

## **An Analysis about Wages for Agricultural Labourers in India**

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### **Abstract**

India being an agriculture based country, this sector has played a major role in the growth and development of the country since independence. In this research study, an attempt has been made to find out that out of the total working population, how many people are engaged in agriculture and how many of them are employed as agricultural labourers. How much wages are given to the agricultural laborers who work in the agriculture sector. To know the answers to all these questions, secondary data have been used by the researcher.

**Keywords: Wages, Working Population, Employment, Agricultural Sector and Growth**

### **Introduction**

An agricultural labourer is one of the supreme important components of rural population and development in throughout India. According to census report 2011, the number of farmers decrease and number of agricultural labourers increase. In census 2001, the total number of farmers in India is 127.3 million and its decrease 7.1% (118.7 millions) in 2011. In census 2001, the total number of agriculture labourers in India is 106.7 million and its increase 3.5% (144.3 millions) in 2011. It also refutes what has been said about the shortage of agricultural labourers as to what will happen to the agriculture sector now, but statistics show that over 37 million people have started working as agricultural labourers in the last ten years. Statistics show that in 2011, only 54.6 percent of the total workforce in India was engaged in agriculture, which saw a decline of 3.6 percent compared to 2001. In 2011, the male population of agricultural laborers increased by 44 percent and the female population by 24.5 percent as compared to the 2001 census. According to the 2011 Census of India, 263 million people are engaged in the agriculture sector and more than half of them now work as agricultural labourers. The main reasons for the increase in the number of agricultural labourers are increase in population, decline in rural handicrafts and cottage industries, non-economic holdings, increase in indebtedness and extend of the utilize of money with exchange system.

In 1950 the first Agricultural Labor Inquiry Committee treated those people as agricultural laborers involved in increasing crop production on payment of wages. Accordingly, the first committee determined that those who worked for 50% or more of the days on payment of wages should be considered as agricultural labourers. Agricultural labour is classified into two categories

first permanent labourers and second casual labourers by the first Agricultural Labour Enquiry Committee. Permanent workers or labourers are attached to certain farmer families on the basis of oral or written agreement, their employment is regular and permanent. Part-time workers, including those whose typical employment consists of a string of temporary jobs, are referred to as casual workers. Casual labour is generally hired to perform specific tasks, the hours, and the day's work. They are free to do whatever kind of work they can do in a farmer's field and are

normally paid wages on a daily or hourly basis. The Second Agricultural Labor Inquiry Committee took a comprehensive view of agricultural activities in 1956-57. In which labourers engaged in similar allied activities such as animal husbandry, dairy, fish farming, poultry and pig farming, etc. The second committee claims that we need to look at a family's primary source of income to determine the extent to which they are a farm labour family. A family can be classified as an agricultural labour family by the second committees if 50% or more of its total revenue comes from paying members of the household to work in agriculture.

Agricultural labourers constitute the majority of the exploited and unorganized group of the country's rural population; their standard of living, wage rates and income levels remain unusually low.

At present their agricultural wages are very low due to the use of automatic machines in agriculture. Due to automation, drought and less rainfall etc., a large section of the workers are unemployed. Agricultural labourers in India are generally highly indebted and are still forced to work as bonded labourers due to their inability to pay the landlords or moneylenders. According to the 2011 Indian Agricultural Census in the rural sector, an estimated 61.5% of the Indian population is dependent on agriculture and it contributes 16–17% of the GDP. The socio-economic status of agricultural labourers is quite different from those of non-agricultural labourers. Agricultural labourers have been the most neglected and exploited class of human labour.

They have suffered because; they are belonging to economically and socially backward class of society. Trade unions and labour organizations rarely exist among the class of agricultural labourers. The attitude of these agricultural labourers towards agricultural production and development presents socio-economic problems of crucial significance to the rapid growth and development of the national economy.

## **Population of agricultural labourers in India**

Agriculture is critical to the economic growth and development of developing countries such as India. In addition to supplying the nation with food, agriculture also frees up labour, generates savings, supports the market for industrial goods, and generates foreign exchange. Improvement in the agricultural sector is essential to overall economic growth and development. The primary source of national output, revenue, and employment in India at the time of Independence was the agricultural sector.

