HCR at periodic intervals to monitor the poverty situation. Given this perspective, it is needless to emphasise the importance of calibrating the relevant poverty line accurately so that the estimate of HCR may reflect the underlying actual poverty situation prevailing at a given point of time. The

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official poverty lines for India are anchored on a calorie norm of 2,400 calories per capita per day for rural areas and 2,100 calories per capita per day for urban areas. The Task Force set up by the planning commission, defined the poverty line for the base year (1973-74) as the per capita total consumer expenditure level corresponding to the above calorie norms on the basis of the all India size distribution of monthly per capita consumer expenditure (MPCE) for 1973-74. These all-India poverty lines for 1973-74 were estimated to be Rs.49.09 and Rs.56.64 per capita per month at 1973-74 prices for rural and urban India respectively. This estimation was done on the basis of the consumer expenditure data for the 28th round of National Sample Survey (NSS) conducted during the year.

S.P Kashyap and Niti Mehta\(^{41}\) (2007) in their paper examined various facts of rural non-farm sector over time and space. It seeks to understand the influence by overall macro-economic tendencies, agricultural related development and sectoral changes in shaping the growth of rural non-farm sector (RNFS) across states. It regrains from estimating any elaborate model, rather its emphasis in on understanding interrelations of RNFS with chooser variables.

Binal Kishore Sahoo and Simantini Mohapatra\(^{42}\) (2008) the study of essentially focuses on inter-state disparities among the 15 major states of India, from 1981-82 to 2002-03. This study was carried out as existing empirical literature on economic disparities were based on aggregate data of Net State Domestic Product (NSDP), which portrayed disparities among the states disparities among the states. But, whether this disparity was due to differences in agricultural or non-agricultural productivity and identifies the major factors in explaining this disparity. The study finds strong evidence of inequality in agricultural income across the states. It is seen that the better performing states are mostly in the west ern and southern regions of the country. On the other hand, the non-performing or poorly performing states are in the northern and eastern regions. The study finds that though there is a decrease in the disparity across the states in both NSDP and Per Capita Net State Domestic Product (PNSDP) over the years, the disparity continues to be very high and it is relatively higher in the NSDP compared to NSDP. There is strong evidence of cyclical nature of the disparity across the states, implying that agriculture still is highly dependent on nature and other stochastic factors that cause fluctuations in the output across time.
and space. It is seen that agricultural growth has decelerated in the agriculturally
developed state like Punjab, Harāyana poor states like Bihar and West Bengal have
shown a significant show that the disparity in the agricultural growth. The regression
results show that the disparity in the agricultural out put is significantly and positively
affected by the variations in fertilizer use and the length of pucca roads.

Ishita G Tripathy and K.K.Tripathy (2008) studied that the run-up to union
Budget 2008-09 war replete with media expectation of it addressing concerns like
increasing rural infrastructure, revamping agriculture and reviving allied and non-
farm activities. Rightly so, because, the most recent estimates of planning commission
show that the incidence of rural poverty on the Head Count Ratio defined from 37.3 in
1993-94 to 28.3 per cent in 2004-05, a reduction of 9 percentage points over 11 years.

G.S. Bhalla (2008) in his entitle “Globalization and Employment Trends In
India”, reviews current debate on the impact of globalization on employment, poverty
and inequality in developing countries reveals that the predictions of the given trade
theories that increased trade and FDI consequent to globalization would result in
higher employment in labour surplus economic has not always proved correct. Even
in the developed countries, there is growing unease due to doubling of global labour
force because of the entry of BRICS into the trading system. In the Indian context of
post economic reforms, the rate of growth of the economy and the rate of growth of
employment remains undiversified. Both interpersonal and inter-regional income
inequalities remain high and seem to have increased. The quality of employment
remains very poor for a major portion of workers and the condition of work seem to
have deteriorated in terms of social security and other amenities.

