

I. INTRODUCTION

The Concept of Basic Needs and the Scope of the Study

1.1 The decade 1950s and the first half of the decade 1960s were marked by high rates of growth of GNP in developing countries. But the benefits of growth did not percolate adequately to those who lived in the deepest poverty, squalor and deprivation. The objective of growth i.e., the improvement of the living conditions of the people was not being achieved fast enough. This led to a rethinking on the development strategies.

1.2 Growth was not discarded as a goal in development planning. But its instrumental values are emphasised. Growth should find its justification in the improvement of living conditions of the people. It should contribute to increased employment and incomes to enable people to obtain a command over goods and services. Simultaneously, it should help increase supplies of goods required by them. These are the twin functions that growth should perform, in the absence of which it ceases to have instrumental value. Already in the early 1960s, the ILO questioned the conventional wisdom that higher levels of employment and improved living standards for all would automatically result from growth. In 1964, it considered that employment was an objective to be pursued in its own right. Five years later in 1969, the ILO launched its World Employment Programme. It followed it up with the World Employment Conference in 1976. At this, a consensus was reached among nations on the social objectives of development. The main proposal at this conference was the adoption by each member country a basic needs approach, aiming at the achievement of a certain specific minimum standard of living before the end of the century. The main instrument for attaining this goal would be increasing the volume and productivity of employment.

1.3 The ILO Report for the World Conference of 1976 defined the concept of basic needs as follows :

Basic needs as understood, in this Report include two elements.

First, they include certain minimum requirements of a family for private consumption : adequate food, shelter and clothing are obviously included, as would be certain household equipment and furniture.

Second, they include essential services provided by and for the community at large, such as safe drinking water, sanitation, public transport and health and educational facilities.

A basic-needs oriented policy implies the participation of the people making the decisions which affects them.

The satisfaction of an absolute level of basic needs as so defined should be placed within

a broader framework namely--the fulfilment of basic human rights, which are not only ends in themselves but also contribute to attainment of other goals.

In all countries employment enters into a basic-need strategy both as a means and as an end.

Basic needs constitute the minimum objective of society, not the full range of desirable attributes of which will inevitably take longer to attain.

1.4 In most developing countries, particularly the densely populated, the employment problem is recognised to be linked with improved access and higher productivity of land and water. Concentration of ownership in land is found to result in less productive use of land on large farms and in unemployed labour on small farms. Share cropping is noted to result in less incentives for long-term improvement in land. Consequently, agrarian reform is seen to be an important determinant of basic needs. Besides, agrarian reform, the basic needs strategy required various shifts in development : from physical to human capital, from urban to rural development, from capital-intensive to labour-intensive activities, and from the production of non-essential, consumer goods to essential ones. More recently there have been attempts to incorporate the civil and political rights and also concerns with Eco-system into the basic needs approaches

1.5 In so far as the attainment of an absolute level of satisfaction of basic needs by the entire population of a country approximates to the elimination of absolute poverty, the basic needs approach is similar to a conventional poverty-oriented strategy. However there are important conceptual differences. First whereas conventional anti-poverty programmes are directed at target poverty groups within an economy the basic-needs approach is founded on the premise that poverty in most developing countries is widespread and that action should therefore be directed at the population as a whole. Second, the basic needs approach is concerned both with significantly raising the level of aggregate demand and with increasing the supply of basic goods and services as opposed to merely raising the incomes of the poor to a minimum subsistence level. A further difference is that the basic needs approach strongly emphasises effective mass participation in both the formulation and implementation of policy measures as a way of ensuring that its main objectives is not lost sight of. But in a way, the range of objectives of needs-oriented development constitutes a synthesis of growth, employment and poverty-eradication goal.

Basic Needs Approach in India : Evolution of Policy

1.6 In the early 1960s along with the general provisions relating to basic needs, there has developed

also a certain well-defined approach which, in the Indian Planning literature, has acquired the designation of the 'Minimum Levels of Living' or the 'Minimum Needs' approach. The approach was spelled out for the first time by the Planning Commission in the year 1962 and provided the basis for a perspective plan for the period 1961—1975. The Fifth Five Year Plan (1973—78) explicitly adopted and spelled out the 'Minimum Level of Living' approach. The approach had two basic components: A capital basis for a specified target group, i.e., the poorest 30 per cent of the population; and, the following public services identified as 'basic minimum needs'.

- (i) Elementary education for children upto the age of 14;
- (ii) Minimum public health facilities integrated with family planning and nutrition for children;
- (iii) Rural Water Supply;
- (iv) House sites for landless labour;
- (v) Rural Roads;
- (vi) Rural Electrification; and
- (vii) Slum improvement in the urban areas.

1.7 While the Fifth Plan set targets for public services, an important lacunae in the approach has been that it has paid too little attention to the individual norm for the component items of minimum private consumption expenditure. Nothing much was thought to make the target groups acquire purchasing power deemed minimum for them. It was, of course, recognised that special employment and income generation measures were needed for specific weak and vulnerable sections belonging to target group. But no attempt was made to quantify the employment and income affects of such schemes.

1.8 The VI Plan set the objectives against each minimum need, fixed the target to be achieved by 1985, and allocated outlays for each. Except in the case of housing, the targets of minimum needs pertain to rural communities as a whole. The VII Plan revised the objectives in some cases and set the targets for 1990. In addition to the items proposed under the MNP in the VI Plan, it proposed to add Rural Domestic Cooking Energy as an additional component of the minimum needs programme during the VII Plan. Two more programmes, viz., rural sanitation and public distribution system have been introduced from 1987-88 onwards to ensure that all basic needs of the people are met. Since the Sixth Plan there has been a much greater emphasis on the poverty-alleviation programmes also. As a result of the developments in the MNP over the past two decades, there has been some improvement since 1980 in the socio-economic infrastructure in the rural areas under the minimum needs programme. There has also been attempts at integration of different programmes of human resource development and between programmes of human resource development, and other employment and asset development programmes for the poor. But the pace

of the progress has been unacceptably slow and uneven. The Eighth Plan Draft proposes a greater emphasis on the basic needs and employment within the context of a decentralised and participatory development. In this context, the issue of benefits to rural labour who form the bulk of the rural poor becomes important.

1.9 The main theme of this enquiry is the extent to which rural labour in India, who form the bulk of the rural poor, utilise, and benefit from, the Minimum Needs Programme. The constraints to utilisation, the determinants of basic needs such as employment, wages, incomes and also rural poverty alleviation programmes form part of the theme of the enquiry. The theme is suggested by the Terms of Reference of the Study of National Rural Labour Commission.

Terms of Reference of the Study Group

1.10(a) The Terms of Reference are :

1. To study the socio-economic conditions of the rural labour and major handicaps and disabilities suffered by them;
2. To identify the basic requirements of rural labour in terms of goods, services and facilities in general and specific needs and aspirations of the different categories thereof ;
3. To assess the responsiveness of the plan formulation and implementation to the felt needs of different categories of rural labour, degree of satisfaction, problems of difficulties experienced in meeting their basic needs and suggest appropriate measures ;
4. To critically appraise the developmental programmes in general and target oriented programmes like Minimum Needs Programme (MNP), 20-Point Programme, Poverty Alleviation Programme, TRYSEM etc. in particular with a view to assess their impact on :
 - (i) The income and employment of rural labour ;
 - (ii) Skill formation and general education among the rural labour ;
 - (iii) Utilisation of scarce village resources including human resources in the interest of rural labour ;
 - (iv) Access of rural labour to essential commodities at fair price (Public Distribution System) or otherwise ;
 - (v) Water supply, health and housing facilities available to the rural labour ; and
 - (vi) Improvement in quality of life as experienced by the rural labour.

5. To find out the attitude and opinion of the rural poor on development programmes particularly in the context of coverage and extent of fulfilment of the basic needs of different strata of rural society.

1.10(b) The composition of the Study Group is given at the beginning.

Sampling Procedures

1.11 In order to assess the recent position with regard to the availability of basic goods and services to rural labour households, sample survey of small number of villages in 5 States were conducted. Some of the results of these surveys are presented below.

1.12 The villages surveyed were chosen purposively so as to represent one or two advanced, backward and average types of villages in each of the States. In all States except the U.P. Hills, the households were first stratified into occupational groups, and a sufficiently large number of households, generally from 25 to 50 households were selected at random from the rural labour strata, the balance of the total number, were chosen from other occupational groups on a random basis in proportion to their number in the total population of the village. In case of U.P. Hills, the number of agricultural labour households being very small (less than 5 per cent), a sample of 50 households from each of the 6 villages were drawn on random sampling basis.

1.13 In view of the smallness of the samples and the purposive nature of the sampling procedure, greatest caution need to be exercised in drawing any generalisation from the data. Nevertheless, as will be seen from the survey reports valuable information have been obtained by these surveys and considerable light has been thrown on a number of complex problems and valuable guidance has been obtained in suggesting policies and measures for uplifting the Indian agricultural labouring class from the life of degradation and deprivation they have been subjected to so far.

The Planning Process in India

1.14 The Indian Plans have failed to achieve the objectives as laid down in the directive principles of the Indian Constitution. The rural class structure is rapidly changing, the rural labouring class becoming more numerous, more impoverished and more powerless. Even among the rural proletariat, the non-agricultural labouring section is growing fastest of all.

1.15 India still remains predominantly rural. It has been estimated that in January 1988, 74 per cent of her people lived in rural India. The NSS data for the year 1987-88 further suggest that the agriculture is still the mainstay of the majority of her population. There has been some decline in the proportion of population dependent on agriculture but it is too insignificant. The percentage of workers usually employed in agriculture has come down from

83 to 75 in case of males and from 90 to 85 for females between 1972-73 and 1987-88. The share of agriculture in the gross domestic product during this period however declined sharply from around 48 per cent to nearly 30 per cent.

1.16 The scores of statistics on rural labour force suggest (i) The number of agricultural labour households has increased from 15.3 millions in 1964-65 to 32.8 millions in 1983, i.e. by over 114 per cent. Whereas the total number of rural households increased by 52 per cent only during the same period from 70.1 million to 106.7 million; (ii) the other labour households increased by 184 per cent i.e. from 2.5 million to 7.1 million during this period; (iii) According to census data the percentage of agricultural workers to total workers in rural areas declined marginally from 69.75 in 1951 to 68.38 in 1981. During the same period however the percentage of agricultural labourers increased sharply from 19.72 per cent to 26.23 per cent i.e. by over 33 per cent. Within the total agricultural workers, the percentage share of agricultural labourers rose from 28.28 to 38.51 and (iv) The proportion of wage labour to total workforce increased at All-India level from 34.1 in 1972-73 to 41.4 in 1987-88. The labouring class is thus becoming a dominant section of the rural India. Or to put in other words, the process of proletarianisation is going on unabated in rural-India as an end-result of the development process pursued so far.

1.17 The data also suggest that the process of increasing proletarianisation is accompanied with the working employment and living conditions of the labouring class as manifested in the process of casualization and immiserisation. The increasing proportion of casual wage-labour as percentage of total wage labour point towards casualization process. At All-India level, this proportion increased from 64.8 in 1972-73 to 75.8 in 1987-88.

1.18 One of the main reasons behind increasing labour force is the disintegration of the peasantry. The number of marginal holdings increased from 36.2 million in 1970-71 to 50.52 million in 1980-81. If 3.24 million new beneficiaries on an account of distribution of ceiling surplus lands during this period are excluded, the increase would be to the extent of 11.08 million over 10 years i.e. the annual rate of marginalisation comes to around four per cent which compared to about 2 per cent rate of growth of rural population during this decade is quite significant and perhaps explains the process of casualization and immiserisation in rural-India. This point is further substantiated by the fact that between 1971-72 and 1981-82, the concentration ratio of, operational holdings at All-India level rose from .59 to .63. Such trends are observed in almost all the major states and appear to be more pronounced in the case of developed states like Punjab and Haryana. In future the process of immiserisation is likely to be further aggravated because of increasing unemployment due to decline in the employment days per worker. This process would ensure supply of cheap labour to the cultivating farmers as and when required thus obviating the need of regular employees.

1.19 The growth models and strategies of planning that have been tried in India have been largely responsible for this perverse growth. By and large they have been successful in generating growth, but have also generated poverty and led to immiserisation of a large section of the people. In particular the rural labouring class have gained little and suffered much from the development plans. The technological change, the administrative price hike of food grains, rapid increase in their number, marginalisation of small farmers, high price of modern inputs, destruction of traditional cottage industries, inflation etc. are some of the factors which increased the misery of rural labour.

