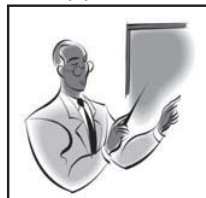
control and rural electric supply as well introduction of dry farming technology, which will result in increasing agricultural productivity and employment.

- This is very necessary that employment generation programme should be undertaken to absorb the excess supply of labour for agricultural operations and in turn, it will increase the income of the agricultural labourers. Thus, enforcement of minimum wages and social security are the essential components of employment programmes.
- Agricultural labourers should be provided with house sites and homesteads not only to meet their basic need but also enable agricultural households to take up supplementary land-based activities like poultry, dairy etc.
- There is an urgent need for a Central Legislation to cover agricultural labour. This legislature should provide security of employment for agricultural labour, payment of prescribed wages and machinery for the settlement of disputes. This legislature should also include the social security measures and welfare schemes for development of agricultural labourers.
- This commission recommends constitution of a separate department for rural labour at the Central and the State levels with the functionaries below the State level as well.
- It recommends establishment of Agricultural Labour Welfare Fund to provide assistance to women agricultural labour for maternity leave for two surviving children, old age pension at the Rs. 100 per month and death and injury compensation.
- This commission endorses the provision for enabling formation of trade unions and agricultural labourers to carry on their activities under applicable laws.



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- The National Commission on Rural Labour was established in 1991 under the chairmanship of Dr. C. H. Hanumanth Rao.





in unorganised sector. The composition of employment in the organised vs unorganised sector was in the proportion 13:87 in 2004-05 and 17:83 in 2011-12 indicating an increase in organised sector employment from 13 per cent in 2004-05 to 17 per cent in 2011-12. But this increase in organised sector employment was informal in nature (48 per cent in 2004-05 increased to 55 per cent in 2011-12) while the share of organised formal employment decreased (52 per cent in 2004-05 decreased to 45 per cent in 2011-12). But in the unorganised sector the share of formal employment marginally increased from 0.3 to 0.4 per cent and that of informal employment declined marginally from 99.7 to 99.6 per cent. On the whole, the number of formally employed increased from 33.41 million in 2004-05 to 38.56 million in 2011-12.

### 12.3.2 Features of the Informal/Unorganised Sector

The main features of informal/unorganised sector of India are as follows: -

- **Low level of education:** The lack of proper education and training of workers engaged in the informal sector is the main feature of informal/unorganised sector in India. The skill gained by these workers are from outside the formal education and vocational training. The informal or unorganised sectors are only the job providing avenues for them. They are not capable of finding any job in the formal sector as they are not efficient as well as there is lack of professionalism in them. Thus, there is no alternative choice available for them other than engaged in the unorganised sector.
- **No job security:** There is no job security associated with the jobs in the informal or unorganised sector. the NCEUS has classified the workers as formal and informal on the basis of job security. The workers working in the informal sector are not provided any job security. This is one of the main characteristics

of informal sector in India.

- **No regular job:** The jobs provided by the informal sector are not regular in nature. The jobs are available on the basis of the requirement of the workers by the employers. When there is no need of workers then the workers are asked to leave the job without providing any reason. Thus, the jobs are temporary in informal sector and it is in favour of employer only. This is another salient feature of informal/unorganised sector in India.
- **Workers are paid on daily basis:**The socio-economic conditions of workers engaged in informal sector are so deplorable that they required to be paid on daily basis. They are exploited by their employers. They are paid low wages, no any work security, women and child labours are even paid lower than male counterpart etc.
- **Easy entry:** The entry in the informal/unorganised sector in not closed. It is easy in the sense that who want a job in this sector can find some sort of job easily though the wages are low and paid on daily basis. Thus, easy entry is another feature of informal sector.
- **Absence of legal framework:** This sector remains outside the existing labour laws of an economy. This makes their jobs insecure and vulnerable. The fate of these workers remains mostly with the mercy of employers.
- **Low scale of operations:** The scale of operation of the informal sector is very low. The level of investment, technology used and income generated are very much low.
- **Lack of access to institutional finance:** Small and micro enterprises under informal sector do not have access to finance from formal banking and non-banking financial institutions as they are not registered.