Mukesheswaran, Ashok Kotwal, Bharat Ramaswami and Wilima Wadhwa (2009)
examined the evolution of poverty in India through the prism of agricultural
wages and employment. While head count ratios of poverty have been the focus of
much of official and academic writings on the subjects, looking at agricultural wages
has its advantages both as a statistical measure as well as a way of thinking about how
growth trickles down to the poor.
The displays a classification of rural households according to source of major earnings. This is computed from National Sample Survey (NSS) consumption expenditure survey data for 2004-05. Form the, it is clear that households that depend on earnings from unskilled labour (agricultural labour and other labour) account for more than 50 per cent of the households that are poor according to the population is 32 per cent. It would therefore seem that the earnings of manual labour households ought to be strongly correlated with poverty.

Pater Aver and Praven Jha* (2009) studied the dominant voice within the policy establishment in India as well as international financial institutions, have been strong advocates of the view that labour market rigidities are major obstacles to improving economic and labour market performance. In such a view, labour market regulation not only hurts growth but also goes against the interest of workers at it leads to sub-optimal out comes in employment and wages. This paper argues that such a ‘free-market fundamentalism’ is conceptually far too simplistic and empirically states on thin ice. We flag the major claims advanced by the advocates of neoliberalism in regard to labour market, and attempt a critical examination of these claims while to consing on the world of labour in the contemporary Indian economy. While the paper does not dismiss core concerns relating to labour market and justments that my facilitate better economic out comes, it suggests flexibility with labour market security. The paper suggests that the concept of flexicurity developed with reference to European labour market, may be instructive relevant for India acquire much relevance in the present context of the economic crisis.

Sarde Prasad and Murali Dhar Vemuri* (2009) analysed the National Sample Survey Organisation’s (NSS)*S) 60th round data on morbidity and health care, collected during the period January to June 2004 offers an opportunity to analyse the disease pattern among different categories of the labour force in India. The results obtained from the survey show that 5.5 per cent of the labour force is ailing one day before the survey whereas 7.9 per cent of the labour force is ailing 15 days before the survey. Hospitaliration during 365 days before the survey occurred in 8.1 per cent of the labour force. The data on the cavges of diseases compiled from the survey suggest that one-fourth of the labour force suffers from infections and parasitic diseases. Nearly one in seven workers report accident and violence. One-tenth of the labour
force suffers from geni to-uninary diseases. These diseases are found across different activity sutures of the labour force salaried workers and employees have a higher prevalence of diseases of the circulatory system that other member of the labour force.

S. Sumitha and Malathy Duraisamy ⁴⁸(2009) examined the changes in the size, composition and growth of the workforce in Kerala during 1993-94 to 2004-05, using the aggregate National Sample Survey data comparable estimates are also presented for India. The average annual employment growth rate in Kerala is lower than that in India. The primary sector’s share in total employment has declined more sharply in Kerala than India. The secondary and tertiary sectors together accounted for 63.31 per cent of the workforce in Kerala in 2004-05 as compared to only 42.6 per cent in India. The available data also reveals a sharp growth in regular salaried employment and a reduction in the share of casual labour in Kerala and India during the given period. The employment elasticity of output is computed and the projections of employment growth are made for Kerala.

3.3 AGRICULTURAL LABOUR

Sundara Rajan ⁴⁹(1957) observed that the landless agricultural labourers primarily due to lack of adequate opportunities of non-agricultural employment do not obtain regular employment all the year round. On an average, a male agricultural labourer was employed for 141.2 days, of which agricultural work alone provided employment for 112 days and the female labourers were employed only for 73.2 days of which agricultural work accounted for 68 days. The author concluded that the solution to the problem of unemployment lies not only in speeding up of land reforms and reorganization but in accelerating of industrial development.

Srenivasa Rao ⁵⁰(1965) conducted a study on employment and net income of agricultural labour in Madras state. The findings revealed that the average annual net income of an agricultural labour household was Rs.269.25 in 1956-57. The income of an attached labourer is higher than that of the casual labourer. If the average family size of an agricultural labour household is taken as four, the per capita net income per year works out to be Rs.67.31. The per capita net income for the whole of India in 1956-57 at 1948-49 prices was Rs.275.60. The study concluded that the agricultural labourers in Madras state are leading a low standard of living due to low income. On
an average, the agricultural labourer was found to have worked for a period of six and a half month because of their involvement in other household duties. Non-agricultural labourers work forms a very small proportion of the total employment of agricultural labourers. Child agricultural labourers are also employed for as much as nine months. The author concluded that the average wage of men is higher than for women and children for all the agricultural operations. The method of wage payment was 57 per cent in cash, 36 per cent in kind and 7 per cent in both cash and kind.