According to the 2011 census, 54.6% of the population is employed in agriculture and related activities. After 61 years of independence, the agriculture sector's proportion of national income fell from 50% to 18% between 1950 and 2007-08. However, agriculture's contribution of GDP has increased from 17.8% to 19.9% between 2019-20 and 2020-21. Even though the share of agriculture sector is less than other sectors, yet this sector provides livelihood to 58% of the population and employment to 41% of the people. Despite this, it is also an essential feature of the agriculture sector that the growth of the overall economy along with other sectors largely depends on the performance of the agricultural sector. For these reasons, agricultural sector remains the foremost sector in the Indian economy.

In agriculture, labour is an important component, but it is not usually considered most of the time. Landless agricultural labour is an important factor in agricultural production. These labour productivity and earnings are an essential determinant of the level of economic development. There has been a steady increase in the number of landless agricultural labourers in India. According to the 2001 census, there were 106.7 million landless agricultural labourers. In 2011 that number increased to 144.3 million. As per the Aadhar Statistics, the Haryana population is 27,388,008 (27.39 million) in 2021 as compared to last census 2011 is 25,353,081 (2.54 million).

In the 2011 Census, out of the total population of 25,353,081 (2.54 millions), 44% (1.14 millions) population were employed in the agriculture sector. Out of this 44% (1.14 millions) population, 38% were employed as agricultural labourers. All these 38% population fall in the category of landless labour.

**Table 1: India's population and agricultural labourers**

(In Millions)

Y E A R	Total Population	Average Annual Exponential Growth Rate	Rural Area Population	Overall Workers	Workers in Agriculture		
					Cultivators	Labourers in Agriculture	Over all
<b>1951</b>	361.1	1.25 %	298.6	139.5	69.9	27.3	<b>97.2</b>
			(82.7)		(71.9)	(28.1)	<b>(69.7)</b>
<b>1961</b>	439.2	1.96 %	360.3	188.7	99.6	31.5	<b>131.1</b>
			(82.0)		(76.0)	(24.0)	<b>(69.5)</b>
<b>1971</b>	548.2	2.20 %	439.0	180.4	78.2	47.5	<b>125.7</b>
			(80.1)		(62.2)	(37.8)	<b>(69.7)</b>
<b>1981</b>	683.3	2.22 %	525.5	244.6	92.5	55.5	<b>148.0</b>
			(76.9)		(62.5)	(37.5)	<b>(60.5)</b>
<b>1991</b>	846.4	2.16 %	628.7	314.1	110.7	74.6	<b>185.3</b>
			(74.5)		(59.7)	(40.3)	<b>(59.0)</b>
<b>2001</b>	1028.7	1.97 %	742.5	402.2	127.3	106.8	<b>234.1</b>
			(72.2)		(54.4)	(45.6)	<b>(58.2)</b>
<b>2011</b>	1210.9	1.50 %	833.7	481.9	118.8	144.3	<b>263.1</b>
			(68.9)		(45.1)	(54.9)	<b>(54.6)</b>

Source: -Agricultural Statistics at a Glance, 2020

### Wages for Agricultural Labourers in India

Agriculture remains a very labor-intensive business, employing more than 55% of the country's workers. Wage labour accounts for a significant portion of total manufacturing costs. Due to the labor-intensive nature of agricultural activities, labour costs make up a significant portion of the cost of farming in the nation. The market forces of supply and demand determine labour wages just like they do for any other good. The flaws of any other labor market make it deviate from norms like any other market. These factors lead to wide variation in wage rates in different states. The average daily wages of male and female field-labour, male skilled labour in each state in 2019-20 and variation in average daily wages of male and female field-labour from 2015-16 to 2019-20 shown in the tables below.

