CHAPTER - 7

CONCLUSIONS

Increase in the number and proportion of agricultural labourers is likely to have an adverse effect on their wage rates. But the new technology introduced in the Indian agriculture in the mid sixties is expected to raise the demand for labour as it is found to be highly labour intensive (Herdt and Baker 1972). This may favourably affect the wage rates of agricultural labourers. But a serious concern which has arisen following the introduction of high yielding variety programme is the belief that the agricultural labourers are not sharing equitably in the benefits of new technology (Dommen, T. K. 1971). Therefore to know the living conditions of agricultural labourers the present study has made an attempt to examine the behaviour of agricultural wages at the disaggregated level of districts in Karnataka.

The study covers nineteen districts of Karnataka. To examine the quantitative dimensions of agricultural labourers we have used the census data for 1961 to 1991. The behaviour of money wages and real wages and the relation between wages and production, productivity of agricultural output are examined by using time series data from 1960-61 to 1986-87. The Entire period, 1960-61 to 1986-87, is classified into [1] pre-Green Revolution period, 1960-61 to 1970-71 and [11] post-Green Revolution period, 1971-72 to 1986-87, for the purpose of our study. To examine factors influencing the wages we have derived the cross section triennial average data for 1960-63, 1970-73 and 1984-87. Wherever published data were not available the data have been obtained from the official unpublished records. By and
large, the data are obtained from the State Bureau of Economics and Statistics, Season and crop reports, Statistical abstracts of Karnataka, Population census, Census of live stock, Census of land holdings and various issues of Estimates of Area, Production and yield per hectare of principle crops in Karnataka, from 1960-61 to 1986-87.

While examining the various hypotheses given in chapter one, different statistical and econometric methods like standard deviation, co-efficient of variation, correlation analysis, technique of multiple regression etc., have been used. The detailed discussions of the empirical findings of the present work are given in summary form in the succeeding paragraphs.

7.1. The analysis on the quantitative dimensions of agricultural labourers shows a general increase in their number and proportion in the recent decades in the districts of Karnataka. The highest growth of agricultural labourers (Total as well as Male) is found in the districts of Malnad regions. Further it is also noticed that the districts that record higher percentage increase in total population also record higher percentage increase in agricultural labourers during 1961-71, 1971-81 and 1981-91. The highest proportion of agricultural labourers is generally found in the districts of the Northern region. The main economic factors such as natural increase in population of agricultural labour households, decrease in the proportion of cultivators to total agricultural workers, increase in the percentage of small holdings, disintegration of village industries and lack of employment opportunities along with certain socio-political and technological factors such as eviction of tenants and new farm technology appear to be the major explanations for the rise in the proportion of agricultural labourers in the recent decades in Karnataka.
7.1.1. The proportion of male agricultural labourers in the state decreased from 65 per cent in 1961 to less than 50 per cent in 1991. This indicates an increase in the participation rate of female agricultural labourers. Increase in the number of agricultural labourers due to marginalization of land holdings leading to a rise in the number of families earning lower income or earning below the subsistence level has forced participation of female labourers to supplement the income of the family. This phenomenon seems to have resulted in a decrease in the proportion of male agricultural labourers in Karnataka.

7.2. The analysis on the inter-district wage disparities shows the highest money wage rates in the districts of Dakshina Kannada, Uttar Kannada and Kodagu belonging to Coastal and Malnad region. The lowest wage rates are reported from Bidar, Bellary, Belgam, Dharwad, Gulbarga, Bijapur and Raichur districts belonging to the Northern region and Chitradurga belonging to the Southern region.

7.2.1. The absolute and relative measure of dispersion show convergence of wage disparities in the late sixties and the seventies. This trend disappeared during the eighties and the wage disparities widened in the districts of Karnataka. The inter-regional and intra-regional wage differentials in the four regions of the state generally follow more or less the pattern observed at the district level. Thus the widening wage disparities show that the rural labour market in Karnataka functions within the local and regional boundaries.

7.3. The analysis on the behaviour of real wages shows a stagnation or a declining trend in real wages in a majority of the districts of the state during the pre-Green Revolution
period. On the other hand the post-Green Revolution period, 1971-72 to 1986-87, appears to be a favourable period for agricultural labourers in Karnataka for an impressive rise in real wages. Further, the observed convergence of real wage differentials at the district and inter-regional level during the sixties and the seventies seems to have disappeared during the eighties.

7.3.1 The trend equation show a positive and significant trend in the money wages in almost all the districts of the state during all the three periods under study. On the other hand there is a negative trend in the real wages in all the districts except Bidar and Gulburga during 1960-61 to 1970-71. However, the post-Green Revolution period, 1971-72 to 1986-87, shows a remarkable change in the trend coefficient in real wages. During this period a positive and significant trend in real wages was observed in as many as 12 districts and also for the state as a whole. During the Entire period, 1960-61 to 1986-87, a positive and significant trend in real wages is observed in only five districts viz., Bangalore, Bidar, Bijapur, Gulburga and Mysore. And in as many as seven districts the real wage trend is negative but it is significant in just one district viz., Bellary.

7.4 Agriculture growth of a region is generally assumed to have a positive impact upon real wages of agricultural labourers via (a) increased demand for agricultural labour, (b) increased supply of food grain which lowers the price of wage goods and (c) the stimulus to non-agricultural growth and employment provided
by rising demand for intermediate and consumer goods in the agricultural sector. But at the same time an increase in the supply of agricultural labourers seems to affect the wages adversely.