Vyas\textsuperscript{51} (1965) conducted a survey in four villages. The survey showed that the average family income of agricultural labourers are low ranging from Rs.393 a year in Hasteda to Rs. 588 in Ankodia, which enabled them to have only a very precarious and miserable existence. It was also observed that even in the most prosperous village, not more than 40 per cent of the labour households could make both ends meet. The survey results on expenditure porter show food was that the predominant item of expenditure in the village studied. The expenditure on this item was as high as 86 per cent in Afawa village. The study also revealed that the consumption of food in quantitative terms. In Rajasthan village, Hasteda, the per capita consumption of cereals per adult was 260zs. In the north Gujarat village, Rampura, per capita consumption was 180zs per day. In the other two Gujarat villages, Ankodia and Afawa, the per capita consumption was between 14 and 150zs per adult per day.

Bardhan\textsuperscript{52} (1970) made on attempt to examine the share of agricultural labourers in the general agrarian prosperity during the sixties. The author concluded that at the end of the Sixties more than 70 per cent of the rural population was living below the barest minimum acceptable level of living. The percentage of rural households below the bare minimum acceptable level of living apparently doubled during the Sixties in rural India as a whole. This was so in the states of Bihar, Gujarat, Jammu and Kashmir, Karnataka and Uttar Pradesh. In Punjab (including Haryana), the throbbing heartland of the green revolution, the percentage of rural population below the minimum level of living, nearly quadrupled between 1960-61 and 1967-68. This was also found true in the case of Assam and West Bengal. Almost in all the states, the percentage of the poor was observed to have gone up significantly.
Panikkar\textsuperscript{53} (1978) made an effort to look into the level of employment, income and food intake among selected agricultural labour households in Kuttanand, the rice bowl of Kerala. The author has concluded that total earnings among these households are low, in spite of the fact that the wage rates in this region are comparatively high. The per capita in this region are comparatively high. The per capita income among the sample households was less than one half of the state's per capita income. The intake of food among the sample families is very low. The average intake energy works out to 66 per cent of the requisite minimum (2200 calorie) owing to peculiar ecological features of kuttanahd, the farm operation are relatively arduous and entail relatively great expenditure on energy. A high proportion of the agricultural labours consume food deficient in calories. The incidence of under nutrition and malnutrition is a reflection of the very low level of income which, in turn, is due to in adequate employment opportunities.

Sharma, Muralidhren and Kumar\textsuperscript{54} (1980) indicated that calorie deficiency is a severe problem among the landless agricultural labourers of eastern Uttar Pradesh as about 70 per cent of the population in this category is not able to consume an adequate recommended level of calories needed to perform routine work. This definitely affects the efficiency and quality of the work rendered by the labourers. The lack of purchasing power was identified as the main root cause of inadequate intake of calorie. Therefore, any effort to uplift the nutritional intake of landless labourers should be directed to words improve their purchasing power through improving their employment opportunities, particularly in slack season and also by subsidising during the days of high prices, the purchase of essential food items, viz., cereals, pulses, fats and oils, fruits and vegetables and sugar and jaggery which form the major sources of calorie and other nutrients for these population groups.

R.S Dhaliwal and S.S Grewal's\textsuperscript{55} (1983) study has analysed income and employment of agricultural labourers in Punjab. It was observed that the income of the agricultural labour households had improved over time when measured in money terms but their real income recorded only nominal increase due to rise in the prices of consumer goods. It was also found that the economic conditions of the labourers in general, were better in the agriculturally developed area of the state.
Gain Singh's (1986) study on "Economic Conditions of Agricultural Labourers and Marginal Farmers", examined the levels and patterns of income, consumption and poverty among the agricultural labourers and marginal farmers during 1980-81. The study results revealed that an average agricultural labour household earned annually about Rs.5,817 in the rural areas of Punjab. On an average, agricultural wages constituted 74 per cent of the total income. The annual consumption expenditure per household has been worked out to Rs.6,583. An average agricultural labour household has spent about 31 per cent on food grains. The average propensity to consume was estimated at 1.13. On the basis of the per capita income, 23.08 per cent of the agricultural labourers were observed to be living below the poverty line while on the basis of per capita consumption, 8.42 per cent of agricultural labourers were found to be living below the poverty line.