**Table 2: Average Daily Wage of Male Field Labour in Each State in 2019-20  
(Wages in Rs/8 hour)**

S. No.	States of India	Average Annual Wages	S. No.	States of India	Average Annual Wages
1	Haryana	453	17	Maharashtra	328
2	Andhra Pradesh	381	18	Odisha	307
3	Jharkhand	258	19	Punjab	425
4	Himachal Pradesh	338	15	Rajasthan	368
5	Assam	318	16	Tamil Nadu	392
6	Bihar	297	17	Telangana	393
7	Karnataka	366	18	Tripura	300
8	Kerala	701	19	Uttar Pradesh	269
9	Chhattisgarh	234	20	Uttarakhand	373
10	Gujarat	251	21	West Bengal	305
11	Madhya Pradesh	265			
<b>All India Average Wages</b>		<b>348</b>			

Source: - Agriculture Wages in India (2019-20), The Directorate of Economics and Statistics, Ministry of Agriculture and Farmers Welfare.

**Table 3: Average Daily Wage of Female Field Labour in Each State in 2019-20**  
(Wages in Rs/8 hour)

S. No.	States of India	Average Annual Wages	S. No.	States of India	Average Annual Wages
1	Haryana	385	12	Maharashtra	225
2	Jharkhand	239	13	Odisha	257
3	Andhra Pradesh	272	14	Punjab	349
4	Himachal Pradesh	312	15	Rajasthan	303
5	Assam	252	16	Tamil Nadu	195
6	Bihar	264	17	Telangana	276
7	Karnataka	336	18	Tripura	240
8	Kerala	525	19	Uttar Pradesh	248
9	Madhya Pradesh	226	20	Uttarakhand	306
10	Chhattisgarh	170	21	West Bengal	256
11	Gujarat	228		Andhra Pradesh	272
<b>All India Average Wages</b>		<b>278</b>			

Source: - Agriculture Wages in India (2019-20), The Directorate of Economics and Statistics, Ministry of Agriculture and Farmers Welfare.

**Table 4: Average Daily Wage of Male Skilled Labour in Each State in 2019-20**  
(Wages in Rs/8 hour)

S. No.	States of India	Average Annual Wages	S. No.	States of India	Average Annual Wages
1	Haryana	574	12	Maharashtra	389
2	Andhra Pradesh	272	13	Odisha	434
3	Jharkhand	372	14	Punjab	508
4	Himachal Pradesh	476	15	Rajasthan	457
5	Assam	252	16	Tamil Nadu	502
6	Bihar	264	17	Telangana	402
7	Karnataka	336	18	Tripura	325
8	Kerala	525	19	Uttar Pradesh	471
9	Madhya Pradesh	226	20	Uttarakhand	578
10	Chhattisgarh	170	21	West Bengal	354
11	Gujarat	228			
<b>All India Average Wages</b>		<b>449</b>			

Source: Agriculture Wages in India (2019-20), The Directorate of Economics and Statistics,

Ministry of Agriculture and Farmers Welfare.

**Table 5: Average Daily Wages of Male Field Labourers by State, 2015-16 to 2019-20  
(Wages in Rs/8 hour)**

State	2015-16	2016-17	2017-18	2018-19	2019-20	% Variation in 2019-20 Over 2015-16
<b>Haryana</b>	<b>388</b>	<b>390</b>	<b>416</b>	<b>440</b>	<b>453</b>	<b>17</b>
Assam	245	275	278	288	318	30
Rajasthan	300	314	336	357	368	23
Maharashtra	113	132	261	278	328	189
Kerala	576	582	613	673	701	22
Karnataka	272	326	354	384	366	34
Bihar	215	235	246	270	297	38
Himachal Pradesh	276	278	300	322	338	22
Gujarat	176	211	219	228	251	43
Jharkhand	182	226	261	256	258	42
Andhra Pradesh	295	321	331	362	381	29
Chhattisgarh	181	201	200	214	234	29
Punjab	373	395	403	412	425	14
Odisha	224	239	270	280	307	37
Madhya Pradesh	213	230	246	249	265	25
Tamil Nadu	334	327	347	372	392	17
Uttarakhand	345	399	350	353	373	8

Tripura	288	297	317	312	300	4
Uttar Pradesh	238	233	241	260	269	13
Telangana	284	290	333	336	393	39
West Bengal	259	267	274	279	305	18
All India Average	275	294	314	330	348	26

Source: Agriculture Wages in India (2019-20), The Directorate of Economics and Statistics, Ministry of Agriculture and Farmers Welfare.

