

## A Study on the Wage Structure of Agricultural Labourers

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The wages to the agricultural labourers were generally paid in cash and kind. Only kind payment was made for harvesting of grain crops. Wages were paid on contract basis for piece work, and 34.94 per cent of total farm expenses was accounted for by the total wages including imputed value of family labour. Paid wages per unit of gross cropped area increased as the farm size increased.

The enormous growth of population, disintegration of traditional village industries and the development of modern industry and trade have accentuated the problem of agricultural labourers. Agricultural labour forms the largest single segment of India's labour force. Most of the rural poor belong to the category of Agricultural labour. Since independence, the question of formulating ameliorative measures for agricultural labour has been receiving increased attention. Hence, with a view to find out the wage rates for different farm operations in various crops and modes of payment, the study was organised. Wage bill of the various size groups of farms was taken for discussion.

### MATERIALS AND METHODS

Theni Block in Madurai district was selected for the study. The study period was 1970-71. This place was selected because of the diversified nature of farming by which particulars

could be gathered on farm operation for different crops. All the 12 revenue villages in this block were listed out and three villages were selected by the method of random sampling.

The farm holdings in the three randomly selected villages were arranged in the ascending order of magnitude. The cumulative totals were formed and the grand total, the farms which constituted the 'first one-third of the total area' were designed as the first size group, 'the second one-third' as the second size group and the last as the third size group. The size groups were as follows:

- Small : 0.20 to 2.00 hectares.
- Medium : 2.00 to 4.68 hectares.
- Large : 4.69 hectares and above.

The samples size consisted of 90 holdings in all 30 each in small, medium and large size groups. These 30 holdings in each size group, were proportionately allotted to each of the selected

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villages, considering the total number of small, medium and large holdings in the concerned villages separately i.e., the technique of probability proportion to the number of holdings in each category and in each village was applied.

The value of hired labour was assessed on the basis of the actual cash and kind payments made to them. The value of permanent labour was imputed considering the total value of payment made to them in cash and/or kind, including the cost of meals, clothing and other perquisites. The value of the family labour was imputed at the rate prevailing for casual labour (Desai *et al.* 1970).

#### Terms used :

**Paid wages :** It includes wages paid to permanent and casual labour.

**Total wages :** It includes imputed family wage as well as the paid wages.

## RESULTS AND DISCUSSION

The major crops in Theni Block were cotton, chillies, groundnut, rice and cholam. Custom, tradition and kind and type of crop were noted to be the determinants for fixing the modes of wage payment in the area. Agricultural wages were paid in different forms. Some were paid wholly in cash and kind. Wages were fixed on a time rate basis usually daily or as a piece work (contract) basis. Cash payment was common in places where commercial crops were grown and kind payment in places where food crops were grown.

### Casual Labourers:

#### Modes of payments:

i) **Time rate basis:** The wages for the casual labourers were mostly fixed on the time rate basis irrespective of the work turned out and usually the payment was made daily. However, in the farms where the period of work was continued upto one week or more the payments were made in instalments based on the number of days of work. The wages were paid in kind for the harvesting operations of rice, cholam, ragi and other food crops which will be discussed under the aspect of 'Wage Rate'. For commercial crops, including for harvesting, the wages were paid in cash.

(ii) **Contract basis :** The labourers were engaged on contract basis for the operation of forming beds and channels for all crops; for sowing and harvesting operations in the case of groundnut and rice crops.

In this type of work, kangani, the organiser of the labourers, played a role in bargaining the contract rate with the cultivator. Usually advance would be made at the time of negotiation. If the period of work had to be extended, the agreed payment would be given at weekly intervals. The harvesting period extended two to three months for the cotton and chilli crops whereas ragi and cholam required on the average 47.9 to 37.4 mandays, respectively.

**Wage Rate :** The rates of wages paid for various operations done for the different crops are presented in the Table I.

