CHAPTER I

INTRODUCTION
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Agriculture has dominated the rural landscape and claimed the best part of the cultivators working hours for centuries in Haryana. In a short span of time since its inception in 1966 Haryana has come to occupy a place of pride in the field of agriculture. Prior to 1951, the agriculture in Haryana was tradition-oriented. In spite of being rich in agricultural resources the state remained poor because of stagnation in subsistence agricultural economy. For decades preceding independence and few years succeeding it agriculture remained mostly neglected and suffered setbacks.

The first planned efforts to develop Haryana's agriculture began in 1951, the year when First Five Year Plan was launched. Eversince agricultural development has remained a focal point of the Indian planning. Upto the end of 1972-73, tail period of Fourth Five Year Plan considerable progress was made in laying the foundation of a progressive and forward looking agricultural industry.

As a result, from a largely food-deficit area, Haryana has today become one of the most uniquely developed agricultural region of the nation. The state which constituted only 1.44 per cent of the geographical area and 1.82 per cent of the total population of the country now holds second position...
in food production and contributes as much as 5 per cent towards country's total food production. Besides, agriculture as a primary sector and the mainstay of 82 per cent of the total population, accounts for nearly 60 per cent of the total state income and provides sinews for industry in the form of raw material.

The main instrument of change in the agrarian economy in Haryana has been a revolution in farm technology involving high yield varieties of crops, chemical fertilizers, pesticides and farm machinery which has widely being accepted by the cultivators and farm workers. As a result, the approach to the farming has undergone a radical change. Farming as an occupation has made a big leap forward from mere a way of life to that of a well-conceived commercial enterprise. The rapid diffusion of new innovations has proved sound and suitable, both technically and operationally.

The pace of modernisation and technological change has been fairly rapid in Haryana as compared to other states in the country. This has a cumulative effect on the agricultural infrastructural development and the productivity and production of all the crops in the state. As a result, total cropped area in the state went up from 45,99000 hectares in 1966-67 to 5,688000 hectares in 1984-85. Food production has increased from 2.5 million tonnes during the year 1988-89.
The seventh Five Year Plan target is to produce 9.0 million tonnes of foodgrains. (Chamola, Monacha and Patel-1989)

Implications of New Agricultural Technology

The introduction of new agricultural technology has many short run and long run implications for the economy in general and for the farm sector in particular. One of the effect is that development process is accompanied by changes in the structure of an economy. When development takes place, the proportion of labour force engaged in agricultural sectors tends to decline, while that of non-agricultural sector tends to increase. Correspondingly, there is a shift in the composition of total national/state product ... the share of agricultural sector decline while that of non-agricultural sector goes up. And of course, the two sets of changes have intimate inter-relationship.(Ballabh, Chander-1987) We shall therefore conduct a probe into the status and changing importance of agricultural labour in Haryana by focussing attention on its share in total work force in Haryana. We shall also study the change in the sectoral composition of total output in Haryana over the years 1970-71 to 1984-85. (refer Chapter-III)

Another short run effect is an increase in income of those farmers who adopted new inputs and techniques. One of the important aspect is the effect of adoption on the pattern of income distribution on farmers. The precise nature and
exact magnitude of this effect is significant as the real farm problem lies in the unequal distribution and disparity between different regions of the state. (Raju, V.T. 1976)

A number of earlier studies on the effect of new agricultural technology on output and income distribution concluded that the net result was a rapid increase in inequalities of income and asset distribution and worsening of rural poverty in areas affected by green revolution. (Griffen, 1972, 1979, Fraenkel, 1976, Harriss 1977, Hewiff 1976, I.L.O., 1977, Kuznets 1955, Roa 1974, Hanumantha Rao, 1975)

In the wake of green revolution it was felt by the economists (Dantwala, Raj, Hanumantha Rao etc.) that the small and marginal farmers, landless agricultural labourers, rural artisans/craftsmen, share cropper tenants etc. had been deprived of the benefits of agricultural development and its fruits have been reaped by a small section, thus accentuating the income disparities.