1.20 There are various processes through which the capitalists growth model is generating poverty and deprivation for the majority and wealth for a minority. Some of these processes are: (i) *Adoption of labour saving machinery*: Whenever the rest of labour is increasing cutting into the profits of the rich land owners, labour saving machinery is being introduced; (ii) *Inflation*: Increase in prices of commodities depresses the real wages of the labouring classes, they being net-buyers. On the other hand the same increase in prices increases the wealth of the producer who by being net-sellers gain from such inflation; (iii) *Increased supply of labour*: The process of capitalist development is disintegrating the peasantry, ruining the artisans and increasing the supply of labour. The increased supply of labourers induces competition between themselves for survival which depresses wage rate to the benefit of the buyers of labour power; (iv) *Increased Consumerism*: The factory production of mass goods inducts many small producers and artisans into labour market and they are left with nothing but their labour power to sell and for all their necessities of survival they have to buy from the market. This growing dependence on market of more and more people further aggravates the process of inequalities. (v) *Growing dependence of agriculture on purchased inputs and privately controlled irrigation driving some small farmers out of cultivation, eroding the agricultural labour market*, (vi) *Natural Calamities* too play their part in increasing deprivation and proletarianisation. Evidences from different areas suggest that the continuous drought or flooding along with the environmental degradation force many families to finally go out in search of two square meals a day abandoning their land. (vii) *Inmigration* un-controlled supply of migrant workers from backward areas too depress the wages and increase proletarianisation.

1.21 To counteract the poverty generating effects of the planning models, the 6th Plan adopted a "Minimum Needs Programme", with the promise of providing the weaker sections of society adequate nutrition, drinking water, education, electricity, housing etc. Despite these programmes and the various other programmes for employment and income generation for the weaker sections adopted earlier, the proletarianisation of the rural population and their immiserisation have continued inexorably with every plan.

1.22 Some of the planners realised the political limitations which prevented the adoption of a really

operational plan which would ensure social justice simultaneously with economic growth. The search for such a model within the political constraints led to the Economic Advisory Council to suggest certain strategies and priorities in the Eighth Plan which raised a heated debate among Indian economists.

1.23 The suggestions put forward by the Economic Advisory Council would no doubt ensure economic growth, because of the support they gave to the technological innovations. Their remedies for employment generation for the weaker sections, however, fell far short of what was needed.

1.24 The model suggested by us instead consists of (1) drastic reduction in land ceilings to five hectares in case of wet land and ten hectares in the case of dry lands, (2) Redistribution of land to the landless workers, (3) Organisation of input supplying, marketing and credit co-operatives. Since agricultural technology is by and large scale-neutral, the disabilities of small and marginal farmers in obtaining the scale-advantages of input-supply, output disposal and in credit could be overcome by organising effective and efficient co-operatives. Such a model would ensure both growth and social justice. It, however, would, require a political awareness on the part of the rural poor which is singularly lacking today.

1.25 Meanwhile, instead of trying to discover a growth and social justice, we have suggested a plan-growth and social justice, we have suggested a planning model which would maximise economic growth and, to be appended to it as a side show. Several feasible, consistent and mutually supporting schemes for employment generation and poverty alleviation. This is being done at present by the planners though on an ad-hoc basis—and often in a mutually conflicting manner. The experience gained in these projects would be helpful in developing and implementing such a plan.

II. ASSESSMENT OF BASIC NEEDS OF RURAL LABOUR

Employment, Wages and Incomes of Rural Labour

2.1 In a market economy like that of India, the fulfilment of consumption needs of a person is determined by the amount of disposable income he has. The quantum of disposable income in the hands of rural labour would primarily be determined by wages they receive and employment they get. Though employment and wages may not constitute a part of basic needs goods basket directly, a study of these variables becomes of paramount interest as they are the means to satisfy the basic needs.

2.2 The data suggest that the number of days of wage employment has been declining over the years in rural areas. This trend was noted between mid-sixties to mid-seventies by the Rural Labour Enquiries. The NSS data also observes the same trend between 1972-73 and 1987-88. The number of working days per day per hundred persons employed in case of male workers declined from 58 to 50 during this period. For women workers too it declined from 25.2 per cent to 20.7 per cent. The same trend has been observed in almost all the states except Kerala. In view

of high rural unemployment rate in the state, the case of Kerala can only be explained in terms of the existence of powerful independent rural labour movement, politicisation of workers, high literacy rate and existence of Kerala Agricultural Workers Act.

2.3 Given the predominant nature of the rural economy, the concept of unemployment on the basis of time criterion in our opinion, is grossly misleading in case of rural India. It is not unemployment but poverty, low productivity, low income and wages, malnutrition and deprivation that are of significance for rural India. Even a landless agricultural labour is likely to disguise his unemployment status by a low productivity job. It is no wonder therefore that the unemployment rates obtained in the NSS surveys have been so absurdly low and have created a false sense of employment security.

2.4 Despite this limitation of NSS data we find that the rate of unemployment at all-India level is increasing over the years. It has marginally increased from 4.54 in 1983 to 4.60 in 1987-88 in case of males and by more than two times from 2.26 to 6.7 in case of females during the same period.

2.5 Table 1 provides data collected by us through field enquiry on number of days of employment available to rural labour by sex and region. An analysis of the data suggest (a) agriculturally advanced areas do not necessarily provide sufficient number of days of work to the rural labour, (b) The extent of employment is largely dependent on the availability of employment in non-agricultural sector, (c) Non-agriculture employment in male-dominated. The female employment is by and large restricted to agriculture sector.

TABLE-1

Average days of Employment available by type of labour households and sex

(Per Annum)

Region	All labour H. Hs.			Landless Lab. H. Hs.			Landed Labour H. Hs.		
	Adv.	Back	Tribal	Adv.	Back	Tribal	Adv.	Back	Tribal
Andhra									
Male	146	210	199	227	217	213	121	196	114
Female	72	39	159	97	77	165	62	Nil	131
Uttar Pradesh									
Male	187	224	—	—	—	—	—	—	—
Female	150	150	—	—	—	—	—	—	—
Bihar									
	—	—	64	114	312	..	53	192	64

2.6 Accordingly therefore the extent of employment in case of females is much higher in advanced village, (d) compared to male rural labour, females get employment for much lesser number of days irrespective of type of area, (e) Demand for employment is less among the rural labour households who also have access to a small piece of land, (f) a deeper analysis of Andhra Pradesh data suggest that the caste plays important role in demand for labour. A rural labour family belonging to upper caste is unlikely to send its women for wage-employment. The backward village of Andhra Pradesh provides evidence to this fact (g) It is only in tribal areas that females seek equal amount of wage-employment in comparison to men, (h) Highest number of days of employment reported by a landless worker is for 312 days. If we consider this as a norm, then the employment available in case of landless workers is found to be insufficient to the extent of above 45 per cent in case of males and from 89 per cent to over 300 per cent in case of females in Andhra. This means that in order to provide the norm level of employment to each worker, the worker will have to be provided with additional employment to the extent of these percentages of the existing employment.

2.7 Employment situation alone is not the sole determinant of disposable income. Levels of incomes are determined also by the participation rate and rate of wages. The NSS data suggest that the participation rate by daily status of employment has declined in rural India over the years. The rate for males for example, declined from 55.2 per cent in 1977-78 to 33.9; in 1987-88 and for females from 33.1 per cent to 32.3 per cent. The trend rate between 1972-73 and 1987-88 is negative for most of the states except for West Bengal where it has been increasing since 1972-73 for both males and females. Our field studies present a quite contrasting picture. The participation vary substantially in different regions and occupations and in villages within a region. An important factor which cause fluctuations is the extent to which children and women participate in the labour force, in particular the participation of women. Participation rates observed in our field investigation vary from around 32 to over 65. Higher rates have been observed in case of rural labour compared to self-employed and amongst scheduled tribes compared to other because in both the cases women and children participate in labour force. Participation rate however appears to be inversely related with the development.

High rates have been observed in areas where the average level of income has been reported to be low. For example Rajasthan, and tribal areas of A. P. have reported very high rate of participation : over 65 and 61 per cent respectively but there average per capita income is relatively low.

2.8 With regard to real wages, the data suggest that with some fluctuation, most states exhibit decline of real wage rates in the first half of 70's and later show an upward trend till 1984-85. An analysis of trend in wage rates over the years in different states indicates (a) Drought and other natural calamities depress wages because of reduced employment opportunities (b) The growth of national domestic product in agriculture (NDPAC) is not related with wage rates. During 1970-71 to 1984-85, Punjab's growth was highest but real wages declined. On the other hand in Kerala and Tamil Nadu real wages increased but growth of NDPAC declined. (c) In agriculturally developed area also the real wages may go down if the rate of in-migration is high and technology of production used is labour-displacing. The history of Punjab shows this, (d) Lack of politicisation and organisation of poor are the other factors which affect even the protection of real wages adversely. Case of Kerala clearly demonstrate, role of organisation, politicisation and literacy in the growth of real wages. During 1970 to 1984, despite negative agricultural growth, increasing participation rate and unemployment, wages kept on rising.

2.9 The average daily rates of wages by type of work and sex in different regions as found out in our field investigations are presented in Table 2. It is observed that (a) the female wage rate is lower than that of male for similar kind of work almost invariably, (b) In backward areas the female rate has been the lowest and the difference between male and female rate highest, (c) usually the wage in non-agriculture sector is relatively higher than the agriculture sector for both males and females irrespective of area, (d) In an exceptional case the wage rate for female labourer is higher than for the males. This was due to specialised work they do i.e. boiling and husking of rice. Our survey also reveals that the labourers are not aware of minimum wages and their wage-rate is less than the minimum fixed in many areas like backward area of West

Bengal where the minimum wage rate at the time of survey was Rs. 21.17.

2.10 However, higher real wages alone do not ensure higher income and better living conditions of the rural labour. A marginal improvement in real wage, as observed is unlikely to have improved the net income in the hands of rural poor because of decline in both the rate of employment as well as availability of number of days of employment per worker. Moreover, studies suggest that higher casualization of labour, a phenomenon observed in India, is positively related with the poverty.

2.11 Based on our own studies, Table 3 presents data on average per capita annual income by occupation in different regions.

2.12 Data point out that average per capita income is highly inadequate for landless in the State of Bihar. Position is slightly better in the case of West Bengal and Rajasthan. The rural labour in Andhra enjoy the best position. The other trends observed are (a) A small piece of land makes a substantial improvement in the income.

TABLE 2
Average Daily Rate of Wages by type of work and sex in different regions (in Rupees)

Region	Agriculture		Non-Agriculture	
	Male	Female	Male	Female
ANDHRA PRADESH				
Advanced	20.00	15.00	20.00	15.00
Backward	17.00	10.00	19.00	11.00
WEST BENGAL				
Advanced	14.67	17.00	17.00	17.00
Backward	15.00	10.00	12.67	11.20
Average	15.00	15.00	19.00	10.00
UTTAR PRADESH				
	26.29*	19.35*	22.34	14.55

*Includes the cost of bullocks with ploughs.

Bihar and Rajasthan data demonstrates this quite clearly (i) Income of rural labour increases much more if they have access to non-farm employment. Agriculture alone cannot provide enough income to labour households is clearly borne out by our study.

TABLE 3
Average per capita Annual Income by occupation in different regions (In Rupees)

Region	Backward Area		Advanced Area		Average Area	
	Self-emp.	Rural lab.	Self-emp.	Rural lab.	Self-emp.	Rural lab.
Andhra Pradesh	2942	1814	7344	2681	1402*	2008*
Bihar	970@	358	2078@	484	1107@@	..
Rajasthan	1058SS	861	1422SS	955	..	..
U.P.	..	..	..	..	..	1796x
West Bengal	1392	696	1944	612	3228	1788

* Data relate to tribal village.

@ Income of labour households with land.

@@ Income of labour household with land in tribal area.

SS Income of small and marginal farmers who also hire out.

* Average per capita earning.

It is the availability of non-farm employment that the rural labour households in West Bengal enjoy relatively higher income in average village, their income being more than double compared to their counterparts in advanced village who do not have access to non-farm employment opportunities, (c) Our field study thus also exposes this myth prevailing in many influential quarters that agricultural development would benefit rural labour by providing more employment opportunities, (d) agricultural development, however, do improve the incomes of rural labour, but simultaneously increases the gap between the income of self-employed in agriculture and the rural labour households.