TABLE I. Daily wages rate - Crop and operationwise

Crop/ Operation	Preparatory cultivation ploughing/ forming beds	Sowing planting	Guiding water	Weeding	Harvesting	Threshing
	Rs.	Rs.	Rs.	Rs.	Rs.	
Cotton	3.00-3.50	1.50-1.75	2.50-2.75	1.25-1.50	1.50-1.75	
Chillies	3.00-3.50	1.75-2.00	2.50-2.75	1.25-1.50	1.25-1.50 plus chillies and vegetables worth of Rs. 0.50	
Groundnut	3.00-3.50	Contract (2.00-2.50/ head)	2.50-2.75	1.25-1.50	0.12-0.15 per 4 mm pods picked (1.50-2.00/ head)	
Ragi } Cholam }	3.00-3.50	1.25-1.50 (Ragi)	2.50-2.75	1.25-1.50	2 mm/female 4 mm/male	3 mm/female 5 mm/male
Paddy	3.50-4.00	1.50-2.00	—	1.25-1.50	3 mm/female 5 mm/male	4 mm/female 6 mm/male

mm = Madras measure

Paddy : 1 mm = 1.13 kg.

Ragi : 1 mm = 1.36 Kg.

Cholam : 1 mm = 1.4 to 1.6 Kg. Groundnut: 1 mm = 0.65 Kg.

The average daily wage paid for male worker varied from Rs. 2.50 to Rs. 4.00 and for female worker from Rs. 1.25 to 2.00.

The preparatory cultivation for all crops was attended to only by male workers and wage rate ranged from Rs. 3.00 to Rs. 3.50 except that of rice crop where it was Rs. 3.50 to 4.00, since the operation had to be carried out under puddled conditions.

The sowing of groundnut was done on contract basis and the women workers would usually get Rs. 2.00 to 2.50 since the contract women workers would start the work earlier in the day. The sowing of other crops was done on

time rate basis and the wage rate for the same ranged from Rs. 1.25 to 1.75.

The guiding of water was attended to by the family members themselves in small farms and by permanent labourers in large farms. Rarely the casual labourers were engaged for this job and at that time they were paid at the rate of Rs. 2.50 per day. The wage rate for this work was considerably low, since it was a less arduous job. Hoeing and weeding operations were exclusively attended to by female workers and they received Rs. 1.25 to 1.50 as their wages.

Regarding the harvesting, for rice, ragi and cholam crop it was done by

male and female labourers. But in case of chilli, cotton and groundnut crop harvesting operation was carried out only through female labourers. For chilli crop, besides the regular wage of Rs. 1.25 to 1.50 they would be given a handfull quantity of harvested chillies apart from some vegetable available in the chilli fields. These perquisites be a worth of Re. 0.50. For food crops, the wages were paid in kind for the harvesting at the rate of two Madras measures and three Madras measures for ragi and rice respectively for the female labourers. The male labourers engaged in rice harvesting were paid at the rate five Madras measures. The wage for harvesting of groundnut was paid on the basis of the quantum of work turned out i.e. Rs. 0.12 to 0.15 for four Madras measures of pods picked and female worker could get Rs.1.50 to 2.00 per day.

#### Permanent Labourers

The permanent labourers were paid wages either on monthly or on annual basis. The wages varied from Rs. 800 to 900 per year besides the perquisites worth of Rs. 30 to 50, supplied during the Deepavali and Pongal Festival times.

In some cases, the farm workers received Rs. 400 to 500 per year with daily meals, as perquisites in the employer's house. wherever seasonal employment was taken, only monthly payments of Rs. 75 to 80 were made without any form of perquisite. If desired, kind payments was worked out at the current market rates, were also agreed upon.

#### The Sample Characteristics

**Size of Farm :** The average farm size of all the village was 8.26 acres. The village wise averages under the three size groups were as in Table II.

TABLE II. Villagewise and Groupwise Farm sizes (in hectares)

Name of the village	Small group 0.20 - 2.00	Medium Group 2.01 - 4.68	Large group and above	Pooled Average
Govindanagaram	1.43	3.03	6.30	4.22
Jangalpatty	1.09	2.70	5.91	2.74
Thappukundu	0.98	2.30	5.55	2.41
Average	1.17	2.74	6.12	3.34

The average size of the holding in the small group was 1.17 hectares, in the medium group 2.74 hectares and in the large groups 6.12 hectares. The average size of the farms between villages varied from 0.98 to 1.43 in the small size group, 2.30 to 3.03 in the medium size group and 5.55 to 6.30 in the case of large size group.