Contradictory to the belief that the rural poverty is natural and it is basically unalterable, it is believed that a large part of the mass poverty increasingly witnessed in the rural areas is relatively new and is the direct outcome of agricultural development. (Mukherjee, 1982) New agricultural strategy laid emphasis on higher production because it was necessary to achieve self-sufficiency in foodgrains as quickly as possible. Those, who had a capacity to adopt new
innovations ... the large and the medium farmers prospersed while the rural poorest ... small and marginal farmers, landless agricultural labourers were pushed down relatively. Thus the beneficiaries of this programme were by and large farmers with large land holdings and irrigation facilities. The disadvantaged section like small and marginal farmers and landless labourers could not derive the desired benefits from this programme. Thus the modern technology in agriculture accentuated the disparities between the rich and the poor. (M. Thaha and Om Parkash, 1989) Hence, "affluence and poverty are both products of development. Poverty indeed is a Carcass left from wealth acquisition". (Kurien, 1985) The disparities in the distribution of income have not only persisted over times but are reported to have widened. (Rao, V. K. R. V., 1974, Hanumantha, Rao-1975)

Another viewpoint is that rising growth rate has been no guarantee against poverty, inequality and unemployment in underdeveloped economies largely because this growth is not evenly distributed. (Haq, M. A., 1976) The past experience of planning for the rural development showed a certain degree of dissatisfaction and disharmony with the 'growth-centred strategies' and 'percolation theory' of rural development. These were not considered to be complete theories for bringing about a substantial progress in rural scenario. (Mohsin, Nadeem 1985). It is generally conceded that the growth strategies adopted with a belief that an increase in Gross National Product (GNP) will
percolate down to the poorest and thereby eliminate poverty, inequality and unemployment failed to accomplish this more crucial aspect of rural development.

Rural development specialists have defined the term 'rural development' in many ways. According to Giriappa (1976), "rural development involves developing the rural economy so as to raise the standard of living of those rural people who are poor and require upliftment". In the words of Ensminger, D (1974), "rural development seeks to involve a process of transformation from traditionally oriented rural cultures towards an acceptance and reliance on science and technology". Lele (1975) defines rural development as an improvement in the living standards of the mass of low income population residing in rural areas and making the process self-sustaining.

Infact, rural development involves a process in which the rural society as a whole, moves from one step to the economic ladder to the next step ahead, thereby enhancing its social and economic status. However, the gist of all the definitions of rural development filters down to a primary goal of providing an opportunity for decent living to the "rural poor" residing in rural areas on a self-sustaining basis.

The term "rural poor" includes small and marginal farmers, landless agricultural labourers, tenants, share
croppers, non-agricultural labourers, rural artisan and craftsmen. Rural India constitutes a total of 0.63 million villages and these contain a population of 534.4 million. (Mehta, S.R. 1984) Of this number nearly 86 million (16%) are scheduled caste and 45 million are scheduled tribes. It is estimated that nearly 65 million belong to the category of small and marginal farmers whereas nearly 6.4 million have been listed as artisans (1971). The number of agricultural labourers is estimated at 67 million including 34 million landless agricultural labourers (1980) (Sharma, Urvashi, 1985-86)

There are two main categories into which agricultural workers are classified (a) cultivators (b) agricultural labourers. Agricultural labourers are those who extend their labour service on a casual or permanent basis to the cultivators. Agricultural labour is economically the weakest section of rural society. The bulk of them belong to deficit households. Unemployment and under-employment are its chronic attributes and poor annual income is its regular feature. Workers engaged in fishery, forestry, live-stocks etc. do constitute a third category but their proportion in the total is nominal.

It has been estimated by different "Censuses" and "Agricultural Labour Enquiries" that the number of agricultural labourers has been constantly increasing. Their average growth rate has remained higher than the rate of growth of population.
The total number of agricultural labourers in India was 17.26 millions in 1901. It has been increasing since then, the average annual growth rate being 1.21 per cent during the period 1931-51 and 3.68 per cent during the period 1951-71. The population of agricultural labourers/workers has increased not only in absolute terms but also in relation to total workers. For example in the year 1901, agricultural labourers constituted 16.87 per cent of the total workers and 23.65 per cent of the agricultural workers. For the year 1971, these percentages were 26.33 and 36.54 per cent respectively. (Azad and Mathur, 1976) The absolute number of agricultural labourers increased from 31.59 millions in 1961 to 47.68 millions in 1971, showing an annual growth rate of 5.11 per cent which is higher than the growth rate of population during this period. (Garg & Singh, 1976)

The major concentration of agricultural labourers is to be found in the states of Andhra Pradesh, Madhya Pradesh, Uttar Pradesh, Bihar and Tamil Nadu, where agricultural labourers constitute more than 50 per cent of the total agricultural workers. West Bengal and Orissa are the other two states, having a large number of agricultural labourers. Haryana, Punjab, Jammu and Kashmir account for only a small number of agricultural labourers. (Azad & Mathur-1976)

The Planning Commission has visualised the country's labour force at 26.85 millions in 1985. Thus implying an
addition by about 34.23 millions during the sixth plan. This gives us an average growth rate of 2.54 per cent per year. The backlog of unemployment at the commencement of seventh plan is estimated to be around 41 millions persons. Assuming growth rate of population and labour force at 2.48 and 2.54 per cent respectively, the estimated labour force at the close of seventh plan (1990) will be 340.74 millions. Hence the Indian economy will have to generate additional employment opportunities for a labour force, the size of which may be about 55 to 65 million people. (Kumar and Sharma, 1987)

Thus, there can be hardly any doubt about the continued growth in the number of agricultural labourers despite the statistical problems involved in measuring the increase from one census to next.

