

# NON COLLEGIATE WOMEN'S EDUCATION BOARD

Hansraj College Centre, University of Delhi, For 21/03/2020

B.A. (Prog) IIIrd Year, Section - A, Room No.- A101 (09:40-10:40)

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## PAPER – ECONOMICS

### SECTION – B, UNIT – 1 AGRICULTURE

#### AGRICULTURAL LABOUR –

Agricultural labour refers to physical work done on the fields of others. It is provided mostly by economically and socially backward sections for making their living. This labour is mostly required at sowing and harvesting seasons and during which workers have to earn for the entire year. This labour is categorised in two categories –

**a) Landless Labourers** – These are the people who work upon the lands of others for their livelihood. Some of them are bonded labourers who are tied to their masters and cannot move to another master. They have to provide *begar* or forced labour and do not normally receive wages in cash but in kind.

**b) Small and Marginal Farmers** – Most of the small farmers fail to earn enough for their subsistence. They are often compelled to work on others land to raise their earning. So small and marginal holders work as agricultural labourers to supplement their earning.

According to one estimate, between 75 and 80 percent of all agricultural labourers belong to the scheduled castes. The size of labour as a percentage of total workforce was nearly 17 percent in 1901, 27 percent in 2001. Compared to 2001 census, there has been increase of 44 percent in male and 24.5 of female workers.

#### CAUSES OF GROWTH OF AGRICULTURAL LABOUR –

**1) Population Growth** – Rapid population growth is the principal cause of rapid rise in the size of agricultural labour. By 2027 India is expected to overtake China as the world's most populous nation. However our economy is not growing at a pace adequate to provide employment opportunities to this additional workforce.

**2) Decline of cottage industries and village handicrafts** - There was a rapid decline of cottage industries and village handicrafts during the British period and modern industries were not set up to take their place. These bulk of workforce were forced to seek employment as agricultural workers in the countryside.

**3) Uneconomic holdings** - The process of subdivision and fragmentation of holdings has continued unabated for a long period of time. This has rendered a large number of holdings uneconomic.

**4) Increase in indebtedness** - The moneylenders and mahajans often advance loans with the purpose of grabbing the land of small farmers. They adopt various malpractices like charging exorbitant rates of interest, manipulating accounts etc. Once the small and marginal farmers fall into their trap it becomes very difficult for them to get out.

**5) Poor Enforcement of Land Reforms** – The zamindari system has been abolished by law in all states after independence. Ceiling on holdings was also introduced and surplus land was redistributed among small and marginal holders. But in most cases government failed to sustain these reforms. Land alone is not a sufficient means of farming it need to be supported by seeds, water, fertilizer, tools etc.

## **STEPS TAKEN BY THE GOVERNMENT TO IMPROVE THE CONDITION OF AGRICULTURAL LABOURERS –**

**1) Minimum Wages Act** – According to this act every state government was asked to fix minimum wages for agricultural labour within three years. But in practice this has failed to increase the wages and earnings of labours.

**2) Abolition of Bonded Labour** - The Bonded Labour System Act 1976 declared bonded labour as an illegal practice and a punishable offence. However this law has also failed to abolish practice of bonded labour. It is still a way of survival for thousands in rural areas.

**3) Employment Programmes** – A number of employment programmes have been initiated for the rural landless labourers. Among them NREGA and SJGSY open opportunities for landless labourers.

**4) Redistribution of Land** – Under this process the surplus land above the stipulated limit is acquired by the government and then redistributed among small and marginal holders or landless labourers. The government has so far acquired 27 lakh hectares and nearly 24 lakh hectares have been redistributed among 55 lakh landless families.

**5) Other Legislative Measures** – The zamindari system has been abolished by law in all states and with that exploitation associated with this system has been removed. Tenancy laws have been passed in most of the states protecting the interests of the tenants and labourers.

## **AGRICULTURAL PRICE POLICY IN INDIA –**

Price policy of the government for agricultural produce seeks to ensure remunerative prices to the farmers for their produce in order to encourage higher investment and production and also for safeguarding the interests of consumers by making available food supplies at reasonable prices. The Commission for Agricultural Costs and Prices (CACP) was set up in 1985 to form price policies. Price Stabilisation Policy of the government include following components -

### **a) Minimum Support Price (MSP) –**

CACP every year declares minimum support prices, issue price and procurement price for various agriculture produce. MSP is the guaranteed price farmers will get by selling their produce. If market price falls below MSP, government buys the surplus produce from the farmers. Issue price is the price at which government sells agricultural products to public through fair price shops. Procurement price is the price at which government purchases agricultural products from the farmers to maintain Public Distribution System stock. Procurement prices are generally more than MSP otherwise farmers would not be willing to sell their products to the government.

### **b) Buffer Stock Operations –**

It is the stock of food grains, particularly wheat and rice, which the government procures from farmers and markets for the purpose of stabilising their prices. For conducting this operation Food Corporation of India was established in 1965. FCI maintains stock of food grains and sells them at subsidised prices through fair price shops. The government adds to the stock during periods of surplus production and releases stock during periods of scarcity. Using this practice government strives to stabilise price of food grains by adjusting demand and supply. Thus maintaining buffer stock is an important component of government price policy.

Price policy has been fairly successful in enabling the farmers to obtain minimum price for their produce in India. Rice and wheat prices have been around or above the MSP in areas characterized by surpluses. Hence, implementation has been quite successful as far as MSP is concerned. Another important contribution of this system is that it has brought about stability in agricultural prices which in turn has been a major factor in promoting investment in new technology for increasing agricultural production. The share of public investment has also been increased and various agricultural development plans have been launched as - subsidy on crop loan, national food security mission etc. These witnessed growth in agriculture productivity and reduction in cost of cultivation.