#### Pattern of employment of Agricultural labourers:

The pattern of employment of family, permanent and casual labourers varied among the different farm sizes. The results are presented in Table III.

All the small size farms were fully making use of their family labour, whereas in the medium and large size groups only 27(90.0 per cent) and eight (26.7 per cent) farms made use of the family labour. Thus, it could be noted

TABLE III. Number of Farms employed labour (Categorywise)

Size	No. of Farms selected	No. of Farms employed family labour	No. of Farms employed permanent labour	No. of Farms employed casual labour
Small	30	30 (100)	2 (6.7)	30 (100)
Medium	30	27 (90.0)	12 (40.0)	30 (100)
Large	30	8 (26.7)	26 (86.7)	30 (100)
Total	90	65 (72.2)	40 (44.4)	90 (100)

(Figures in the parentheses indicate percentages)

that as the farm size increased, the use of family labour decreased.

Regarding the employment of permanent labour, the large size farms had in variably one or more permanent labour than the medium and small size groups. Thus, 26 holdings (86.7 per cent) of the large size group employed permanent labour whereas in the medium and small size groups they were only 12(40.0 per cent) and two holdings (6.7 per cent) respectively. The results showed that there existed a direct relationship between size groups and the employment of permanent labour.

As regards the casual labour, all the selected holdings were found to have in variably engaged the casual labourers.

The analysis was also carried out with gross area sown and labour in each category employed per acre. The results are presented below:

TABLE IV. Labour in each category employed per hectare of Gross cropped area (in mandays)

Category size of labour	Small	Medium	Large	Pooled
Family	101.47 (52.57)	37.77 (20.72)	5.58 (3.20)	26.95 (15.04)
Permanent	6.82 (3.54)	26.28 (14.42)	51.28 (29.35)	32.61 (21.55)
Casual	84.70 (43.89)	118.26 (64.86)	117.82 (67.45)	113.62 (63.41)
Total	192.98 (100.00)	182.31 (100.00)	174.68 (100.00)	113.62 (100.00)

(Figures in parentheses indicate percentages)

The employment of all kinds of labour per hectare of gross cropped area was noted to be the highest in the small size farms and the extent of family labour use was also significantly higher than the other two groups. As the size increased the increasing trend was observed in the use of permanent and casual labour.

In the case of large size holdings, the proportion of permanent labour utilization was greater since they had better capacity to pay for engaging permanent labour. Thus, in the large farms the family labour input was substituted by the way of engaging permanent labour.

The price for the service rendered by the labour is the wages paid either in cash or in kind. This constitutes on the major components of farm expenses. With a view to estimate the relationship of the wage payments as between the three farm sizes and as between the villages, an analysis of variance was

carried out considering the total wages paid per acre of gross cropped area.

It is noted that there was no significant difference in the total wages (including imputed family wages) either between the villages or between the size groups. The absence of significance between the villages indicate the homogeneity of the area. Among the size groups also there was no significance probably due to the intensive use of family labour in small farms and imputed opportunity costs for such labour.

In the next stage, the wages actually earned by the three classes of labour - casual, permanent and family labour - in the three farm size situation was calculated to estimate this proportion of earnings in the total wage bill. This is presented in Table V.

TABLE V. Wage bill to each category of labour  
(In rupees per gross cropped hectare)

Labour	Size			
	Small	Medium	Large	Pooled
Family	316.70 (54.75)	110.33 (20.47)	16.13 (3.13)	86.26 (15.32)
Permanent	15.24 (2.63)	70.77 (13.13)	150.32 (29.13)	110.80 (20.89)
Casual	246.51 (44.62)	357.90 (66.40)	349.60 (67.74)	338.37 (67.79)
Total	578.45 (100)	539.00 (100)	516.06 (100)	530.51 (100)

It may be seen that, on an average, Rs. 578.45, 539.00 and 516.06 were the total wages including the imputed family wages, per hectare of gross cropped area in small, medium and large groups respectively.