Consumption

2.13 The 38th Round NSS Consumption data suggest that in the year 1983, the average per capita expenditure on essential food items falls short of minimum requirements except for cereals. In comparison to the normative minimum dietary requirements as suggested by Patwardhan, the average expenditure falls short by 26.04, 362.37, 33.82 and 270.8 per cent for milk, pulses, vegetables and fruits and edible oil respectively.

2.14 On an average the intake of total as well as quality protein has declined in the rural areas during 1972 to 1983 though the NSS data suggest that the real consumption has increased by about one per cent per annum during this period. The real consumption of cereals and pulses declined during this period, the decline being much sharper in the case of pulses, the main source of protein. The consumption of other main sources of protein i.e. meat and fish remained constant.

2.15 The NSS data clearly demonstrate that the rural labour are relatively adversely placed vis-a-vis self-employed. On an average, the self-employed spend 43.94 per cent more compared to agricultural labourers. The difference is highest in the consumption of milk and milk products : 278.57 per cent i.e. almost three times. The self-employed consume 61.05, 53.25 and 100 per cent more pulses, edible oil and clothes.

2.16 The NSS data further reveal that the pattern of consumption in terms of percentage of value of consumption of broad groups of items has changed during the period of two decades from 1967-68 to 1986-87. First there has been an over all shift from food to non-food items, to the extent of 11.67 percentage points. The percentage expenditure on cereals is the sole source of shift from non-food to food as well as within food. During the period the consumption of cereals declined by 18.6 percentage points. Second, the intake of gram and pulses is continuously declining. Thirdly, expenditure on milk products edible oil, meat, vegetable etc. increased in the range of 1.06 to 1.89 percentage points. Fourthly, the

percentage expenditure on clothing and durable goods increased during seventies but started declining in eighties, expenditure on footwear and miscellaneous goods and services however is increasing.

2.17 The decline in the percentage expenditure on cereal, keeping in mind the persistent low level of average expenditure does not appear to be a sign of growing prosperity of general masses wherein they are diversifying away from the basic survival necessities to other commodities. The pattern has probably been affected by the worsening income distribution in favour of labour hiring classes and the fixed income earners whose food consumption reached saturation level. This seems to be the only plausible explanation given the fact that on the one hand the number of rural labour is increasing, number of days of employment per worker is declining and high poverty ratios are consistently observed and on the other hand high domestic savings rate and increasing consumption of high tech luxury goods even in rural areas has been reported.

2.18 This is however not to deny that the consumption pattern of rural labour households has not changed. It can be safely assumed that factors like price rise, demonstration effect, spreading consumerism, out-migration, exposure to urban life styles, better access to and rising aspirations to use services like health and education, etc. have influenced the consumption pattern of rural labour. But such changes probably have taken place at the cost of the essential items of food consumption.

2.19 The inequality in the consumption is increasing over the years. The concentration ratio has increased from .283 in 1970-71 to .297 in 1983. The share of bottom 10 per cent households declined during this period from 3.91 to 3.79 whereas on the other hand share of top ten per cent households increased from 23.26 to 24.64 per cent. Evidences show that inequality in income is one major stumbling block in improving consumption of rural poor and increasing inequality of income with a slow rate of growth is unlikely to improve consumption of poor ever.

2.20 The NSS data further suggest that the Engles' law does not hold true in rural India. This is true of all-India as well as for 13 States. What is observed is that with the rising monthly per capita expenditure class, which has been used as proxy for income, the percentage expenditure on cereals also increases. The only plausible explanation of this trend perhaps lies in the abysmally low consumption of cereals among such households so that when their income rises they consume more. These households may thus be termed as 'hungry' households. In the year 1983, the percentage of households whose expenditure on cereals increased with the increase in expenditure stood at 3.12. In the same year, 35.25 per cent of agricultural labour households, 13.63 per cent of other labour households and 4.96 per cent of self-employed in agriculture households consumed less than the minimum required quantity of cereals.

2.21 The condition of nutrition of rural labouring class naturally is equally deplorable. While the per capita requirement of calorie-intake per head per day has been taken by NSSO at 2400 units, the consumption level of agricultural labourers shows that over 24 per cent of them consume less than 1800 units only, while 3.5 per cent consume as high as 4594 units. This shows extreme mequality in distribution of food in rural society.

2.22 A regression analysis was attempted to find out the factors responsible for low calorie and protein intake. The variables taken were cost of cereals levels of poverty, good quality protein and calorie-intake, net domestic product per worker, land concentration ratios, and unemployment rate. The rank correlation coefficient among these variables suggest that cost of cereals and unemployment are important factors influencing calorie and protein intake. The policy implication of this relationship is obvious: the cereals need to be made available to agricultural labour households at a low cost, and secondly employment generation schemes need to be expanded or alternative avenues of employment be created in rural industries.

2.23. The positive correlation ratio of +0.4 between cost of cereals and unemployed seems to be opposite to what is expected at first sight. The peculiarity of the market structure generates this perverse relation. With the increase in unemployment, the poor labour households bonded for credit sale of cereals to the village merchants who then charge a higher price for cereals.

2.24 A further analysis of the NSS data brings out certain special features of the consumption pattern of the rural households namely, the degree of inequality in the consumption level of cultivators and agricultural labourers; the influence of technological progress on the levels of living of both the classes; the influence of the number of agricultural labourers on their levels of living and on the degree of inequality in the levels of living between the cultivators and the agricultural labourers.

2.25 The level of living as measured by the expenditure level of the cultivating class is found to be 44 per cent higher than that of the agricultural labouring class. Secondly, the degree of equality as measured by the inverse of the inequality ratio, is found to be moderately related positively with the level of living of agricultural labouring class. This suggests that any measure that may increase equality between these two classes will also tend to improve the level of living of the agricultural labouring class.

2.26 A strong positive relationship is found between the levels of living of the cultivators with that of the agricultural labouring class. This suggests that technological innovations that enhances the levels of living of the cultivators also benefits the agricultural labouring class. The advance in the technology of agriculture thus, will be found to be beneficial not only to the cultivator class but also to the wage-earning class. The policy objective in this matter should be aimed not at preventing the innovations but to see that the

benefits are not monopolised by the employer class alone but if shared by the wage-earners as well.

2.27 It is further argued that the difference in the levels of living between the cultivators and the agricultural labourers is entirely due to the degree of ownership of land, and not due to any special ability. Hence redistribution of land would remove the inequality leading to an improvement in the levels of living of the agricultural labouring class.

2.28 The supply of agricultural labourers is seen to have a moderately depressing effect on the levels of living. Their trade unions can help in advancing their levels of living by restricting their supply in the short period. In the long run the trade unions can help in restricting their number by reducing their birth-rate and generate new demand by helping the State to set up new industries and training the young workers for new jobs.

2.29 The share of consumption expenditure on cereals is seen to decline in general as income or total expenditure level rises. This ratio, therefore, can be used as an indication of the relative levels of living of a class of consumers. Thus, the agricultural labourers of Punjab spend 18 per cent of their total consumption expenditure on cereals while that of Orissa spend 59.9 per cent, showing that the level of living of Punjab labourers is 3.3 times higher than that of Orissa.

2.30 Secondly, out of the 17 States, for which the relevant data are available, in 13, a group of extremely poverty-stricken families have been found who suffer from acute hunger. Contrary to the general trend these families have been found to increase their share of expenditure on cereals with a rise in their income. This proportion of hungry households among agricultural labourers is highest in Assam, Orissa and West Bengal where they constitute 11 to 12 per cent of the total agricultural labouring households. For India as a whole the number of hungry households among agricultural labourers constitute 1.3 to 3.3 per cent. Special relief measures are recommended for this group of households.

2.31 It is found that during 1971-72 to 1983, the proportion of rural households who suffer from caloric deficiency has increased from 45 per cent to 49 per cent. Since the position of the cultivator class is known to have improved during this period, the increase in deficiency in calorie intake must be attributed to the decline in the consumption standard of the rural labouring classes.

2.32 The above analysis of the NSS consumption data suggest that the core basic need of food of the rural labour households in general and agricultural labourers in particular is far from being fulfilled. The NSS data however were for the year 1983. In order to get the latest information we undertook some field investigations which show that the picture in 1990 is hardly brighter than that of 1983. Below we present a brief summary of the important findings.

2.33 Field findings as presented in Table-4 suggest that the rural labour class have relatively much lower

per capita expenditure compared to self-employed. For example, in West Bengal cultivators spend more than eighty per cent compared to agricultural labourers. The percentage difference is highest in the advanced village-over 145 per cent. The trend is the same for Andhra Pradesh. Our field study thus clearly shows

that the conditions of the labourers though improves marginally with the agricultural development, it increases the inequality between the two classes of self-employed and labourers much more sharply. It further suggests that the inequality between the two classes has further increased, over the years.

TABLE-4

Per Capita Total Consumption Expenditure for 30 days by Occupation and Type of Villages in different regions.

(In Rupees)

Region/Type of area	Self-employed	Agricultural Labour/Rural Labour	Difference (in Rs.)	Percentage Difference
ANDHRA PRADESH				
Advanced	303.00	159.58	143.42	89.64
Backward	277.08	158.75	118.33	74.42
Tribal	105.42	99.92	5.5	0.55
UTTAR PRADESH.				
	195.58	175.76	19.82	11.26
WEST BENGAL				
Advanced	318.12	129.69,	188.43	145.28
Average	261.01	212.93	48.08	22.58
Backward	161.59	105.42	56.17	53.29

2.34 That with the development of agriculture food intake of rural labour households improves only marginally is clearly manifested by the data presented in Table-5 which provides the percentage of households below the minimum dietary norms in Andhra Pradesh. The Table suggest that the majority of rural

labour households even in the developed village are unable to fulfill their basic consumption needs of a balanced diet. The consumption of quality protein in terms of pulses, meat and fish is highly inadequate and so is their vegetable, oil and sugar intake which provides necessary vitamins and fats.

TABLE-5

Percentage of Households Below the Minimum Dietary Norms in Rural Andhra Pradesh.

Item and Norm	TRIBAL		DRY		WET	
	Rural labour	Self-employed	Rural labour	Self-employed	Rural labour	Self-employed
1. Cereals (403 gms.)	51.17	63.64	24.59	21.73	8.62	16.13
2. Pulses (100 gms.)	100.00	100.00	100.00	91.30	100.00	100.00
3. Vegetables (137 gms.)	100.00	100.00	93.44	73.91	96.55	61.29
4. Oil (18 gms.)	81.03	84.84	57.37	65.21	86.21	32.26
5. Fish (19 gms.)	98.00	97.00	83.60	69.56	96.55	51.61
6. Meat (7 gms.)	81.03	87.88	34.32	34.78	65.51	16.21
7. Sugar (50 gms.)	100.00	100.00	93.44	82.60	100.00	93.55
8. Milk (201 ml.)	100.00	100.00	100.00	100.00	74.14	9.67

2.35 More than agricultural development, it is the availability of non-farm employment which improves the levels of living even that of agricultural labourers. The agricultural development alone cannot solve the problem of inadequate food intake. Agriculture thus seems to have reached a point where it cannot guarantee the workers a decent level of living. This has been borne out sharply especially by the consumption data relating to West Bengal as well as Andhra Pradesh.

2.36 The lowest levels of consumption have been observed in the case of tribal and backward areas. In tribal areas the difference between the two classes is

almost negligible. Levels of living between the two classes have been found to be low also in those areas where non-farm employment opportunities are available to rural labour. Moderately developed village of Andhra and agriculturally backward area of Uttar Pradesh provide evidences to this argument.

2.37 Stocks of food items available with a household especially that of cereals provide an estimate of the vulnerability of the household with regard to fulfilment of consumption needs. Stocks of food items provide food security, enable the family to protect against sharp price rise and indicate towards the economic standing of the household. The poorest house-

holds make daily purchases. Table 6 shows stocks of cereals by occupation and type of village in Andhra Pradesh. The data suggest that level of development

and the occupation both affect the stocks available with a family. The level of development is found to be inversely related with the availability of stocks.

TABLE-6

Stocks of Cereals on the Day of Investigation and the period of Adequacy in Andhra Pradesh

Items	(in Percentage)					
	Tribal		Dry		Wet	
	Rural labour	Self-employed	Rural labour	Self-employed	Rural labour	Self employed
Cereals :						
1. Nil	44.80	30.30	9.83	13.00	Nil	Nil
2. Adequate for one day	22.45	6.06	65.57	17.39	18.97	Nil
3. Adequate for one week	25.86	27.22	18.03	8.70	18.97	Nil
4. Adequate for one month	6.90	Nil	3.28	13.04	39.66	9.68
5. Adequate for more than one month	Nil	36.36	3.28	47.83	22.40	90.32

Between occupations, the rural labour households are found to be adversely placed compared to self-employed. The table further suggests that more than two-thirds and three-fourths of households in tribal and dry villages reported to have stocks of cereals just for one day. In wet village only about the fifth households reported this. About twenty two per cent households among rural labour have reported stocks for more than one month in wet village. These must be the households with land. This emphasises the importance of land in the context of fulfilment of basic needs of the rural labour.