Perraju Sarma (1986) examined the dimensions of rural poverty with reference to agricultural labourers in Andhra Pradesh. The study was based on field survey in Krishna district during 1981-82. He found that there was an association between the size of the household and the proportion of people below the poverty line and also between the absence of female workers and poverty. The intergenerational declines in occupational status and access to land have been the important factors explaining poverty among agricultural labours. But there was no relationship between income poverty and generational change of house. Another interesting finding on assets was that the percentage of households below the asset poverty line (73 per cent) exceeded those below the income poverty line (41 per cent).

Mahendra ev's (1988) analysis on the gap between actual or potential earnings and the required income reveals that even after assuming full employment at the prevailing wages, the required income would be more than 50 per cent over the potential income in all except four states, namely, Assam, Rajasthan, Kerala and Punjab, where the daily earnings are relatively higher than the rest of the states. At the all India level, more than 50 per cent of the persons belonging to agricultural labour households have the highest incidence of poverty as compared to other types of households in all the states. He concluded that a rise in the real wage through increase in labour productivity in agriculture seems to be an essential condition for poverty reduction among the agricultural labour households in many states till the target group
programmes make a significant on the majority of the rural poor or till the unorganized poor organize and demand for the redistribution of assets.

Mahendra Dve et al\textsuperscript{59} (1991) used the poverty line of Rs.15 per capita per month at 1960-61 prices for rural India and the corresponding poverty lines for rural areas of different areas by applying the consumer price index numbers of agricultural labourers following Bardhan's methodology. They have worked out state-specific incidence of poverty for all the years from 1961-62 to 1986-87. The study has made an in-depth analysis of demographic, social and occupational characteristics of the rural poor.

They have estimated that 38.2 per cent of rural population was living below poverty level in 1961-62 and among the states, West Bengal has recorded the highest proportion of poor at 62.2 per cent and Assam was in the all India level has gradually increased up to a maximum of 56.1 per cent in 1966-67 and it has come down gradually to 42.9 per cent in 1972-73.

Yugandar\textsuperscript{60} (1992) in his study on "wages and living conditions of agricultural labour households in chittoor district", has estimated that 28.59 per cent of the agricultural labour households are living below the poverty line and Sen's poverty index has been estimated at 0.029 on the basis of per capita income. But, on the basis of per capita expenditure, 61.11 per cent of the agricultural labour households were observed to be below the poverty norm and Sen's poverty index has been estimated at 0.052. The above data showed that there was high incidence of poverty among agricultural labourers and Sen's poverty index indicated that there was significant gap between the poverty level and actual income of the agricultural labourers. There was a moderate increase in percentage of poor in rural areas to 44.9 per cent in 1973-74 and it has come down gradually to the level of 25.6 per cent in 1986-87. For the year 1986-87, among the different states, the maximum percentage of 41.2 per cent was observed for Gujarat and minimum of 7.6 per cent was estimated for Punjab.