It is a well-known fact that the rural unemployment is much more serious than that of urban areas. Broadly it may be divided into the following groups:

1. Landless labourers who are attached to the landlords.
2. Landless labourers who are personally independent but who work exclusively for others.
3. Petty farmers with tiny bits of land who devote most of their time working for others; and
4. Farmers who have economic holdings but who have one or more sons and independent working for other prosperous farmers.

Indeed, the first group of agricultural labourers have been more or less in the position of slaves. They are also known as bonded labourers. They do not normally receive wages in cash but generally are paid in kind. They have to work for their masters and cannot shift from one to another. Their exploitation is manifested in depressed wage rates, employment as casual labourers and the practice of bonded labour etc. etc. Their fate is tied up with the agricultural industry, which is seasonal and where employment is casual, intermittent and uncertain. The landless labourers who depend on seasonal work are among the poorest in rural community. Hence the problem of landless labourers is the most serious problem of rural sector.

It has been reported in the N.S.S.Report (134) that only 61.37 per cent of the agricultural labourers owned land and 38.63 per cent owned no land at all. (Agenda Papers 2nd Meeting Committee on Agricultural Labourers, 1975) It has been further reported that in a number of states namely Haryana, Himachal Pradesh, Manipur, Meghalaya, Nagaland, Tripura, most of the agricultural labourers are landless.

Even in states where agricultural labourers are reported to have owned land, the size of their holdings could not have
been large. According to agriculture census-1970-71, preponderance of marginal holding below 1.00 hectares is one of the dominant feature of operational holdings in India.

Recent studies about the magnitude of landless labourers in Haryana have shown that agricultural labourers who numbered 315 lakh in 1961 have increased to 475 lakhs in 1970-71 and to 594 lakhs in 1981. On an average, the increase of agricultural labourers during 1960-61 and 1981 was of the order of 17 lakhs per year. This has to be seen in the background of the increase of total labour force, which increased from 1,740 lakhs in 1964-65 to 2,040 lakhs in 1974-75 and 2,260 lakhs in 1981. As a proportion of the total rural labour force, the percentage of landless labourers has increased from 18 per cent in 1964-65 to 25 per cent in 1981. This implies that the marginal farmers have been swelling the ranks of landless labourers.

This supports the popularly held view that the beneficiaries of the millions of rupees invested in rural areas were by and large farmers with larger landholdings.

Economic development in general and agricultural development in particular hold the key for the betterment of the economic condition of the poorest in rural areas. The planning strategy and the new twenty-point programme pinned a lot of hope that the development of agricultural sector will take care of the problem of rural poor.
But, the "percolation theory" which was supposed to carry the fruits of rural development deep down to the grass roots proved futile in the sense that it failed to bridge the ever-widening gap between rich and the poor. Despite the recent increase in agricultural production effecting money wages, studies have shown that the real wages have either declined or remained stagnant. (B. Sahoo, 1969, Pranesh & Sharma, 1983, Panghal & Rai, 1982, Mehta & Vashist, 1981) In view of the divergent and conflicting views, it becomes pertinent to study the trend in wage rates in Haryana over a period of last fifteen years so as to ascertain whether the agricultural labour has really benefitted in the post-green revolution period or not. (Refer Chapter-VI)

Special Programmes for the Target Groups

Over the years, development began to be conceived of more than economic growth, encompassing within its fold much broader objectives of eradicating social inequality and unemployment. (Adelman, Irma and C.T. Morris, 1973) It was realised that unless the living condition of the majority of the rural poor who live below subsistence level are improved, there cannot be development in the true sense. Thus, emerged in early seventies a new strategy designed to improve the economic and social life of specific group of people ... the rural poor. It involves extending the benefits of development to the poorest among those who seek a livelihood in the rural areas. (World Bank, 1975)
For ameliorating the economic condition of the rural poors, Government has launched a number of rural development programmes. Special mention in this connection may be made of the programmes like Community Development Programme (CDP), Intensive Agricultural Area Programme (IAAP), Small Farmers Development Agencies (SFDA), Crash Scheme for Rural Employment (CSRE), Integrated Rural Development Programme (IRDP), National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Programme (RLEGP), Development of Women and Children in Rural Area (DWCRA) and Training of Rural Youth for Self-Employment (TRYSEM).