2.38 The consumption pattern data as percentage of total expenditure on various items suggest that by and large rural labour households live and work merely to survive and they survive merely to work. In West Bengal, for example, they spend 83 per cent of their total expenditure on survival necessities such as food, fuel and medicine. The most prosperous rural labour household observed in our survey in the advanced village of Andhra spend 78 per cent of their total expenditure on food items alone. In tribal village of Andhra, the acute deprivation has distorted the consumption pattern. The expenditure on food accounts for around half of the total expenditure, but simultaneously a high percentage on alcohol. Consumption of alcohol perhaps provides them a substantial per cent of energy. The lower proportions of expenditure on food are thus indicative of markedly different consumption pattern not because of general prosperity as is generally understood by consumption analysts but because of higher degree of poverty. The consumption pattern data further suggest that within food items the self-employed spend more on protective foods like milk, meat, fish and eggs and vegetables etc. compared

to rural labour households. Such differences have been observed to be much sharper in advanced village than other areas.

TABLE-7

Quantities of Food Items Consumed per Capita per Day by Rural Labour

Food Items	(In gms.)	
	West Bengal	Rajasthan
1. Food grain	518	248
2. Milk	9	50
3. Oil	8	12
4. Sugar	8	18
5. Fish	24	..
6. Meat	Nil	..
7. Egg	.002(Number)	..
8. Vegetable	249	..
9. Banana	.019(Numbe)	..

2.39 The change in the percentage distribution of consumption expenditure among the different items over a period gives a good indication of the degree of improvement or deterioration in the level of living of a social group. For example the decrease in the share of total expenditure on cereals or on food or an increase in clothing, entertainment etc. would indicate an improvement in the level of living.

2.40 In the Table 8 we present the percentage distribution of consumption expenditure of agricultural labouring class as found in our case studies and also the corresponding results of the 1983 NSS results.

TABLE-8

Percentage Distribution of Consumption Expenditure of Agricultural Labourers NSS Data 1983 and Village Surveys 1990

Item	(Percentage)					
	Andhra Pradesh		Uttar Pradesh		West Bengal	
	NSS 1983	Village Survey 1990	NSS 1983	Village Survey 1990	NSS 1983	Village Survey 1990
Cereals	35.13	35.81	37.14	13.74	52.95	44.00
All foods	62.90	71.81	66.27	61.93	77.62	68.00
Clothing	8.57	4.06	7.36	9.95	3.93	5.00
All non-food	37.10	28.19	36.78	38.07	25.85	31.00

2.41 As shown in the Table the level of living of the agricultural labourers in the survey villages of Andhra Pradesh in 1990 is worse off than that of the State as a whole in 1983. The survey villages of U.P. hills and that of West Bengal on the other hand show a better level of living in 1990, than that of the respective States as a whole in 1983. In making the comparison, however, it has to be remembered that the survey villages could not be taken to represent the condition of the State as a whole, because of the smallness of the sample and because of the method by which they were selected.

2.42 With high expenditure on survival necessities and low level of total expenditure the rural labour households are left with highly inadequate amount of expenditure for their other necessities like education, clothing, footwear, essential household equipments etc. In West Bengal, for example, they spend barely two per cent of their total income on education, entertainment, travelling, etc. No wonder therefore that in Andhra Pradesh, for instance, not a single rural labour household in Tribal area has reported owning mattresses and only 3.28 per cent and 8.63 per cent households have reported availability of mattresses in backward and advanced villages respectively. Similarly percentage of households reporting cycles, watch, chairs etc. are quite low. One can imagine the situation in other states where the per capita average expenditure of rural labour households is relatively smaller and where subsidized cereals are not available.

2.43 Cereals constitute the most important item of consumption of rural labour households—over two fifths of the total consumption in terms of value. This indicates towards the poverty of the people. The Engel's law of consumption suggest that with the rise in expenditure, percentage expenditure on cereals decline. In poor countries however a reverse phenomenon has often been observed in case of very poor people. The only explanation that can be offered to this contrary trend is that the poor people remained hungry at the original level of cereal consumption so that when their income increase, they spend more on cereals. In our field studies we have observed such groups of 'hungry' households. In West Bengal, for instance 10.67 per cent of agricultural labourers constitute such a group. The percen-

tage of destitutes and very very poor households is 8.34 in the total sample in U.P. Such a group of hungry households is likely to suffer from severe physical debility and loss of labour efficiency which in turn will reduce their earning power. They are thus in all probability caught into a vicious circle of physical debility and poverty. Moreover, such a group would depress general wage rate and would affect the bargaining power of rural labour in general adversely.

Nutrition :

2.44 In calorie and protein-intake the West Bengal survey finds the agricultural labour households to be on the borderline of adequacy, the average intake of calorie being 2806 units and protein being 74 grams per consumption unit per day.

2.45 In Andhra Pradesh the calorie-intake of the landless class was found by the NSS to be 2274 units and of the rural labourers to be 2358 units in 1975-78. The requirement level being 2400 units per capita, both the classes in Andhra Pradesh will appear to suffer from serious deficiency in calorie-intake. In protein-intake also both the classes show a serious deficiency during this period, the intake being 53.8 grams and 53.7 grams per consumer unit per day which falls below all the recommended standards. The Andhra Pradesh survey finds about 30 percent of the rural labour households to consume less than 403 grams of cereals per capita per day and 100 percent to consume less than 104 grams of pulses which are the main sources of calorie and protein in their diet. This proportion of the rural labour households therefore, can be assumed to suffer from various degrees of malnutrition.

2.46 In the U.P. Hills, the total food grain consumption per capita per day is only 289 grams, which also suggests serious malnutrition in calorie-intake.

Clothing

2.47 In Andhra Pradesh, the per capita per year expenditure in clothing of rural labour is Rs. 63 in tribal villages, Rs. 56 in dry villages and Rs. 80 in wet village, giving an average of Rs. 66. Assuming an average price of cloth to be Rs. 8 per metre, the amount of cloth purchased per capita per year is

only 8.25 metres while the norm recommend for fixing the minimum wages is 16.6 metres per person per year.

2.48 In West Bengal, the agricultural labourers have been found to purchase 13 metres for men, 14 metres for women and 2 metres for children per person per year. The average being around 10 metres.

2.49 In Rajasthan, the average expenditure per household per year of agricultural labourers has been found to be Rs. 839.5. This gives per capita expenditure of Rs. 161.44 per year. Assuming a price of Rs. 8 per metre, the quantity of cloth purchased per person per year comes to 20 metres, which seems to be slightly above the level of adequacy.

2.50 In the U.P. Hills the agricultural labourer spend Rs. 230.98 on cloth per capita per year while the non-agricultural labour spend Rs. 220.15. At the price of Rs. 8/- per metre, this gives 29 metres for agricultural labourer and 27.5 metres for non-agricultural labourer per capita per year. The adequacy level in cloth for the colder regions such as the U.P. Hills is much higher than that in the plains. Moreover, the price of cloth made of warmer materials is much higher than that of cotton cloth. It would be reasonable, therefore, to assume that a large section of the Households of the labouring class in the U.P. hills also suffers from want of clothing.

Housing

2.51 Shelter constitutes one of the three core basic needs of food, housing and clothing. If food is necessary for survival and longevity, shelter is necessary for protection against heat, cold, storm and rain and adequate sleep and relaxation. Accordingly, the basic need of housing can be measured in terms of services provided by a house and the density of occupation. Before adequacy of facility in a house comes the question of accessibility which in turn means that a person should have access to housing lands. Access to homestead land and housing is very important for the rural labour in the present historical state of socio-economic development of India. With regard

to facilities in a house, availability of water supply, toilet, lighting, cooking and bathing facilities have been considered necessary.

2.52 The latest NSS data for the year 1987-88 suggest that 11.1 per cent of the landless households did not own homestead land. When compared with the figure in the year 1983. It is observed that the percentage of households not owning homestead has increased sharply from 27 to 11.1. The disaggregated data at state level suggest that in the year 1987-88 the most developed state of Punjab shows the highest percentage (24.6%) of landless households, who do not own homestead land. Maharashtra (20.9%), Tamil Nadu (18.1%), Gujarat (17.8%), M.P. (12.2%). Andhra Pradesh (10.9%) and Bihar (10.6%) were the other states where the percentage reported was more than ten per cent.

2.53 As stated earlier, the ownership of house has special importance in parts of rural India. Studies suggest that lack of access inflicts many indignities on the lives of the rural labour. Agricultural labourers are forced to become bonded labourers because they do not have own house or not even homestead land. Our case study of West Bengal provides data on owned houses. It suggests that 96 per cent of agricultural labourer lived in houses owned by themselves. Only two per cent households who were forced to live in houses provided by someone else were thus exposed to the risk of becoming bonded labour. In West Bengal the extent of such risk seems to have been reduced.

2.54 The massive problem of housing perhaps relate more to the quality, size and facilities rather than access to homestead land. With regard to the type of house, for example available conditions appear to be far from satisfactory. Our study suggest that in almost all the areas the majority of rural labour live in Kachha houses which are too weak to protect the persons living in them from extremes of heat or rains. 100 per cent households in Rajasthan 96 p.c. in West Bengal live in Kachha houses.

TABLE-9

Housing Conditions of Rural Labour Households

(In percentage)

Facilities	Andhra Pradesh		Bihar	Rajasthan		Uttar Pradesh	West Bengal
	Dry	West		Chittor	Udaipur		
No Electricity	93.44	91.38	..	..	..	39.3	100.00
Kachha House	50.80	72.40	79.2	100.00	100.00	84.2	96.00
One Room houses	45.90	13.79	..	..	..	..	75.00
Persons per room	..	..	2.07	3.05	3.37	..	3.8
No separate Kitchen	93.54	91.04	..	..	..	..	85.00
No private latrines/bathroom	98.40	93.10	91.02	100.00	100.00	..	100.00

2.55 Table 9 further shows the percentage of households who do not have access to electricity, who live in one room, number of persons per room, without separate kitchen, and without a bathroom/latrines facility. A cursory glance would be enough to capture the appalling housing conditions in which the rural labour households live. 85-93 per cent of households cook their food in the same room they live, over three persons share a room, they by and large do not have access to electricity and private latrines/bathrooms.

2.56 The housing conditions of scheduled caste and scheduled tribe households seem to be on an average worse than the conditions of agricultural labourers in general suggesting thereby that the poorest of the poor agricultural labour households belong to Scheduled Castes and Scheduled Tribes. In West Bengal, for example, none of the S.C. and S.T. have electric connection, 88 and 95 per cent of S.C. and S.T. do not have separate kitchen the percentage being only 33 in case of upper caste within agricultural households. Similarly, 69 per cent of the S.C. and S.T. live in one room

houses while about a similar proportion of upper caste households live in houses with two or more rooms.

2.57 Table 10 presents the results on several dimensions of shelter of rural labour households and self-employed in Andhra Pradesh. The data suggest (i) the housing conditions of rural labour is comparatively worse than the self-employed, (ii) the self-employed households in developed region are much better than the self-employed or dry area so far as housing conditions are concerned, (iii) the difference between the housing conditions of rural labour and self-employed is comparatively less in dry area than the wet-area. Our field study thus reveals that agricultural growth improves the conditions of self-employed considerably and that of rural labour only marginally, (iv) housing conditions of rural labour living in wet areas are relatively better off than the rural labour households of dry region; (v) within agricultural labourers class, agricultural labourers without land are found to be much more disadvantaged as compared to agricultural labour with land.