In the small size farm the imputed value of the family labour was of the order of 64.75 per cent and it decreased substantially in the medium size farms and touched a very low figure of 3.13 per cent in the large size farms. This indicated that small farms were family labour intensive and the extent of this contribution was very high. However, small size farms had to necessarily pay for casual labourers during the peak seasons. On an average, the out-of-pocket expense was accounted only 45.25 per cent. In the case of medium size farms, the contribution of family labour accounted for 20.47 per cent and that of casuals was in order of 66.40 per cent. Compared with the small size farms, the role of permanent and casual labour was highly significant in the medium size farms. The out-of-pocket expenses of these farms constituted 79.53 per cent as compared to 45.25 per cent of the small size farms illustrating high capital needs.

The large size farms had a significantly different picture with regard to wages accruing to family labour and wages paid to permanent category. The imputed value of family labour was just 3.13 per cent as compared 54.75 per cent small, and 25.47 per cent for the medium size farms. The family members in the large farms mostly would make decisions above farm activity and confine themselves to overall supervision and management. Besides the farm area being extensive, the proportional imputed family labour would also get substantially reduced. The wages received by the permanent and casual labourers were significantly higher. The out-of-pocket expenses

accounted for 96.87 per cent compared with 79.53 per cent of the medium size farms and 45.25 per cent of the small size farm illustrating capital extensive nature of these farms.

#### Relationship between wages paid and total expenditure :

Labour charges constituted the major component of total farm expenses as stated earlier. Specifically, to estimate the relationship between the labour charges and the total farm expenses the data were recast and the share of wages expressed as percentage. This is furnished in Table VI.

TABLE VI. Share of total wages to total expenditure  
(in rupees per gross cropped hectare)

Size	Total expenditure	Total wages	Percentage of wages to expenditure
Small	1613.38	578.45	35.85
Medium	1571.61	539.00	34.30
Large	1535.50	516.06	33.61
Pooled	1555.58	530.51	34.94

On an average, 34.94 per cent of the total farm expenses was accounted for by wages and the variation in this relationship between size groups was negligible. Gangwar (1970) revealed in his study of Inter-regional difference in agricultural wages that the agricultural labour constituted about 40 per cent of the total cost of the inputs used in farm production.

The above analysis included the imputed value for family labour also.

The picture that emerged on deletion of the value for the family labour is presented in Table VII.

TABLE VII. Share of paid wages to total expenditure  
(In rupees per gross cropped hectare)

Size	Expenditure	Paid wages	Percentage of paid wages to expenditure
Small	1613.38	266.69	16.22
Medium	1571.61	428.67	29.85
Large	1535.50	499.93	32.56
Pooled	1555.58	396.78	25.51

One could note that percentage of wages actually paid increased from 16.22 per cent in small size farms to 32.56 per cent in large size farms, the average being 25.51 per cent for all the size groups. The share of paid wages to total wages, as among the three size group, are presented in the following Table VIII.

TABLE VIII. Share of paid wages to total wages  
(in rupees per gross cropped hectare)

Size	Total wages	Paid wages	Percentage to paid wages to total wages
Small	578.45	266.69	45.25
Medium	539.00	428.67	79.53
Large	516.06	499.93	96.87
Pooled	530.51	396.78	75.30

The proportion of paid wages to total wages was as high as 96.87 per

cent in case of the large groups, indicating the minor role of family labour and the need for high capital requirements. In the case of small farmers it was just 45.25 per cent, the medium size farms remaining in between.

From the foregoing analysis, it is evident that out-of-pocket expense for wage payment per unit area would increase with the increase in farm size. The reason being that the large farmers employed more labourers for performing the diversified operations in the farms and the family labour would divide its time between management and supervision. But in small farms, their family labour was fully utilised and consequently out-of-pocket expenses were kept at the minimum.

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