Focus of the Study

Some of these programmes were replaced with other programmes and some additional programmes have been introduced. Although the condition of the rural poor may take some time to improve substantially, these programmes are expected to have created many positive changes in the conditions of the rural poor. Very little is known about the impact of these programmes on the economic and social life of the rural poors.

The monitoring and evaluation of these programmes is a routine activity of the official agencies and most of these studies are evaluative in character and outline measures to improve the effectiveness of implementation within the existing framework and design of the major projects. There
are very few systematic, scientific and empirical studies concerning the impact of special programmes on income and employment. It's of urgent necessity to know more about the problems of the rural poor and the nature and magnitude of change brought about by the various schemes.

Such information at the micro-level is important to have impartial and objective account of the failures as well as achievements of these schemes and to improve upon the same in the light of our experience. This study is, therefore, an attempt to analyse the income and employment effects of target-oriented programmes.

Besides, in a large and diverse country such as India, the problems/conditions of the rural poor cannot be and are not uniform throughout all the regions. Hence, regional studies could go a long way in arriving at an all India picture of the actual condition of agricultural labourers and the rural poor.

Objectives of the Study

The study was undertaken in Haryana region and provides an overview of the change, that has come in the trends of wages paid to agricultural labourers in the post-green revolution period in Haryana and to assess incremental income and employment with the help of financial assistance/subsidy
provided to the landless agricultural labourers under the "Special Programme for Target Groups" designed to improve the social and economic condition of the rural poors.

The primary objectives of the study are:

1. To conduct a probe into the status and changing importance of agricultural labourers/landless and semi-landless agricultural labour in Haryana.

2. To determine trends in wage rates over times so as to ascertain whether agricultural labourers has really benefitted in the post-green revolution period or not.

3. To examine the performance and to assess the general impact of "Special Programmes" for the "target groups" being presently implemented in Haryana.

4. To determine the relative efficacy of the individual schemes such as agricultural schemes, minor irrigation schemes, animal husbandry schemes, small scale industries schemes and tertiary sector schemes such as small shop/business etc.

In particular, the study seeks an answer to the following questions:
1. Whether there has been any improvement in the economic position of agricultural labourers from 1970-71 to 1984-85 over a period of fifteen years or they remained where they were?

2. How far these programmes/schemes have brought about a qualitative change in income and employment of beneficiaries?

3. Have all the schemes been equally beneficial with regard to the incremental income and employment. Which schemes have proved more beneficial?

Design of the Study/Methodology

In order to ascertain the improvement in the economic position of the agricultural labourers during the post-green revolution period, it becomes pertinent to find out the trend in wage rates and to study the variations in money wage rates and real wage rates in Haryana. This has been done in two randomly selected districts of Karnal and Bhiwani. The secondary data with regard to the operation-wise money wage rates of agricultural labourers and the 'cost of living index' of agricultural workers for the same years was obtained from the Statistical Abstract of Haryana for the year 1970-71 to 1984-85.
For computing the Compound Growth Rates (CGR) rates of money and real wages paid to the agricultural labourers for the major farm operations, the following equation was fitted:

\[ Y = AB^t, \]

where

- \( Y \) = wages in rupees
- \( A \) = constant
- \( B^* \) = \( i+r \)
- \( r \) = compound growth rate, and
- \( t \) = time variable in years.

To eliminate the effect of illusion in wages the money wages of agricultural labour were converted into real wages by deflating the money wages by the 'cost of living index number for agricultural labourers for the same year in Haryana State. The data was processed on the computer.

An assessment of the general impact of anti-poverty programmes on income and employment of landless agricultural labourers, obviously required detailed information about beneficiaries household description/data, main and subsidiary employment/occupation, income before and after assistance/subsidy and finally the resulting increase in income and employment.
Tools of Study

Keeping in view all these aspects and objectives of the study, a questionnaire/schedule for beneficiaries was prepared, pre-tested and convassed. The beneficiary schedule contained three parts. Part-I was related to the "general particulars of the beneficiaries", Part-II was related to the "process of identification and provision of assistance/subsidy received under different programmes/schemes including the vocational training, if any, received under TRYSEM Scheme" and Part-III recorded the general impact on income and employment, shortcoming/suggestions. (see Appendix) The schedule was administered by the researcher personally to a sample of beneficiaries. The sample beneficiaries were selected on the basis of a four stage stratified sampling technique.