TABLE-10

Housing Status of Rural Labour Households in Andhra Pradesh

(in percentage to total)

Item	Tribal		Dry		Wet	
	Rural labour	Self-employed	Rural labour	Self-employed	Rural labour	Self-employed
1. Roofing : Palm leaves	100.00	93.93	50.80	34.80	72.40	3.50
2. Walls : Mud	46.55	36.40	45.90	21.74	63.80	12.90
3. Rooms : One only	74.14	57.58	45.90	39.13	13.79	Nil
4. Separate Kitchen facility :	26.69	27.27	6.56	39.13	18.96	83.87
5. House leaking in rainy season	63.79	30.30	85.24	43.48	31.03	16.13
6. Plinth area : Less than 300 sq. ft. per household :	100.00	100.00	100.00	60.80	95.70	22.10
7. Electrified :	Nil	9.09	6.56	39.13	8.62	90.32
8. Mud flooring	100.00	96.97	86.87	39.13	91.37	10.34
9. Special Bath room facility.	18.97	6.06	1.64	26.08	6.90	90.32
10. Rented Houses	Nil	3.03	9.84	13.04	5.10	3.23
11. Government Houses	Nil	Nil	18.03	Nil	17.24	Nil

2.58 The State has been making efforts to improve the housing conditions by providing home-sites and loans along with subsidy for constructing houses. It has been often noticed, however, that when the Govt. or its agencies take on the construction works these are found to be substandard and they do not last long. This is probably so because the works are invariably executed by the contractors who are primarily interested in profits rather than quality. Peoples participation in the implementation of housing schemes can help in improvement. Secondly, the amount sanctioned for house construction is usually quite low to construct reasonably good houses. A research study, for instance, showed that dwelling units constructed in West Bengal under

I.I.D. Project were used as cattle sheds during first year and by the second year they were not found fit even for cattle. In our own field investigations in Andhra Pradesh many rural labour households living in Govt. constructed houses complained about bad quality of construction and leakages in the rainy seasons. Finally, the financial allocations are highly inadequate for housing schemes. It is necessary therefore to devise some more effective means, such as, imaginative use of multiple schemes may be tried to reduce costs, encourage participation of the local people, improve their skills for further maintenance of the houses besides providing more employment.

Literacy and Education :

2.59 The linkage between literacy and health and nutrition is universally known. State level data in India clearly establishes this relationship. Lack of education denies people an opportunity to participate fully in the social, academic cultural and political life of the society. In the specific context of rural labour, lack of education perpetuates injustices and oppression of the rural labour, it keeps them ignorant of their right. Education thus becomes a basic need not only itself, but it becomes necessary for fulfilment of other basic needs also. In the basic needs framework therefore education forms a critically important factor. It is most important basic need not only among the non-maternal needs but equally important for fulfilment of even material basic needs required for survival and development.

2.60 Our field results present a pathetic and hopeless situation so far as literacy and education among the rural labour households is concerned. The highest rate of literacy observed is around thirty per cent for males and twenty per cent for females in the advanced village of Andhra Pradesh. On an average however it is around 10-15 per cent for males and mere two to eight per cent for females in the different areas. The rates of literacy among the labour households in the year 1990 thus is much below the national average of little over thirty six per cent reported about decade ago by the 1981 census. Illiteracy and lack of education is all-pervasive.

2.61 Inter-village and inter-occupation variations in the rate of literacy are in conformity with the trend observed with regard to all other basic needs. To-recount (a) literacy is higher in advanced villages and; (b) literacy among labour households is much less compared to the self-employed households. Inter-sex differences suggest that within rural labour households, literacy among females is much lower compared to males. It would not be an exaggeration to state that in most of the villages surveyed, literacy among females is almost negligible. The economic conditions thus determine the level of literacy and education.

2.62 Our survey further reveals that though currently the percentage of literacy among children is higher than the literacy rates of adults, but universalisation of literacy even among school going children remains a goal too far away. Many families find the opportunity cost of education too high to

send their wards to school. Many children, for instance, have been reported to be found engaged in activities like cattle rearing, collecting fuel, looking after their younger brothers and sisters etc.

2.63 Higher education among rural labour households is almost negligible. In West Bengal, not a single person has reached above secondary level and only 5 out of 364 persons reported to have attained secondary level education. Situation is no better in other states. Our survey has not found a single graduate among rural labour households.

2.64 The hilly region of Uttar Pradesh has reported highest level of literacy of 50.2 per cent of total population. One possible factor for high literacy rate in this region could be diversified nature of the economy. Despite some land owned and cultivated by most of the households, agriculture is not a main occupation for the majority. Only about 11 per cent households have more than fifty per cent income from agricultural produce and mere four per cent earn their major part of income as agricultural labourers. Non-agricultural wage employment and the services are the major sources of occupation, employment and livelihood for 68 per cent of the total households in this region. The nature of economy probably provides motivation for education. Examination of data suggest that services and pensions is the most remunerative occupation in the area. In the case of West Bengal also it has been observed that the high salary income motivates people to acquire education.

2.65 Our study also indicates that the situation on the front of literacy is unlikely to improve in the near future provided same policies are followed. This is substantiated by data collected in our study on utilization of institutions aimed at achieving the objectives of universal literacy and education. Table 11 provides data on the use of basic educational institutional facilities by rural labour households in Andhra Pradesh. It is seen from the Table that a very low percentage of households are utilizing these facilities. In the most developed village only about 41 per cent households have reported utilization of primary school facility. The percentage is as low as 11.47 in the dry village. Highest percentage of families in a village reporting their wards attending secondary school is a mere 5.17. The position of adult education centres and non-formal education centres is worse than the schools suggesting thereby that the lack of literacy and education among rural labour is going to perpetuate in the near future atleast.

TABLE-11
Households Reporting use of Basic Educational Institutional Facilities in Andhra Pradesh. (In percentage)

	Tribal		Backward		Advanced	
	Rural Labour	Self-Employed	Rural Labour	Self-Employed	Rural Labour	Self-Employed
Adult Education . . . . .	..	..	4.91	4.34	..	..
Non-formal Education . . . . .	..	9.09	8.19	4.34	..	..
Primary School	17.23	24.24	11.47	26.08	41.38	88.88
Ashram School	12.06	39.39	..	..	..	..
Secondary School	1.72	..	3.27	4.34	5.17	32.25

2.66 The situation on literacy and education front therefore appears to be quite grim. The rural labour households especially in backward areas seem to be highly apathetic to basic need of literacy and education. The primary task therefore is to generate motivation among them so that they utilise the available facilities. This however does not mean that available institutional facilities are adequate either in quantity or quality. Improvements in both are inevitable to realize the objective of universal literacy and education. Equally important is to provide accessibility to each rural labour family within means they can afford.

2.67 Apart from the development of primary education, which is aimed at the future generation, there is a need for accelerated development of non-formal and adult education for present generation of rural labour. The strategies adopted so far have not really borne much results. Involvement of political parties, organisations of rural workers and voluntary agencies is necessary as part of the strategy of the efforts towards achieving universalization of literacy and education. As long as they remain in the bureaucratic control of the government, such efforts will remain reduced to mere mechanical fulfilment of targets.

Health

2.68 Access to different medical facilities is an important basic need of the masses. Because of various disabilities faced by the rural labour, such access assumes special importance in the context of rural labour. It is to be remembered however that access to medical facilities is but one part of health related problems. Health of a person is directly linked with many other aspects of life. Health of a person, for example, is dependent upon his nutritional status, access to safe drinking water, sanitation and drainage facilities, personal hygiene, etc. Some of the most important aspects have been dealt with separately in this report. In this particular section our attention would be restricted to analysis of health status of rural labour and their access to different medical facilities.

2.69 The State provides medical facilities through hospitals, dispensaries, primary health centres and sub-centres. A look at the hospitals and hospital beds suggest that there is overwhelming urban-bias in these two facilities. As on 1-1-1989 there were only 3,160 hospitals in rural areas compared to 6,985 in urban areas. Similarly, only 94,903 hospital beds were available in rural areas compared to 5,03,156 in the urban areas. The situation in the individual states

reveal contrasting picture. Kerala is the only state where the facilities in rural areas are more than urban areas. It would be pertinent to add here that (a) literacy, politicisation and organisation of rural workers are highest in the state and (b) the health status of the people as reflected in infant mortality rate, birth rate, death rates, etc. is also the best. On the other hand it is found that in states like Bihar, Madhya Pradesh, Rajasthan and Andhra Pradesh the number of hospitals and beds are proportionately very few. These are also the states where literacy and overall health status of the people is low.

2.70 With respect to dispensaries and primary health centres and sub-centres, the situation is slightly better. There were a total of 29,189 of PHCs in India in 1989 with 24,609 beds. Of these 13,667 with 15,437 beds were located in rural areas. Yet the distribution is not in proportion to the share of population in the rural areas. Moreover, the total of 13,667 dispensaries are highly inadequate to cater to the medical needs of a large rural population. The primary health centres are expected to look after the regular health care needs of the rural population and also promote family welfare. By 30-9-1988 there were 16535 PHCs and 1,10,275 sub-centres in the rural India. The majority of PHCs and sub-centres were set-up during sixth and seventh plans.

2.71 The health services, though growing and improving, are hardly sufficient to meet the needs of the rural poor. Hospitals are by and large beyond the reach of the poor rural labour as their economic conditions may not permit it. It is the lack of access to medical services, the poor quality of service and the cost involved which drive the rural poor to quacks and folk medicine. Studies have shown that rural poor prefer services from health institutions but for the constraints and disabilities shown above.

2.72 Our field studies show that in many parts the rural poor do not have access to medical services. The West Bengal study, for example, suggest that death rate among agricultural labourers was much higher. 40 per cent of the deaths in this class during reference year was due to tuberculosis. Only 28.6 per cent of the deceased received treatment in public hospitals and 14.3 per cent did not receive any treatment and 57.1 per cent received treatment from the village quacks. Similarly, it shows gross negligence of mothers at post-natal, pre-natal and at the time of delivery. 71 per cent deliveries were attended by village Dhais and the remaining 29 per cent did not have the benefit even of that. On the contrary, Andhra Pradesh is an exception where data suggest that majority of rural labour households no

only have access to medical services; but a large number of rural labour households are using primary

health centres/hospitals. It is hundred per cent in the developed village (Table 12).

TABLE-12

Use of Institutional Health Facilities by Occupation and type of Area in Andhra Pradesh.

(In percentage)

	Tribal		Dry		Wet	
	Rural Labour	Self-employed	Rural Labour	Self-employed	Rural Labour	Self-Employed
1. PHC/Hospital	67.04	60.61	77.05	65.22	100.00	64.52
2. Immunisation of children	82.85	100.00	57.63	68.18	100.00	100.00
3. Public Institution for maternity	1.17	Nil	22.95	4.35	75.86	3.2
4. Private clinics for maternity	Nil	Nil	50.82	91.30	24.14	96.77
5. Local Dhais/knowledgeable woman	98.83	100.00	26.23	4.35	Nil	Nil

2.73 A further analysis of Table however suggest that (1) access to state medical services is almost non-existent in tribal areas especially for maternity purposes and is quite low in dry areas. (2) PHC/Hospital facilities are not utilised by rich self-employed. They probably prefer to go to private clinics. This means that those who can afford they prefer private clinics rather than public medical services. The reason behind such a decision in all probability lies in the insufficient, time consuming and bad quality of public medical services.

2.74 With regard to health status of people, the club of Rome proposed in the context of basic human needs Infant Mortality Rate of 50 per 1000 and life expectancy at age one of 67.4 years. The Government of India's declared policy is to provide health for all by 2000 A.D. and targeted goals for IMR and life expectancy are 64 per 1000 and 64 years by 2000 A.D. Against these targets, the IMR in 1987 in rural India was observed to be 104 and life expectancy at 52.3 years. Our field studies note high death rates in case of rural labour. It was found 13.7 in West Bengal and 18 in Rajasthan. Death rate in rural India in the year 1987 was reported to be 12 and targeted rate by 2000 A.D. is 9. Further, it was noted in the year 1984 that 63.7 per cent of dead persons were unattended in rural India. This percentage was only 29.5 in Kerala.

2.75 This brief analysis in health aspect thus clearly demonstrates that achievement in health services is still insufficient to meet the health needs of the rural poor. High rate of dissatisfaction shown by the respondents in our survey especially in Rajasthan and Bihar appropriately sums up the situation on health front in the context of rural labour households.

Drinking Water

2.76 Till the end of Fourth Plan, not much attention was paid to the problem of drinking water in rural areas. It was left to the concern of State Governments to provide drinking water to its population. The Fifth Plan gave a major thrust to this problem through centrally sponsored Accelerated Rural Water Supply Programme. Launching of the National Drinking Water Mission in the beginning of VII Plan

in 1986 provided an added emphasis to the problem though belatedly. Under the ARWSP, problem villages were identified on the basis of (a) availability of safe water beyond 1.5 kms. or beyond a depth of 15 metres or beyond an alleviation difference of 100 metres and (b) biological and chemical contamination. The laid down norms for minimum quantity of water was 40 litres per day per person and one hand pump or standpost for 250 persons. A substantial amount was allocated in VI and VII Plan to provide water in problem villages. Rs. 3,922 crores and Rs. 6,522.5 crores were allocated in the VI & VII Plan respectively. The amount spent exceeded the amount sanctioned.