**Table 6: Average Daily Wages of Female Field Labourers by State, 2015-16 to 2019-20 (Wages in Rs/8 hour)**

State	2015-16	2016-17	2017-18	2018-19	2019-20	% Variation in 2019-20 Over 2015-16
Haryana	311	320	350	373	385	24
Tamil Nadu	142	153	168	180	195	37
Maharashtra	80	90	131	209	225	181
Kerala	427	454	482	506	525	23
Jharkhand	170	202	274	230	239	41
Himachal Pradesh	252	266	279	300	312	24
Gujarat	156	187	196	203	228	47
Assam	200	227	229	232	252	26
Bihar	203	216	227	244	264	30
Karnataka	245	280	319	357	336	37
Andhra Pradesh	200	224	239	256	272	36
Chhattisgarh	134	142	135	153	170	27



Rajasthan	247	261	269	302	303	23
Odisha	173	191	227	239	257	48
Madhya Pradesh	184	199	211	213	226	23
Uttarakhand	275	307	232	271	306	11
Tripura	225	253	255	251	240	7
Uttar Pradesh	216	212	223	236	248	15
Telangana	184	187	216	237	276	50
West Bengal	212	225	236	236	256	21
All India Average	212	230	245	261	276	30

Source: Agriculture Wages in India (2019-20), The Directorate of Economics and Statistics, Ministry of Agriculture and Farmers Welfare.

### **Main Observations from above Tables: 2, 3, 4, 5, and 6**

The average daily wage for male field labourers in India was rupees 348 per year in 2019–20, with Kerala paying the highest rate of rupees 701 per day, while Chhattisgarh paid the lowest rate of rupees 234 per day across all states. The average daily wage rate for female field labourers at the state and national levels also revealed that Chhattisgarh paid the lowest wage of rupees 170 per day to female field labourers, while Kerala paid the highest wage of rupees 525 per day. At the national level for all of India, the average daily wage was Rs 278. For the same category of job, it has been discovered that male and female agricultural labourers earn salaries that differ by roughly 25% across India. For skilled workers, Kerala and Chhattisgarh paid the highest daily wages of Rs. 896 and Rs. 307, respectively. At the national level for all of India, the daily wage is Rs 449.

Extremely high state variations are seen. In terms of male field labour, the highest wages in Kerala is almost 200% higher than the lowest wages in Chhattisgarh and roughly 101% higher than the average daily wage for all of India. The highest paid wages in Kerala for female field workers are likewise around 209% higher than the lowest paid in Chhattisgarh and about 89% higher than the average daily wage for all of India. The aforementioned variance accurately captures the situation of the cost of living for employees, labour availability, geographic location of work, and other elements, which are significant in setting the pay rate in a particular state. The combination of market forces and the severity of market defects, on the other hand, can be used to explain the variance in wage rates between states. These discrepancies might also result from labourers' decision to stay employed in their own country.

The average yearly daily wages for field labourers in all of India are 348 and 278 rupees, respectively. The result was that men were paid 25% more than women. The states all show a pay disparity between men and women. The states with the biggest and lowest gender gaps are discovered to be Tamil Nadu (101%) and Himachal Pradesh, Jharkhand, and Uttar Pradesh (08%).

### The Minimum Wages Act, 1948 in India

This is a Parliamentary Act pertaining to Indian labour law that establishes the minimum wages to be paid to skilled and unskilled workers. According to the Indian Constitution, a living wage is the amount of money an employee receives that will allow them to maintain a minimal quality of life, including comfort, education, good health, dignity, and provision for unforeseen circumstances. Though equitable wages are stipulated in the constitution, taking into account an industry's ability to pay them is important. A well-calculated salary is one that not only keeps employment levels steady but also works to raise them while taking into account the industry's pay capacity. In public opinion, the government should set annual wage changes in the same way that countries internationally should.