The districts of Belgaum, Bijapur, Dakshina Kannada and Kodagu experience a higher growth of wages (both money wages and real wages), even though they had low growth of agricultural output during 1960-61 to 1986-87. But in these districts the supply of agricultural labourers is less than the state average. This seems to have pushed the wages upwards in these districts. On the other hand, high growth of output is associated with low growth of wages in Chitradurga, Hassan, Raichur and Tumkur districts. However, in these districts the increased supply of agricultural labourers being higher than the state average between 1961 and 1991, may partly explain this phenomenon.

7.4.1 The cross section regression analysis shows that the productivity per hectare has a positive impact on wages during all the three periods under study. Thus the agricultural progress seems to have a significant impact in raising the living standards of agricultural labourers in Karnataka.

7.4.2 The time series correlation analysis shows a positive and significant association between money wages and production/productivity of output during all the periods under study. On the other hand, the real wages fail to find a positive and significant association with the changes in the production.
and productivity of agricultural output, in a majority of the districts of the state during pre-Green Revolution period. Some improvement may be noticed during the post-green revolution period, but the relation is positive and significant in less than 50 percent of the districts. This indicates the failure of agricultural labourers to share the benefits of agricultural growth in a majority of the districts of the state.

7.5. The multiple regression analysis reveals that the factors such as productivity of land, proportion of area under irrigation, proportion of land holdings of above 2 hectares have positive impact on wages. However HYV technology has a negative impact on wages in the state. Perhaps this outcome is due to the adoption of labour saving equipments in the HYV areas.

7.5.1. On the other hand, of the two supply factors the proportions of male agricultural labourers to total male workers has a negative impact and the density of male agricultural labourers has a positive impact on wages. The sign of the coefficient of the density of male agricultural labourers is contrary to our hypotheses. A possible reason for such phenomenon seems to be the concentration of male agricultural labourers in the areas with high proportion of gross cropped area under irrigation. Thus the progress of agricultural sector seems to have improved the living standards of agricultural labourers. On the other hand the immobility of agricultural labourers seems to have worsened their wage level.
5.2. The fitted equations suggest that the selected demand and supply variables have a good fit in explaining wage variations, as the $R^2$ varies from 68 to 90 percent.

5.3. The associative relationship between the growth in wages (money and Real) and growth in each of the explanatory variables has not shown any impressive results to arrive at any conclusive evidences.

6. At this stage it is interesting to examine the impact of the provisions of the minimum wages upon the actual levels of agricultural wages in the districts of Karnataka. To protect the interest of agricultural labourers the Government of Karnataka, from time to time has been making provisions in the forms of minimum wages. For the purpose of comparison we have adopted the minimum wages of agricultural labourers for 1975, 1982 and 1985, published by the Government of Karnataka under its notifications

1. No. SWL 53, LHW. 75, Bangalore, dated 29, Sept. 1975,
2. No. SWL 36. LHW. 79, Bangalore, dated 24, February, 1982 &

respectively.

The minimum wages rates are published by the Government for four categories of labourers viz., class A, class B, class C and class D, for dry land wet land and garden land. For the purpose of comparison of wage data collected for purpose of our study the
class A and class B minimum wage data for dry land and wet lands is averaged. [For the detailed methodology see section 3.3.2]

For the state as a whole the average minimum wages are Rs. 3.98, Rs. 5.54 and Rs. 11.00 for 1975, 1982 and 1985 respectively.

Referring to the table 3.1 it is obvious that the money wage rates of male agricultural labourers are below the statutory minimum in the districts of Belgaum, Bellary, Bidar, Bijapur, Chitradurga and Gulbarga during 1975-76, and again, in Belgaum, Bellary, Dharwad, Gulbarga, Raichur and Tumkur districts during 1982-83. But during 1985-86, the money wage rates are below the statutory minimum rates in all the districts and for the state as a whole, except in Dakshina Kannada, Hassan, Kodagu and Uttar Kannada districts.

Thus there is an increase in the number of districts receiving less than the statutory minimum wages in Karnataka from the seventies to the eighties. The contributory factors in this connection may be:

1. Excess supply of labour over demand,
2. Absence of alternative employment opportunities,
3. Lack of organization among agricultural labourers,
4. Improper implementation of the minimum wages act and
5. Underdeveloped economic overheads in the rural areas.

To overcome the problems stated above the following measures are suggested to improve the economic conditions of the landless and also the agricultural labourers in Karnataka.
To reduce the excess supply of labour efforts should be made to provide regular non-farm employment opportunities through the development of agro-based industries, small scale and cottage industries and public work programmes in the rural areas.

There is need to create awareness among agricultural labourers about labour organisation for obtaining their due share in the increased production. Though there are farmers’ organisations working in different parts of Karnataka it appears that they have failed to secure the minimum wages for the landless. This might be basically due to the fact that the farmers’ organisations are dominated by the land owners and politicians. Hence proper organisation of agricultural labourers may help them to obtain at least the minimum wages fixed by the Government from time to time.

Further steps are also necessary to be taken towards the effective implementation of the minimum wages act in the rural areas. In this regard farm labourers should be educated about the provisions of the minimum wages through the existing rural communication system, by augmenting and invigorating it through the Neo-literacy programmes and the like.

In addition to these the development of infra-structure facilities such as road, schools, drinking water, electricity, health and hospitals, communication systems and rural development programmes will go a long way in enhancing the well being of farm labourers.
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