2.77 As per the official claim, except for 20,823 villages the entire rural area of the country had been provided with safe drinking water by the end of 1989-90. Another 18,324 villages were to be covered by the end of 1990-91. That means by now the problem of drinking water has been solved. The performance break-up for the states shows that in Andhra Pradesh, Arunachal Pradesh, Karnataka and West Bengal all the villages were provided with safe drinking water by the end of 1988-89. In two of these states—Andhra Pradesh and West Bengal, we carried out field investigations. With regard to percentage of population covered, the VII Plan indicated that by the end of VI Plan 54 per cent of rural population was covered under water supply.

2.78 Our field enquiry in Andhra Pradesh suggests that of the 3 villages, the Dry village had no access to protected water supply including hand-pumps. In the agriculturally developed village, only 36 per cent of rural labour households had access to protected water supply. And in the third tribal village only about 19 per cent rural labour households and a mere 3 per cent self-employed households reported access to protected water supply.

2.79 Similarly, in Uttar Pradesh 28.3 per cent households received safe drinking water through taps. Rest of the households received water either from river or water streams and both these sources are unsafe so far as drinking water is concerned. In U.P. about 42 per cent households are forced to cover a distance of more than 1.5 kms. to fetch drinking

water. In two of the six villages entire population is dependent on river or streams. With regard to sufficiency of water, 38 per cent of the households in U.P. reported that availability was inadequate. Availability of tap water in the villages suggest that these must be the no-problem villages so far as official records are concerned.

2.80 In West Bengal the supply of drinking water is not so grim. In one village all the labouring households have independent source of water supply. In the other two villages, however, they have to collect water from common tubewell or from the neighbouring stream/river. In West Bengal also therefore not all the labour households get safe drinking water. This is revealed by the high morbidity rate observed among the rural families. Further, an analysis of the reported cases of illness suggest that 28.6 per cent cases of illness lasting for a period of one month or longer were that of diarrhoea, dysentery and other disorders of the digestive system which usually result from the unsafe drinking water.

2.81 Our field enquiry thus clearly suggests that merely providing water facility in a village does not ensure supply of water to each and one in the village. As a matter of fact, given the nature of social and economic inequalities in rural India, it can be safely assumed that the the maximum supply of safe drinking water is likely to be usurped by the socially and economically better off sections. After all case of drinking water can not be much different than the case of irrigation water or other scarce resources. During our field investigation in the backward village of Andhra over sixty per cent of S.C. families reported social discrimination with regard to drinking water.

2.82 Our study also confirms the phenomenon observed by many scholars as well as by the VII Plan Review that many hand-pumps remain out of use because of inadequate maintenance.

Public Distribution System

2.83 In the context of rural labour, the public distribution system in itself constitutes a basic and in need in India because of the various disabilities faced by them. The PDS aims to ensure supply of adequate quantities of essential food and other items of basic necessities at a reasonable and fixed price throughout the country. It thus implicitly attempts to protect the poor and vulnerable sections of the population from shortages, black-marketers and rising prices. Such protection also helps strengthen the bargaining power of the rural labour

2.84 The Economic census data though a bit old (1977-79) provides certain important insights in the operational aspects of PDS. It found out that only 16.53 percent of the villages had fair price shops, and in case of 42 per cent villages the shops were situated at a distance of more than six Kms. The Daghi Committee Report on contracts and subsidies found that three-fourths of the total fair price shops in the country were located in rural areas but these

shops received only one third of the total supplies. A research study by Kabra and Ittyerah confirms this by their observation that the requirements of cereals and sugar was met to a greater extent in urban areas than in the rural areas. They further indicated that entire strength of the rural family was not included in the ration cards. Moreover, the rural families particularly the rural poor families were made to obtain their supplies of cereal, and sugar from two different sources, which meant that they had to travel longer distance to obtain their supplies.

2.85 Two states of West Bengal and Andhra Pradesh have special rationing schemes. In West Bengal, there is a statutory rationing scheme as compared to informal rationing in the rest of the country and the public distribution system there is expected to meet the entire cereal consumption need of the people. For this reason the availability of per capita ration cereal in West Bengal is comparatively higher than the other states. In the modified rationing areas per capita off-take was 30.15 kg. In addition, West Bengal agricultural labourers are given one kg. of rice per week during the lean months.

2.86 The public distribution system in Andhra Pradesh changed qualitatively and quantitatively since 1983 with the introduction of "Two Rupees a Kilo Scheme". The coverage is extensive in rural areas and 80 per cent of total fair price shops are located in rural areas. Under the new scheme all rural households whose income is less than Rs. 6000 per annum are given green cards. Each green card holder household is provided five kgs. of rice per person per month, subject to a ceiling of 25 kg. per household at the rate of Rs. 2/- per kg. Our study suggests that this scheme is very popular among the rural poor and even in remote tribal area the off-take is satisfactory. The extent of quota availed in most cases is full. Almost all the households below the poverty line are covered by green cards. A third of the requirements of cereals of poor is met by this system. At the time of survey the price of rice in open market was around Rs. 4/- per kg. Thus a household availing full quota benefited by Rs. 50/- per month. For a poor household it is a substantial benefit.

2.87 But if looked from a wider angle these gains to the poor may not really be his gains. In the first place, the stocks are purchased from millers at a price higher than the procurement price of FCI. Secondly, millers are allowed free exports to other states. Thus the subsidy is increased and supply in open market is reduced. If it is assumed that price rise because of reduce supply is to the extent of 20 per cent, the net gains to the poor are reduced to nil. Moreover, the amount of subsidy is net loss of the income which otherwise could have been used for generating employment in rural areas.

2.88 The rural poor lose in another way also. The percentage of rural population below poverty line in Andhra is around forty percent but 80 per cent of the households have been provided with green

cards, the gains of this forty per cent of wrongly covered population is a direct loss to the poor. This is an indication towards blatant misuse of resources in the name of poor, so it appears from the above analysis.

2.89 In our opinion, a highly subsidized rationing scheme should be restricted to only a small section of hungry households and that too as an initial support. The scarce resources meant for the rural labour, need to be spent more judiciously for their maximum benefit.

Social Discrimination :

2.90 Quite often it has been observed in India that the problems of the rural poor gets accentuated because of rigid caste hierarchy. Our field enquiry in the first place suggests that most of the rural labour households belong to the scheduled castes and tribes and that the position of both these categories of households is relatively weak compared to other castes. Table below presents information about social discrimination in backward and advanced villages of Andhra Pradesh. The data indicate that the process of development reduces discrimination.

Table showing S. C. Households Reporting Discrimination (%)

Item	Backward village	Advanced Village
Temples	62.50	50.00
Shops	31.25	..
Schools	12.50	..
Panchayats	37.50	..
PHCs	18.75	..
Drinking Water	62.50	3.84

2.91 Interesting aspect to be noted is that discrimination has almost vanished in the spheres of economics and politics but it continues in the area of religion. The table is otherwise self-explanatory.

III: CONCLUSIONS AND RECOMMENDATIONS

3.1 The conditions of living and working of agricultural labourers and other rural labour in India as shown in the earlier sections is indeed a dismal one. The present system of planning and development policies have, no doubt, generated economic growth, but the major beneficiaries have been the propertied classes. The rural labour has been hit hard in contrast; their number has multiplied rapidly, not only due to the rapid fall in the death rate, but also by the action of the economic forces released by the growth process itself which has uprooted the marginal peasants from the soil and thrown the cottage industry workers out of their cottages.

3.2 Employment of labour in agriculture has already reached a saturation point. The increase in their number is exercising a downward pressure on their wage and employment rates, reducing their income and threatening to depress still more the already very low level of consumption of the basic

goods and service. We have juggled with various planning models, capital : output ratios and investment strategies, but like the Siamese twins economic growth could not be separated from the growth of poverty. We have yet to discover a planning model that could achieve economic growth and reduce both absolute and relative poverty at the same time without disturbing the existing property rights. The best that we can hope to do is to generate counteracting forces of sufficient strength which would reduce the intensity of the forces that generate inequality and impoverishment. We have already acquired considerable experience in devising and using a number of such counteracting tools since the Third Five Year Plan. In the Sixth Plan we made these counteracting instruments explicit in our "Minimum Needs Programme", and gained considerable administrative experience in implementing them. One of the major lessons we have learnt is that the measures often counteract each other resulting in misuse of the resources and ultimately enriching the rich. These measures, therefore, have to be woven into a consistent and integrated single strategy, strengthening each other rather than working at cross-purposes.

3.3 The more important of these counteracting instruments are the following —

1. The Minimum Wage Act,
2. The Income and Employment Generation Programme.
3. Setting up of agro-industries, small-scale ancillary and cottage industries and development of the tertiary sector and salaried jobs in the villages,
4. Rendering every assistance for the growth and strengthening of trade unions of rural labourers.
5. Land-reform,
6. Literacy and education of rural labourers.
7. Migration of agricultural labour,
8. Special rationing system for rural labourers,
9. Provision for housing,
10. Social security,
11. Infrastructural development.

3.4 In the anti-poverty strategy for the rural labourers the minimum wage act is the king-pin; the other elements should revolve around it to give support to it and must not be implemented in a way as to frustrate the application of the minimum wages act. Though all these elements are well known to the planners and the administrators, but their integration into a single strategy requires a shift in emphasis of the objectives and a change in the methods of implementation. We will discuss this shift in objectives and emphasis in the following pages. The National Commission on Rural Labour has already identified these counteracting tools as independent welfare measures and have appointed groups of experts to examine the potentialities of each of them. We will discuss them

here only to the extent it is necessary to pin point the shift in this objectives and the methods of implementation as elements of a single integrated strategy.

The Minimum Wage Act

3.5 Though in operation for more than a decade, in our survey we did not come across a single agricultural labourer who had heard of this law. Not a single case was found where the legal minimum was paid. Yet if this law alone is effectively implemented, it will, not only counteract the immiserisation process of agricultural labour but will bring about a sea change in the development process of the entire economy.

3.6 Obviously, the importance of this Act is not adequately appreciated by those responsible for its implementation. Not only so, it is generally opposed by the rich farmers, landlords and other employer class on the ground that it would increase the cost of production of grains and agricultural raw materials, thus increasing the cost structure of the entire production setting in cost-push inflation, injuring exports and thus harming the national economy. The fact however, is that because of the excessive supply of agricultural labour, and in the absence of any alternative source of employment and earning, the actual wage rate paid to the agricultural labourer is always far below than what they should get considering their level of productivity. The employers thus get an extra monopoly profit which is pure and simple exploitation of agricultural labour. If the minimum wage is appropriately fixed, and ensured, it will not lead to any rise in costs or prices, but will merely transfer the monopoly profit from the employer class to the agricultural labourer class who are the rightful owner of this income. The second argument that is advanced against minimum wage legislation is that it would reduce employment. There is not much truth in this argument. The technology of agricultural production that is commonly used in Indian agriculture is such, that the employment coefficient is almost fixed in each and every operation. Hence the scope of reducing employment is extremely limited unless unthoughtful mechanisation is taken resort to.

3.7 The mechanisation of agriculture must be looked upon as a desirable and progressive step highly beneficial for the progress of the country from the long-run point of view. Only it should be as well thought process appropriate to our needs. Mechanisation of agriculture will increase labour productivity very high, leading to increase in their income. The technical competence called for will enhance the cultural level of the workers, transform the quality of life of the rural population and rescue the village labourer from a life of rural idiocy, ignorance, illiteracy and religious bigotry and prejudice. The objection to present day mechanisation arises from the fact that some labourers are thrown out of jobs by the machines. If, however, the planned mechanisation is resorted to it will raise the wages and

incomes, it will lead to a rise in demand, expansion of the market and generation of new employment opportunities. Secondly, the rise in incomes of the employed agricultural workers will lead to a rise in demand for the basic goods and services, shifting the investment away from production of luxury articles for the upper classes as is happening now. The pattern of development thus will take a decisive democratic turn away from production for the elite as at present towards production of basic goods for the masses.