The planning commission\textsuperscript{61} (1993) has appointed an Expert Group to estimate the proportion and number of the poor in 1993. The Expert Group has adopted the norm of Rs.49.00 at 1973-74 price anchored as the per capita daily intake of 2400 calories with reference to the consumption pattern of 1973-74. For updating the
poverty lines, state-specific price indices have been worked out using the consumption pattern in each state of the group around the poverty line in regard to food and non-food items and the consumer price index for agricultural labourers are used to convert Rs.49. These were then revised for the subsequent NSS years. The Expert Group has recommended the consumption pattern of the 20-30 per cent of the population around the poverty line in 1973-74 and the disaggregated relative prices from the consumer price Index of agricultural labourers. According to the Expert Group of the Planning Commission, 54.6 per cent of the rural population was estimated to be living below the poverty norm in 1973-74 and there has been a declining trend in the percentage of poor which was evident from the estimated 51.2 per cent in 1977-78, 43.80 per cent in 1983-84 and 39.4 per cent in 1987-88. The Expert Group of Planning Commission has estimated the poverty line for the 55th round of NSS at Rs.327.50 for rural areas in 1999-2000. On the basis of this poverty line, the head count ratio of the persons below the poverty line was estimated at 27.0 per cent in 1999-2000. There has been a steady decline in the percentage of poor from 39.4 per cent in 1987-88 to 37.1 per cent in 1993-94 and to 27.0 per cent in 1999-2000. State specific poverty lines for rural areas have been worked out they range from the minimum of Rs.262.94 per capita expenditure per month in Andhra Pradesh to a maximum of Rs.374.79 in Kerala. Among the different states, the percentage of poor varies between 6.0 per cent in Punjab to 44.0 per cent in Bihar during 1999-2000.

Bhattacharya62 (2002) has reviewed in his paper on rural poverty in India. The Planning Commission has estimated the poverty line in 1962 at Rs.15 as the monthly per capita expenditure for rural areas at 1960-61 prices to satisfy the calorie norm of 2250 calorie per day per person, which was eventually revised in 1973-74 to Rs.49.09 to compare to the daily calorie norm of 2400 calories per capita in rural sector. Bhattacharya has adjusted the poverty line of Rs.49.09 with 1973-74 based on the corresponding price indices for agricultural labourers for different years. In this paper, the author has used head count index, poverty gap index and Sen’s index to assess the rural poverty in India. On the basis of the updated poverty line, it was estimated that 190 million people were still below the poverty line during 1999-2000 which was about a quarter of country’s rural population. The study has observed that there was remarkable fall in the rural poverty levels from 54 per cent in 1972-73 to 37 per cent
in 1993-94 and further to 26 per cent in 1999-2000. The poverty gap ratio has shown that the proportion average income short fall from the poverty line which was high at 21 per cent in 1972-73 had come down only to 7 per cent in 1999-2000. The gap between mean poverty line income and actual per capita income revealed by Sen’s index shows that the index has been gradually decreasing from 0.23 in 1972-73 to 0.07 in 1999-2000. This reveals that the actual income of the people below poverty line is coming closer to poverty line. The values of the gini-coefficients show that there was a marginal decline in the rural inequality from 30 per cent in 1972-73 to 26 per cent in 1999-2000.

The study has cited that the UNDP has placed India in the category of medium human development last under UNDP Human Development Index 2001. Life expectancy was almost on par with the world figure and slightly lower than the figure for all developing nations. Till 1995, the performance in education was far below the level of developing countries and the world. The per capita real GDP was also significantly lower in India compared to other countries. The study has observed that all the indices of human development have improved in 1999 over 1995.

Himanshu (2006) expressed that in a predominantly agrarian society like India, the effects of agrarian crisis are felt the most by the agricultural labourers. This is essentially through lower employment availability, but more so through the impact of agrarian crisis on wage rates. This paper looks at the determinants of agricultural wages and its linkage with agricultural productivity across NSS regions. Since level of agricultural wages not only vary a great deal across states but also across regions within states, this paper analyses the trend in agricultural wage from, agricultural wages in India as well as from NSS employment and unemployment surveys at NSS region levels for 58 NSS regions of the 15 major states. The results of the analysis emphasis, the importance of agricultural productivity in explaining variation in agricultural wages along with literacy, casualisation, non-farm employment and unionisation of the work force. The results also suggest the increasing importance of agricultural productivity in explaining variations in agricultural wages over time. In this context, the agrarian crisis of the 1990s which has been further aggravated after 1999-00 signals further slow down in growth rate of agricultural wages, a fact confirmed by recent trends by various sources.
R.S. Deshpande, Pradeen Mehta and Khalil Shah 64 (2007) observed the process of diversification in the agriculture sector in India during the last three decades and tries to locate its impact on the agricultural labourer as a group. Recognising fully that connecting diversification directly to the welfare of agriculture labour is difficult in the absence of field-level primary data, they tried to put forward circumstantial evidence which clearly indicates that during the last three decades diversification has progressed significantly in selected states and there has been welfare loss in these regions. We conclude with a warning that, if neglected, these may have significant welfare losses for the most vulnerable component in the current process of economic growth.