In 1948, India passed the Minimum Wage Act, which authorised both the central and state governments to set wages. This act is not legally binding, but it is statutory. Payment of wages below the minimum wage rate is similar to forced labour. Wage boards are established to monitor the industry's capacity to pay and fix minimum salaries that can meet a family's needs for food, clothes, shelter, education, caloric, and entertainment for at least four people.

Wage rates in scheduled employment vary across states, skills, areas, and occupations due to differences in cost of living, ability to pay of regional industries, and consumption patterns, according to the law. As a result, there is no uniform minimum wage rate across the country. The table below illustrates the minimum pay rates for highly skilled, skilled, semi-skilled, and unskilled workers in various states and UTs.

**Table 7: Minimum Wage Rates for Various Agricultural Workers under the Minimum Wage Act of 1948**

(On 01-10-2019) Rs. per day

Category of Agricultural Workers								
States/UT	Unskilled		Semi-Skilled		Skilled		Highly Skilled	
	Mini.	Maxi.	Mini.	Maxi.	Mini.	Maxi.	Mini.	Maxi.
Delhi	538.00		592.00		652.00			
Haryana	339.51		359.46	374.31	393.03	412.88	433.31	

Arunachal Pradesh	150.00	170.00	160.00	180.00	170.00	190.00		
Assam	254.91		297.40		371.75			477.98
Bihar	268.00		279.00		340.00			415.00
Jharkhand	249.83		261.73		345.01		398.54	
Goa	307.00		367.00		423.00		465.00	
Gujarat	268.00	276.00	276.00	284.00	284.00	293.00		
Andhra Pradesh	161.00	424.00	179.00	447.00	182.00	507.00	182.00	611.00
Himachal Pradesh	225.00	225.00	233.47	242.00	261.52	269.17	282.50	329.50
Jammu & Kashmir	225.00		350.00		400.00			
Chhattisgarh	234.00	325.00	249.95	350.00	242.79	380.00	338.00	410.00
Karnataka	262.40							607.32
Punjab	325.53		355.53		390.03		429.73	
Madhya Pradesh	296.00		329.00		382.00		432.00	
Sikkim	300.00		320.00		335.00		365.00	
Meghalaya	300.00		340.00		380.00		420.00	
Manipur	273.00		248.00		225.00			
Mizoram	270.00		300.00		370.00		460.00	
Nagaland	115.00		125.00		135.00		145.00	
Odisha	280.00		320.00		370.00		430.00	
Kerala	317.30	542.40	322.30	522.30	340.14	557.30	352.14	580.30
Rajasthan	213.00		223.00		233.00		283.00	

Maharashtra	180.00	315.49						
Tamil nadu	244.45	654.73	248.95	731.73	265.00	808.73	332.61	832.50
Tripura	176.00	346.00	214.00	375.00	226.00	403.00	343.00	669.00
Chandigarh	386.00		392.00		412.00		428.00	
Uttar Pradesh	237.39	318.42	271.30	350.26	323.48	392.35	-	351.78
West Bengal	276.00	315.00	304.00	346.00	334.00	381.00	367.00	419.00
A&N Islands	451.00		508.00		593.00		651.00	
Uttarakhand	310.00	346.00	315.00	353.00	320.00	397.00	336.00	429.00
D&N Haveli	294.10		302.10		310.10			
Daman & Diu	294.10		302.10		310.10			
Telangana	174.62	395.06	192.81	452.75	195.97	517.57	198.47	641.87
Lakshadweep	314.80		339.80		364.80		389.80	
Puducherry	206.00	336.00	216.00	346.00	209.00	352.00	233.00	359.00

Source: - Agricultural Statistics at a Glance, 2020

The table 7 shows that in different states/UTs, unskilled labor gets the highest wages of Rs 538 in Delhi and the lowest at Rs 170 in Arunachal Pradesh. Semi-skilled workers get highest wages of Rs 592 in Delhi and lowest Rs 180 in Arunachal Pradesh. Skilled labor gets the highest wage of Rs 652 in Delhi and the lowest Rs 190 in Arunachal Pradesh.

As per the table, 339.51, 359.46, 393.03 and 433.31 wages are provided to unskilled, semi-skilled, skilled and highly skilled workers in the state of Haryana respectively.

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