3.8 The minimum wage legislation, is the king-pin around which turns the entire strategy of counteracting the poverty-generating forces of economic growth. On its successful implementation will depend not only the protection of agricultural labour from exploitation and poverty, but also the improvement in the living conditions of all other workers. For, the wage level of the agricultural workers constitutes the base and the wage rates of all other types of workers are built up from this base. Thus, the wage and salary structure of the country is conditioned to a large extent by the wage rate of agricultural workers. A low level of wages of agricultural labourers, therefore, ultimately result in a low wage level for all types of workers throughout the country. The country has already been caught in a low wage low productivity vicious circle which has perpetuated its poverty. If the minimum wage legislation is implemented successfully, it will lead to a rise in wages, not only of agricultural workers along but of all other workers. The rise in wages will stimulate technological and organisational innovation, increasing labour productivity, putting the country on the path of rapid industrialisation pulling it out from a state of stagnation generated by low-wage-low-productivity vicious circle.

3.9 Past experience suggests that implementation of the minimum wage law, however, is an extremely difficult task. Unlike in industries, the employers are small producers numerous in number and scattered over large areas. The workers also are unorganised and are mostly casual employees working for a few days at a time. The class affinity of the administration by and large prevent them from taking penal action for any palpable breach of law. Obviously the successful implementation of the law would require the setting up of institutional arrangements such that the market forces are released and automatically generate a wage rate equal to the minimum wages declared by the Government. Such a ready made instrument is available to the Government in the Rural Employment Generation Programme, now renamed as Jawahar Rozgar Yojana.

3.10 Whereas the implementation of Minimum Wage Act is undoubtedly of vital importance, equally important is the fixation of appropriate minimum wage. At present there is a large variation in the minimum wages fixed across regions and for various activities within a region. The fixation of minimum wages seems to be based on an ad-hoc and arbitrary method. No rational method appears to be followed for fixation. Our study unequivocally demonstrates that even if a rural labour is gainfully employed

round the year and receives the legally fixed minimum wage, basic needs of his family cannot be met in most of the areas. The need to fix appropriate minimum wage thus cannot be over emphasised.

3.11 The guiding principle for fixation of minimum wages should be that given the wage rate and the minimum number of days of employment, adequate income is earned by a rural labour household to fulfil its different basic needs. Following this guiding principle, we recommend the following parameters be considered while devising the method of fixation of minimum wage :

- (a) Consumption unit per earner,
- (b) Cost of food items required for a balanced adequate diet per consumption unit per year,
- (c) Cost of minimum clothing including bedding required per consumption unit per year,
- (d) Cost of fuel and lighting required for household per annum,
- (e) Cost of housing including drinking water per annum per household,
- (f) A provision for education, entertainment and medical attention,
- (g) Minimum number of days of ensured employment,
- (h) A region-wise cut-off point for costing, and
- (i) Specific provision for updating of the minimum wages every six months on the basis of price indices.

The Employment Guarantee Programme

3.12 This programme first introduced in Maharashtra, has been in operation more than a decade. Its merits and drawbacks have been well studied and amply recorded in literature. The study group on the subject will, no doubt, deal with it exhaustively. We will, therefore, limit our comments to one aspect only, namely its impact on the prevailing wage rate. It has been noticed by some field observers that the wage-rate paid under the programme becomes the dominating market rate. The wage-rate under these schemes, however, are fixed at a rate much lower than the prevailing rate in order to avoid drawing away from the existing farms. The wages of EGP fixed at a lower rate than the existing farm rate, pulls down the existing farm rate, in the second round and is fixed at the EGP wage-rate level, which in the next round is fixed below the lowered farm rate pulling down the farm rate still further.

3.13 The major objective of the Employment Guarantee Programme has been job creation for rural labour, and, all attention has been paid to this goal. The deleterious effect that it produces on the existing wage-rate has been over-looked. The fact that the EGP act as a wage-rate pace-setter can be used to great advantage in making the minimum wage rate effective. If the EGPs adopt the minimum wage-rate

as its own rate of wage-payment, then eventually all the neighbouring farms will be forced to give the same wage-rate to the labourers, who, otherwise, will move to the EGP schemes.

3.14 The EGP, therefore, should be looked upon not merely as an instrument for employment creation, but also, and equally importantly, as an instrument of minimum wage implementation. The employment generation programmes should necessarily be made part of over-all development strategy of the areas concerned. Absence of such an approach leads to wastage of the crucial resources. Evidences suggest that the assets created under various employment programmes in rural areas many times remain idle or are never utilised simply because they were not required. Secondly a method should be developed to see that the rural labour who create assets are also benefitted from the creation of these assets. Special 'cess' be levied on all those who receive major benefits from the assets created through the public employment programmes. Incomes accrued from such cess should be used exclusively for the benefit of the rural labour. They can either be utilised to generate more employment or they may be used for various welfare measures for the benefit of the rural labour.

Setting-up of agro-industries, ancillary and cottage and small-scale industries and development of tertiary occupations and salaried jobs in rural areas.

3.15 As has been observed in our survey, one of the villages where the people are more literate and dairy farming and salaried jobs are more prevalent, the economic condition of rural labourers was found to be far superior than in other villages. Development of these industries and creation of more tertiary sector jobs will not only provide the rural labour households additional sources of income, they will improve their bargaining power and thus push up their wage rate to the minimum wage limit and even more.

Trade Unions of Agricultural Labourers

3.16 The fourth important instrument that need to be set up to make the minimum wage rate effective is the trade union organisations of the agricultural labourers themselves. No law, however beneficial and legally perfect, can be effectively implemented, if the people are not conscious and vigilant, and cooperate in its implementation. The employer will continue to pay a wage-rate below the productivity level of the workers and continue to earn illegitimate profit, if the workers do not protest and offer united resistance. In India the workers have been subjected to social oppression and exploitation for over two thousand years. They have, therefore, become conditioned to accept exploitation and oppression from upper castes employers as inevitable destiny, to be put up with without protest and silent forbearance as the best method of survival. Since the day the Aryans conquered the villages, drove the original inhabitants to the forests and hills, took away their land and cattle, and subjugated those who could not escape, to the status of low caste slaves, making them work in the usurped land for a pittance, and taught them to blame their last birth for their suffering, the rural labour in India has learned to toil under inhuman conditions

without protest. To rouse this submerged humanity, to fight for their rights and for better living and working conditions, is not an easy task. The opposition of the employer, who in most cases belong to upper castes and gets the support of the police and the bureaucrats, the violence that is let loose by the united landlord class and the caste divisions among the disunited and quarelling labourers, make it extremely difficult for them to offer a united resistance. Yet it is of utmost importance that the labourers offer a united resistance to injustice and demand the implementation of the laws passed for their benefit. The existence of a conscious vigilant actively militant organisation of agricultural labourers is the only sure guarantee that the minimum wage law be put into effect as well as other laws passed for their welfare.

3.17 But organising rural labour is not an easy task. Socio-economic factors apart, there is no appropriate legal framework available in order to promote organisation of the rural labour in most part of the country, although this country was one of the countries which have ratified the convention No. 141 of the International Labour Organisation. Of late, various states have started registering agricultural Workers' Unions under the Trade Union Act 1926. It is a welcome development.

3.18 Unfortunately, we do not have an act for the benefit of agricultural labourers except for the states of Kerala and Tripura. It may not be an exaggeration to say that non-existence of a proper agricultural labour legislation is acting as a deterrent to the organisation of agricultural labour in most part of the country. Both the internal and external evidences lend credence to this proposition. Agricultural labour unions, of course, existed in Kerala before the enactment of the Kerala Agricultural Workers' Act, 1974. But the enactment of this legislation resulted in a quantum jump in the growth of agricultural labour organisations in the state. The organisational growth in 5 years just following the enactment was about four times the same in the decade preceding the Act. Cameroon which passed a legislation in the spirit of the ILO Convention No. 141 on Rural Workers Organisation has also experienced a phenomenal accretion of strength of rural workers' organisation following the enactment. However, despite the desirability of such a legislation both from equity and growth points of view, the class balance in most of the states being heavily tilted against agricultural workers, only the national government can be expected to enact a proper legislation in this regard. We, therefore, strongly suggest enactment of a central legislation for Agricultural Workers on the lines of Kerala Agricultural Workers' Act without any delay.

3.19 The political parties, particularly the left parties have played an important role in organising the industrial labour. Their effort to organise the rural labour has not been as successful as they have been in the field of industries. It is true, the task of organising rural labour is much more difficult than that of industrial labour. Yet, it is, perhaps more important to organise and uplift them, not only because their economic and social condition is much worse,

but also because they are acting as a serious drag on the entire economy and unless the rural labourer is transformed into an informed, literate and politically conscious citizen with a fairly decent income, the whole nation will remain in a mediaeval feudal backward state steeped in caste prejudice and religious bigotry, stewing in a stagnating economy with its limited market. Often it has been observed that whenever there is a labour movement in an area and tension is generated because of growing conflict between the employers and employees then invariably the approach of the administration and police is to consider that conflict as a law and order problem. Suppression of such conflicts essentially means suppression of trade union activities. We therefore suggest that the Government should provide specific and categorical instructions to the various part of the State machinery to consider tension developed because of such conflicts as an essential aspect of the development process and not as a law and order problem. We further suggest that the Government should provide adequate information and appropriate training to the concerned officials.

The Government of India provide financial assistance to voluntary organisations to promote organisations of the rural poor through CAPART. Unfortunately however such assistance is not available to the trade unions because they are not considered as voluntary agencies. The Government should consider trade unions also as a voluntary agency and they should be provided financial assistance for the purpose of building organisations in the rural areas.

Rate of Land Reforms

3.20 A plot of land, however, small would put a landless labourer to a very great advantage and in a position of strength in bargaining with the employer. The plot will give him an alternative source of employment, if he is refused a job with his regular employer. The household members would be able to work on it whenever free and thus augment the household income somewhat. His sense of well-being and social status will be enhanced adding to the quality of life.

3.21 While a plot of land would be very much welcome to the household of the rural labourer, it may involve serious social cost, if the land reform leads to a deterioration in agricultural output. The survey results show that under the given conditions of factor supply, the middle sized farms are the optimum farm. If the farms are divided up into small farms, then the efficiency of the farms may decline, unless adequate supply of inputs are also assured to the small farms. If this can be done, then a small farm is likely to produce more because of the closer attention that the plants will get from the peasant household.

3.22 A plan of land reform, granting land to rural labourers will require, therefore, a detailed plan for ensuring adequate input supply to them and marketing their output as well. Only under this condition, rural labourer will derive an advantage, enhancing

national income at the same time. Land reform is also necessary to make the rural social structure more democratic, so that the Panchayats can function more effectively to assist in implementation of all welfare measures.

3.23 We have noted in the case studies the trend for the middle size farms to become the optimum size under the present input supply and marketing conditions. Moreover, we have observed a positive correlation between land ownership concentration ratio and the level of living of the rural labourers. Undoubtedly, under the present conditions of input-supply and output disposal, the scale economies are better utilized by larger farmers, increasing productivity of land and labour. A scheme of land reform which would give land to the tiller in general and a small piece of land to rural labour households, therefore, would be socially retrogressive, unless a scheme of cooperative or state supply of inputs and disposal of output is simultaneously arranged. A stupendous administrative effort will be called forth for organising the small and marginal farmers into multipurpose cooperatives, for taking the responsibility of supplying irrigation water, fertilizer, improved seeds, pesticides etc., and for marketing the output. It is necessary to realise that such land reform will generate a tremendous social upheaval and bring about a radical transformation of rural society, shaking it out of its mediaeval stupor, and free the people from their religious superstition, conservatism and tradition-bound outdated social values. As our studies show there is perhaps no other alternative but to go for such land reform, if the basic needs of the majority of the rural labour are to be fulfilled in true sense of the term.

3.24 We thus strongly recommend to try out such reforms and cooperative organizations in a district on an experimental basis in each of the states and gradually to extend it to other states as more and more experience and administrative expertise are developed. The various land ceiling Acts provide different levels of ceilings for irrigated and unirrigated cultivable lands. Since irrigation facilities are continuously increasing, the unirrigated lands get converted into irrigated. However by and large such lands, remain unirrigated so far as Land-ceiling Act is concerned. It is recommended therefore that appropriate measures should be taken immediately to ensure that as soon as unirrigated land is covered by irrigation facilities, the land ceiling Acts become applicable on such lands accordingly.

3.25 The purpose of tenancy legislation should be to check the process of proletarianisation and to provide permanency in the rights on land to the share-croppers. It is suggested that in order to achieve these objectives, a scheme like Operations Barga implemented in West Bengal should be prepared and implemented in all other states.