3.4 NREGP PROGRAMME

T.S. Papola 65 (2006) in other paper entitled “Employment and development policy in India” opined that employment has received a high priority in the development agenda of our country. Various approaches and strategies have been tried to accelerate the pace of employment generation. The three different rules economic growth, macro economic sectoral policies and special employment generation programmes were adopted to achieve the employment objectives. Present paper attempted a critical review of the employment generation efforts in our country.

Employment has featured prominently in the development debate in India. It has been recognised as an objective of development and a means for poverty alleviation. It is seen as an outcome of economic growth, but need to enhance the employment content of growth has also been equally emphasised. The employment objective is thus pursued through three different routes economic growth, macro-economic and sectoral policies and special programmes. The present paper attempt a critical review of the efforts made through these three modes towards the goal of employment generation. It gives a brief historical account of how employment has been treated in different five year plans, followed by an examination of the fiscal, credit, trade and sectoral policies in relation to employment, and then, evaluates the role of special employment programmes. Prospects of employment and other expected outcomes of the NREGA have been specially examined in some detail. And finally, the paper emphasises the point that the concept of employment needs to be taken beyond provision of work to include dimensions of earnings, conditions of work
and social protection, as the conventional measures of employment and unemployment do not reflect the quality of work and levels.

Krishna S. Vatra (2006) made an assessment of the effectiveness of the employment Guarantee Scheme (EGS) of the Maharashtra Government in reducing risk and vulnerability to which households are exposed during the lean season or when crops fail due to climatic factors. Further, it is argued that if the National Rural Employment Guarantee Act has to become a successful intervention in poverty alleviation and drought mitigation, it needs to follow a well defined strategy for building and maintaining assets, rather than becoming a short-term intervention in relief employment as the EGS turned out to be.

Abhiroop Mukhopadhyay and Indira Rajaraman (2007) analysed that there is an overall rise in rural unemployment, in terms of both total and partial failure to find work during the reference week, between the 55th (1999-2000) and 61st (2004-05) round employment surveys of the national sample survey. This is something of a puzzle given the reported rise in monthly per capita rural expenditure between the two rounds. The decline in unemployment among males with secondary school or higher education, relative to illiterate males, suggests that the rise in rural prosperity closely matches the pattern of acres to rural school facilities of the four disadvantaged groups tested for; scheduled tribes face the highest incremental unemployment, which remains unchanged into the 61st round. This is an important pointer to the required regional configuration of workfare programmes like the National Rural Employment Guarantee Scheme, and for the spread of rural schools.

Abusalah Shariff (2009) studied NREGA an ambitious mass employment guarantee scheme implemented since the last four year, intends to sustain income and consumption in India rural outback. A large programme, backed by budgetary allocation promises 100 days of manual work to households who register and apply. Failure to provide employment through the gram sambas creates cash entitlements as a matter of law. This paper analyses official statistics and survey data from seven northern states. The future of NREGA is a strongly linked to the cherished national good to strengthen and broad base decentralization of local governance. But there are wide variations amongst the states not only in the level of decentralisation but also in the capacity to implement such a large scheme and lack of convergence amongst
relevant government departments and functionaries. NREGA has the potential to address both sustenance of income and enhance the social welfare of households in rural areas.

Ashok Pankaj and Rukmini Tankha (2010) studied using a field survey; this paper examines the empowerment effects of the National Rural Employment Guarantee Scheme on rural women in Bihar, Jharkhand, Rajasthan and Himachal Pradesh. It argues that women workers have gained from the scheme primarily because of the paid employment opportunity and benefits have been realised through income-consumption effects, intra-household effects and the enhancement of choice and capability. Women have also gained to some extent in terms of realisation of equal wages under the NREGS, with long-term implications for correcting gender skewness and gender discriminatory wages prevalent in the rural labour market of India. Despite the difficulties and hurdles for women, prospects lie, inter alia, in their collective mobilisation, more so in laggard states.
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