District was the first stage unit. Two districts were selected out of the twelve districts of the state. The selected districts were Karnal and Bhiwani.

The second stage unit was a 'block', one block from each district was selected at random. Accordingly, block Assandh was selected from district Karnal and block Bawani Khera was taken up from district Bhiwani.

The third stage unit was 'village', one village each from selected blocks was randomly taken up. Out of 28
inhabited villages of Assandh block, village 'Salwan' was taken up and out of 31 inhabited villages of Bawani Khera block, village 'Jamalpur' was randomly selected.

The ultimate stage unit has been the respondent/beneficiaries. On the basis of the list of beneficiaries provided by the DRDA, Karnal and Bhiwani for the year 1984-85 and 1985-86, out of a total number of 1450 beneficiaries for both the blocks, i.e. 815 in Assandh and 635 in Bawani Khera, 80 beneficiary household each block, who had actually received assistance/subsidy under some programme/scheme were contacted and the desired information was collected. However, when an attempt was made to contact the beneficiaries, many difficulties arose such as (a) ignorance about the programme under which they had received assistance/subsidy, (b) refusal to give information, and (c) non-availability of beneficiaries at the time of two visits made by the researcher. Therefore, a 'convenient sample' of 80 beneficiaries each block was used for the final analysis, keeping in mind the completeness of the responses to the questions in the schedule for beneficiaries. Thus, the total sample size of both the blocks worked out to be 160 beneficiaries (80 each block). This included 32 beneficiaries who had received vocational training in different years under TRYSEM schemes.

Data Base

Thus, the present study was based on primary data as well as secondary data. The primary data was collected through a
sample survey of beneficiaries and the secondary data was obtained from the official records maintained in the office of the Director, Special Project, Haryana, Chandigarh and concerned District Rural Development Agencies (DRDA) in the state. Personal discussion was also held with the various officials/functionaries engaged in the implementation of the programme at the headquarters as well as in the field to supplement the findings of the field survey. Secondary data required for the study was also collected from their offices.

Analysis/Tabulation of Data

The next logical step is the systematic description of the data collected from the beneficiaries on the basis of the questionnaire convassed. For the tabulation/analysis of data, a tabulation plan was drawn and the collected data was tabulated as per the plan. The block-wise, sector-wise and scheme-wise sorting and distribution of data was used to interpret the results, the simple tools of 'averages and percentages have been used'. Since the sample collected could not remain 'independent random sample' we could not use any formal statistical test of significance for the analysis of impact and efficacy of various programme/schemes.

Limitations of the Study

The study was confined to the landless agricultural labourers household only who had actually received assistance/subsidy under some programme. The non-agricultural rural
labourers as well as the migratory agricultural labourers are out of its scope.

The study was based on a sample size of 160 agricultural labour households which could not be increased due to lack of resources and time constraints.

We had all intention to have an 'independent random sample' of beneficiaries from the two selected blocks, but the choice was between a 'random sample' with every high non-response error and a 'convenient sample' considered to be reasonably representative by a scholar. Naturally, our choice was for the latter. Therefore, no statistical test of significance was used in Chapter VII and VIII.

Exposition of the Study

For expositional convenience, the thesis has been divided into the following nine chapters:

The First Chapter, i.e. 'Introduction' deals with the short run and long run implications of the new agricultural technology for the economy in general and for the farm sector in particular. This chapter also dwells upon the contents of "New Strategy" designed to improve the social and economic life of the rural poor. This chapter also deals with presentation of the study, the design of the study/methodology.
Chapter II gives a resume of the research done to assess the impact of "New Agricultural Technology" and the "Employment Generating Schemes" on income and employment of agricultural labourers.

Chapter III gives the growth and distribution of agricultural labourers, landless/semi-landless agricultural labourers in Haryana.

Chapter IV provides a review of the "Special Programmes for the Target Groups" and the extent of their implementation in Haryana state.

Chapter V provides an overview of the comparative socio-economic conditions of the study blocks.

Chapter VI deals with the trends in money wages and real wages of agricultural labourers in Haryana, over a period of one and a half decade.

Chapter VII deals with the evaluation and general impact of the major poverty alleviation programmes in the study area.

Chapter VIII is designed to study the impact of individual schemes on income and employment of landless agricultural labourers in Haryana.

Chapter IX provides a resume of our study area, shortcomings/bottlenecks and policy prescription for future line of action.