for a national minimum wage for rural labour. They deplored the wide variations in the minimum wages prescribed for unskilled workers in agriculture by various State Governments, and laid down the following principles for fixation of minimum wages: (a) the cost of living relating to the minimum subsistence level for the worker and his family of three adult consumption units, and (b) the minimum wage will be the same for all employments. The National Commission on Rural Labour thought that the application of these principles would naturally bring about uniformity in the minimum wages throughout the country irrespective of the authorities notifying the wage. The Commission called this the basic minimum wage applicable for the country as a whole, and no wage should be fixed or permitted below this level. This is to be distinguished from the minimum wage which may be notified above this level under the Minimum Wages Act by different State Governments. Differences in the wages arrived at on the basis of cost of living would be accounted for only by the differences in the comparative cost of living between various regions in the country.

In India, there is inequality in agrarian structure and increasing polarisation in Indian agriculture. It has been observed that there is a growing tendency on the part of the small and marginal farmers to sell their land holdings to big farmers. This is mainly because of the fact that though the modern technology is scale neutral, the small and marginal farmers find it difficult to adopt it due to capital scarcity. In the words of NCRL, "the new technology, being market oriented and capital intensive, has mainly favoured the big peasants, small farmers not possessing the required resource base or requisite knowledge and risk bearing capacity have lagged behind the adoption of technology. Small and marginal farmers are therefore, placed at a disadvantage vis-à-vis the big owners and sometimes economic pressures might have forced them out to join the swelling ranks of agricultural labourers."

There are various measures suggested by the NCRL to improve conditions of rural labourers.

A few important measures are listed below.

- To create and/or strengthen infrastructure of irrigation, drainage and flood

are attached to specific landlords. ALE also came up with the findings that most of the agricultural workers don't have land holdings and even they have, the size of the land is very small. Regarding social status of the agricultural labourers ALE found that they mostly belong to lower caste viz. schedule tribes, schedule caste and other backward classes. In 1961, total number of agricultural workers was 31 million. According to the estimates of the National Commission on Rural Labour (NCRL) in 1991, the total rural household is 108.4 million out of which 43 million are rural labour households and among them 33.3 million are agricultural labour households in 1987-88 which was almost 77 percent of rural households is agricultural labour households.



**LET US KNOW**

- Agriculture labours can be categorised as -
  a) Landless Labours who are attached to the landlords.
  b) Landless labours who though independent but work exclusively for others
  c) Small farmers with tiny pieces of land who out of economic necessity have to devote most of their time to working for others.
  d) Farmers who although have economic holdings but some members of their family work for other farmers.
- **Contract labour:** the labour of workers whose freedom is restricted by the terms of a contractual relation and by laws that make such arrangements permissible and enforceable. Contract labour is hired, supervised and paid wages by the contractor.

## 12.5 MAJOR RECOMMENDATIONS OF THE NATIONAL COMMISSION OF RURAL LABOURS (NCRL)

The National Commission on Rural Labour (NCRL) constituted under the chairmanship of Dr. C. H. Hanumanth Rao in 1991.It is the most significant step towards the welfare of rural labour. made a strong recommendation





### 12.3.3 Major Issues of the Informal Sector

In India, people engaged in informal sector are mainly poor in terms of education, skill, capital etc. Since alternative source of employment and income in formal sector is limited for these unskilled workers, they end up in informal sector mainly as source of livelihood. Besides, the employment growth in the organized/formal sector has always been less than the total workforce available in the country resulting in a faster growth of employment in the informal sector. The large-scale migration of unskilled people from rural to urban areas has also resulted in burgeoning expansion of informal sector. This sector remains outside existing taxes and labour laws of the economy which stand as stumbling block in availing social security and job security. Since these enterprises are not registered, they do not have access to finance from formal banking and non-banking financial institutions.