3.26 A new class of absentee landlords is increasingly becoming dominant with the growing employment opportunities for the rich landed families outside village. Many of the educated members of such families own plots of cultivable land, which are given on rent. These absentee landlords in order to cling to their landholding oppose most

vehemently any legislation which seek to snatch away their land. These are also the landowners who resist any hike in the wage-rate of the agricultural labourers. Special measures need to be taken up to protect agricultural labourers from the exploitation of such absentee landlords.

Literacy and Education

3.27 The survey results have shown very clearly the importance of literacy and education. The association of higher income of agricultural labour households with literacy is too marked to be ignored. Literacy and education enables the household members to better utilise the opportunities that may come on their way. Another possible way literacy and education can help the agricultural labourer households is to get them organised into effective trade union. A third way literacy and education helps agricultural labourers, is to make them manage their home economy better ensuring better nutrition better health and more enjoyment from the same income and consumption expenditure.

3.28 The class-bias and over-emphasis on higher technical education in our educational and development plans to the neglect of primary education and literacy requirement of the common men should be corrected without delay. A nation that has to carry such a heavy load of illiterate people cannot achieve even a moderate rate of progress for long and falters after a few steps. Special programmes need to be adopted for accelerated development of literacy among rural labouring classes on the lines adopted in Kerala. It is suggested that the expenditure on creches and incentives like mid-day meals to the children of rural labour be considered as an essential element of cost of primary education. In our considered opinion such provision for creches and incentives is necessary for achieving the objective of universalisation of the primary education specially in the case of the children of the rural labour households.

3.29 The medium of literacy should be the local spoken language. For example in rural Rajasthan, currently the language used in literacy programmes is Hindi all over the State irrespective of the type of language spoken. The problem of language becomes a big barrier in the process of learning. Adequate support to local organisation be provided to develop appropriate material for literacy and education in local spoken languages.

3.30 We also suggest that in special areas like that of hilly tribals where households are widely scattered within a village, scheme of mobile teacher or of bicycle teacher be introduced. Instead of the students going to teacher, the concept of teacher going to students be accepted and implemented.

3.31 The education plan should be consistent with the economic plan of the area. Unless the education process is linked with the economics of a household, required motivation among the learners is unlikely to develop. The economic conditions therefore should be made a central theme of education.

It is also suggested that details of various Govt. schemes and relevant legislations should be made part of regular curriculum from the sixth class onwards.

Finally, we suggest that a very high priority should be given to the primary education. Unless the primary education is universalised, scarce resources should not be diverted to any other kind of education processes in the rural areas.

Role of Migration

3.32 Migration of agricultural labourers from a low demand, low-wage-rate area to a high demand and higher wage rate area will not only enable them to earn more, but will also push up the wage rate of the village from where they move out. The exposure to outside world will enable them to develop a more active, aggressive and ambitious outlook and throw away the lethargy and stupor they have been used to for centuries. Living within confines of the village for generations, their limited and parochial outlook make them poor productive agent for the innovative new technology. Once they come in contact with outside world, it becomes easier for them to throw away the outdated behaviour pattern and counter-productive social value. The quality of life will then undergo a radical change making them a better productive agent with the associated possibility of enjoying a higher income with access to a larger and better bundle of basic goods and services.

3.33 Migration in India, especially of rural labour, as evidences show, involves a heavy social cost. Migrants fall prey to the highly dehumanizing, exploitative net of middle men, many a times trapped into bondage, sexual exploitation and sub-human living and working conditions. Inter-state Migrant Workers' Act, the social legislation to protect them, exists only on paper.

3.34 The government, therefore, should set up a separate department for helping migration of rural labour & taking care of their welfare in the place where they migrate. The possibility of exploitation of migrant labour by the local employers being very high, extra care has to be taken to protect their interest. A typical phenomenon observed in various parts of the country is that local labourers in a village form voluntary groups of various sizes and together migrate in search of jobs to various places. Such voluntary collective activities should be promoted and used imaginatively for the welfare of the rural labour. The Govt. should recognise these groups and should help them develop as labour co-operatives. The Govt. should provide employment in its various programmes through these cooperatives. Secondly, the Govt. should utilise these recognised groups for imparting skills on the basis of the felt-needs. Since such groups migrate in search of employment, they are likely to have required motivation to learn skills of various types like that of hand-pump repairing, plumbing, electric work, cycle repairing, masonry, carpentry etc.

3.35 In case of poor migrants from a backwards to an advanced rural areas, housing in particular poses

an acute problem. We recommend that special housing provisions, should be made for migrant labourers specially in areas where a large number of migrant labourers arrive. Shelter homes be constructed in such areas and migrants may be charged a nominal sum of Rs. One or fifty paise per night. Such stay homes can be constructed under various employment schemes of the Govt.

3.36 Transport subsidy should also be provided alongwith adequate transport facilities to the migrant labourers. Evidences suggest that many a times migrant labourers are forced to borrow from the landlords/money lenders on a very high rate of interest for their travel cost at the place of origin. Such a help would be of great relief to the poor migrants especially belonging to S.C. and S.T. and originating from the backward areas.

3.37 The migrant labourers also need special access to the health services at the place of destination. It is suggested that migrants be provided special health facilities in all the areas where heavy influx of migration is observed. The health services should include immunization programmes.

Special Ration Cards for the Hungry

3.38 The first set of policy measures that we have discussed so far consisting of implementation of Minimum Wages Act, appropriate wage fixation, Employment Generation Programmes, setting up of agro-industries and other alternative employment generating projects, formation of agricultural labourers' trade unions, land reform, literacy and education campaigns and encouraging migration are all aimed not only at improving the employment prospect, but, more so, for improving the bargaining strength of the labouring class. The second set of policy measures that we would like to suggest is aimed at protecting and enhancing the real worth of the wages that they earn by enabling them to procure enough of the basic needs and services they need.

3.39 Our study reveal presence of a 'chronically hungry' set of households in rural areas. Some special measures need to be taken for this hungry group urgently not only for their own sake, but also for the sake of the remaining group of rural labourers and for the future of the country as a whole. The presence of such a hungry group of labourers considerably reduces the bargaining power of the rest who are used as a stick to beat down the resistance of the others by the landlords and rich peasants. The entire wage-structure as a result remains depressed producing monopoly gains for the landlords and rich peasants. Since the wage rate of the agricultural labourers provides the base on which the rest of the wage and salary structure is built upon, the entire wage and salary structure remains depressed. This keeps the market of wage goods and good of the salaried classes depressed. Only the richer employer classes thrive in such a situation and investment is misdirected towards production of goods only for the elite. Since this market is necessarily small, the country enters into a chronic phase of industrial stagnation. The

correctness of this analysis is clearly demonstrated by the current situation in India. The hungry households in the villages need to be fed urgently for rescuing the country from chronic stagnation.

3.40 We suggest that special cereal ration cards be issued to these families giving heavily subsidised rice or wheat in sufficient quantity but for short periods, for 3 to 6 months. The primary objective of this extra subsidised ration would be to put back the household members in good health within the period. The hunger that they have been suffering from has caused serious physical debility and their working power have been seriously impaired. They, thus get caught in a vicious circle of hunger causing physical debility which reduced their earning power and generated hunger. They are unable to get out of this vicious circle on their own effort and require outside help. The grain subsidy will enable them to get back their strength and working power in course of three to six months, and from there on they will be able to work and earn to their full capacity. The other programmes like the EGP can, from this point on, take over the care of their health and other basic needs.

3.41 Identification of such households should be done with people's involvement as has been done in the case of IRDP beneficiaries in many areas. The criteria for selection should be level of consumption of cereals and the health status.

Distribution of Essential Goods to Agricultural Labour Households in Reasonable Quantities and at Controlled Price

3.42 Our case study data shows that the level of calorie and protein intake in all the states is quite inadequate. The inadequacy must have been increasing due to the rapid rise in prices of essential commodities, particularly of food items because as our study reveals, the cost of the food items is directly related to the level of their intake. Supply of essential food and other basic necessities at reasonable prices are an essential aspect of any strategy geared toward fulfilment of basic needs of rural labour.

3.43 We thus strongly recommend that the rural labour households should be brought under an independent rationing system, similar to the one established for the tea garden workers. The commodities distributed at a subsidised price should include rice, wheat, atta, maida, cooking oil, pulses, kerosene, gur/sugar and cloth including blankets. The present public distribution system has a strong urban and middle class bias. What is more important for most of these urban shops is regularity of supply of quality goods and not of price. In contrast, the shops for rural labourers should provide cheapest quality of commodities in sufficient quantity. The urban shops may charge a higher price for better quality of goods, sufficient to cover the cost except those in the working class localities. The shops for rural labourers on the other hand should be subsidised. The present rate of subsidy of Rs. 1000 crores a year given by the Central Government on food, need not

be increased to undertake this programme. By introducing discriminatory pricing and redirecting cheaper quality goods to the rural areas, the increased financial liability can be met. The aims of the public distribution system should be different for the two different class of people: for the urban and rural middle classes, the aim should be to protect them from exploitation by the black-marketeers. Supply at the time of acute scarcity in sufficient quantity should be the aim for these classes. The pricing for them should be such as to cover the cost and build a reserve. In case of rural labourers on the other hand, the aim should be to supplement their consumption level sufficiently, so that the required nutritional level is attained. Price and quantity and not so much as quality and also regularity of supply are the important considerations for the rural labourers. For the middle classes, therefore, the principles of operation of buffer stocks will be more appropriate for the public distribution system. For the rural labourers, on the other hand, regular distribution channels have to be set up. True, this type of differentiation in their functioning may be somewhat confusing for the organisation. But with more than 40 years of experience behind it, our public distribution system should be able to develop and work effectively a more complex system of functioning especially when it is more economical and satisfies the social goals better.

Provision of Housing

3.44 Housing site is a major problem in most of the states where the landlords often keep the labourers in bondage providing them a place to live. In addition the problem that they very frequently face is the destruction of the houses by natural calamities and by fire. Heavy rains, cyclone, floods and fire are common occurrence and the thatched roof & the mud walls provide slender protection against them. Such mishaps force the rural labourer households into debt, and once in debt they remain in debt forever with the debt multiplying at compound rate. The possibility of insurance of their houses against such calamities must be given a serious thought. The programme of allotting plots of land for house building, introduced under the 20-point programme need to be pursued more vigorously.

3.45 The scheme of providing house sites has been going on very slowly. A time bound programme should be made to provide house sites to each labour household within a period of two years. Secondly, we suggest that rural labour should be provided skills in various aspects of construction. Attempt should be made to promote participation in the construction activities. Such participation only can ensure the quality of construction which is usually found to be so poor that the constructed dwelling units are considered unfit even for cattle.

Social Security

3.46 Along with insurance of houses, health insurance and other social security measures need to be seriously considered, not only, because they take the anxiety that weighs down heavily every rural

labour household, and thus make the quality of life much more tolerable, but also because they add to the bargaining power and thus help in improving the wage rate of the rural labourers.

Infrastructural Development

3.47 Development of roads and the communication facilities are likely to help the rural labourers to move out of the village if opportunities occur, thus reducing the population pressure on the village resources and consequently causing a rise in the wage rate. The construction of schools, particularly primary schools in every village is of utmost importance particularly in that part of the village which is inhabited by the rural labourers, which in effect, means the localities inhabited by the scheduled castes and scheduled tribes. Such areas are usually located outside the village and schools constructed within the village at some distance may not be patronised by them.

Primary health centres, at present, are so few and far away from most of the scheduled caste and scheduled tribe localities that they hardly get any benefit from them.

Permanent Commission on Rural Labour

3.48 The measures suggested above are not new. Many of them have already found their sanction in

statutory laws such as Minimum Wages Act, Equal Remuneration Act, Bonded Labour (Abolition) Act, Inter-state Migrant Workers Act, Debt Redemption Act, Land Ceiling Acts, Tenancy Acts, Payment of wages Act, Contract Labour (Abolition and Regulation) Act, Untouchability Act, etc. Yet most of them have either not been implemented at all, or, if implemented, they have failed to make any impact or improve the condition of rural labour. Often, they have been implemented in such a way, that they have neutralised each other's effects. It has become amply clear now that a permanent organisation is needed to oversee the operation of these measures, coordinate their operation and suggest new remedies. The Commission on Rural Labour should be made into a permanent body with these functions.

3.49 In our view, very little additional resources will be necessary to implement these recommendations over and above what is already spent. By introducing price discrimination, managing buffer stocks on economic principles and properly coordinating and streamlining the administration, great economies can be effected and efficiency of the system considerably increased. A unified decision-making-body like a permanent commission alone can establish the necessary integration and coordination of the measures and achieve the economies in administration.