### 12.3.4 Suggestive Measures

Informal sector in India is quiet large in its size and operation. It comprises mainly of a large number of poorly educated labour force, traditional occupations, poor financial inclusion and lack of motivation or aspirational skills. Therefore, any approach undertaken to address issues of informal or unorganised sector must take into account all these aspects. A holistic approach is needed to address the issue. Following suggestions can be made in this regard.

- There is a need to create a congenial environment which will encourage micro and small enterprises to register and realize that any cost of formalization is associated with number of benefits like access to finance, better infrastructure, market information, government incentives, a platform for formal association, providing them legal framework, efforts to overcome uncertainty in financial returns and safety nets for them as well as their workers.

- As corollary to the above, this will inculcate a tradition of regulatory compliance in terms of taxes and labour laws. Once registered, this besides expanding tax base of the country will also help government finance minimum social security cover for workers in unorganised sector.
- Moreover, the process of formalisation will lead to an improvement in skill levels of the workforce that match the requirements of the job market and at the same time improve the bargaining power of the workforce to settle for decent wages, social security and job security.
- Since workers engaged in unorganised sectors are less educated and unskilled, some special training is necessary to impart state of the art skill so that these workers can be gainfully employed in organised sectors.
- Some social security arrangement should be made for informal/ unorganised workers in addition to present measures which are considered to be not sufficient.

## 12.4 PRESENT STATUS OF INDIA'S AGRICULTURAL LABOURS

India is an agrarian economy employing nearly 50 percent of the total labour force of the country. Out of this, a sizeable amount of workforce are agricultural labourers. But whom to be called as an agricultural labour. The first attempt in defining an agricultural labour was made in 1950-51 by the Agricultural Labour Enquiry Commission. According to this commission, all those who accept wage employment in any crop raising activity are to be treated as 'agricultural labourers. This definition has not scientific basis in as much as most workers in India do not succeed in getting wage employment. This committee has introduced a new term 'agricultural labour household. The bread earner of a family of 50 percent or more of the income earners of a joint family take agricultural labour as the main occupation, the family has to be classified as agricultural labour household. This definition





also includes rural artisans, small and marginal farmers in agricultural labourers. The attempt was made by the Agricultural Labour Enquiry Commission of 1956-57. This commission adopted a slightly broader definition as it also included certain allied activities like animal husbandry, dairy, poultry, piggery, pisciculture etc. under agricultural operations. But the Census of 1961, included all those who worked on others' land and receive compensation either in cash or kind (or partly in cash and partly in kind) were treated as agricultural labourers. The Census of 1971, defined agricultural labour as those people whose main occupation was working on the farms of others. Though, this definition provided by the Census of 1971 was considered to be quiet, but it was most accepted one in the context of India. Generally, workers who are involved in farm activities are known as agricultural labourers.

The agricultural labourers are most vulnerable sections in India. They are lacking of skill, proper education, training etc. andthus, productivity is very low. In some cases, their productivity becomes or falls below zero giving rise to disguised unemployment. Thus, their income is too low to obtain the minimum standard of living. Therefore, this class is socially as well as economically backward. They are also subjected to exploitation and are the most oppressed class in India. In the early times, like prior to independence the condition i.e., social and economic status of agricultural labours is very painful. Their conditions were not better than beggar (or forced labour). They were also considered as bonded labours and were forced to work as serf or slave. They did not even get money wages for their labour. Thus, they are impoverished section. However, as a result of concerted policy efforts by the government under its various development plans the conditions of agricultural labourers have been improving. But still it is not adequate.

The exact statistical data on agricultural labours in India are not available. In 1960, according to the second Agricultural Labour Enquiry (ALE), about 25 percent of rural populations were engaged as agriculture labourers and more than 85 percent of the rural workers are casual, serving any farmer who is willing to engage them and only 15 percent of agricultural labourers