

## CHAPTER XV

# RENTS AND WAGES

The endeavour is to examine the behaviour of rents and wages in the Indian economy in recent times, and to reflect upon the forces that determine rents and wages in the socio-economic context of this country. To the extent data are available, the analysis will be quantitative in character and the degree as well as the direction of change will be sought to be determined. But apart from this, some qualitative aspects of rents and wages and the mechanism for the control of rents and wages will also be discussed. Though the analysis relates generally to the post-independence period, and particularly to the era of planning, beginning with the year 1951 and spreading over India's first four Five Year Plans, occasional comparisons with the pre-independence period are also undertaken.

The study is divided into four parts, Part-I dealing with agricultural rents, Part-II with non-agricultural (urban) rents, Part-III with non-agricultural (industrial) wages and Part-IV with agricultural wages. The treatment of rents and wages whether in the agricultural or the non-agricultural sector cannot obviously be exhaustive, for, even as rents are of numerous varieties and pertain to several types of property, wages are of many categories and apply to several levels and grades of labour. It is not possible to deal comprehensively with the behaviour of rents for all manner of agricultural and urban property — land in its several varieties, residential accommodation of various categories and premises used for non-residential purposes, such as office accommodations, shops, warehouses and hospitals, to name leading categories. Nor is it possible to give a very exhaustive treatment of the wages of agricultural and industrial workers divided as these workers are into numerous grades which are differentiated on the one hand by the levels of earnings and technical skills and, on the other, by types of occupation — manual and mental, skilled and unskilled — and types of industries — traditional and modern, public sector and private sector. An attempt, however, is made to analyse the rents of the dominant categories of lands and buildings in the agricultural and the urban sectors, and the wages of the main categories of workers, particularly organized workers, in the industrial sector and the generality of workers in the agricultural sector. In studying rents and wages, one has to be conscious that one is dealing with the rewards of two important factors of production, rents being the turn on the ownership of property, for allowing its use by others, and wages being the reward to workers for giving their labour. Interest earnings, which are the reward for allowing the use of one's capital by

someone else, and profits, which are deemed to be the returns to ones entrepreneurial skill, risk-taking and successful operation of business, are the other major rewards to productive factors and are dealt with elsewhere.

## A. RENTS

### I. Agricultural Rents

The nineteenth century, for the first time, brought a situation in India in which land became a valuable asset to hold in order to earn rents as distinct from being used for agricultural purposes to obtain income from the process of cultivation. This emergence of land as a valuable rent-yielding property was obviously due to the growth of population and the consequent growth of towns and the opening-up of the new channels for trade and communication in the country-side through the development of the railway, the emergence of ports, etc. The pre-nineteenth century phenomenon of an unlimited supply of land in relation to a meagre population thus came to an end and the demand for land, for the first time, began to exceed the supply then available, making it necessary for those who wanted to use land to pay rents to landowners. The problem of high rents in agriculture first noticed on a wide scale in the nineteenth century, became a country-wide phenomenon in the first half of the twentieth century and the demand for rent reduction became a major objective of social policy on the part of reformers, intellectuals and the national leadership. The adverse supply position in relation to demand led landowners to step up rents, evict tenants from time to time, indulge in rack-renting and thus cause great hardship to the tenantry. Peasant disturbances quite often had their roots in these phenomena of rack-renting and evictions and land-hunger grew quite seriously. These tendencies began to manifest themselves so sharply by the 1940's that, as soon as independence was secured, the land reform movement took a very definite shape and brought immense pressures to bear upon various administrations in different parts of the country to frame comprehensive land legislation for security of tenure on the one hand, and for the reduction and subsequent abolition of rents on the other.

**Factors Determining Agricultural Rents:** After the beginning of the era of planning, most State Governments under the guidance of the Planning Commission and the Central Government framed comprehensive legislations for rent reduction and other land reforms. By this time, the demand and supply situation with respect to land had become quite acute. Land is an asset whose supply cannot be increased readily. Irrigation and reclamation programmes are not easy to administer and the resources

required to bring additional lands under the plough are generally very large and often beyond the reach of small peasants. Even so, recent estimates show that between 1951 and 1961, grass-cropped land increased by about 16 per cent, thanks to reclamation, irrigation and double-cropping. This was, no doubt, a very welcome feature at a time when the demand for land was growing very rapidly owing to a population growth of 21.5 per cent and an income growth in real terms of about 4 per cent over the decade. By all accounts, the increase in the demand for land was faster than the additions to supply, with the result that the market value of land increased phenomenally while rents, which represent the price to be paid for the use of land, also showed considerable increase. An additional factor which kept land-hunger or the demand for land growing very rapidly was that new jobs in the non-agricultural sector, though increasing by more than a million each year, were not increasing fast enough to cause a net shift of the population from the agricultural to the non-agricultural sector. The pressures of agricultural populations on agricultural land continued unabated and, in fact, increased further, with the result that agricultural rents had a built-in tendency to increase quite rapidly. The economic forces of demand and supply were bound to bring about generally increasing rents in all sectors and no less so in the agricultural sector.

**Land Reforms and the Mechanism for Agricultural Rent Control:** It was in the face of these economic forces which tended to push up rents that the attempt of the land reform movement to reduce the burden of agricultural rents must be appreciated. The main planks of land reforms in almost all the States of this country were (a) security of tenure for all those tenants who had been cultivating lands for, say, five years; (b) reduction of rent burdens wherever these were shown to be excessive; (c) the right on the part of the tenant to purchase the land from the landowner at a price generally lower than the "free" market price of land and thus relieve himself of the rent burdens altogether. Legislations, of course, varied from State to State, but, by and large, wherever the tenant cultivator and the landowner agreed to the customary or the prevailing levels of rent, the executive authority allowed these rents to prevail and did not interfere. But wherever a tenant found the burden of rent to be excessive, he could resort to Revenue Courts. Revenue officers would then revise the rent at such a level that it was no more than  $\frac{1}{4}$  to  $\frac{1}{6}$  of the value of the gross produce of the farms. There were, however, several exceptions. To illustrate, until recently, the State of Tamil Nadu permitted the landlord's share in the produce to be as high as 60 per cent while the tenant cultivator only got the remaining 40 per cent. This was revised later, but even in the revised set-up, tenants continued to pay 25 per cent to 40 per cent of the

produce as rent depending upon whether the landowner did, or did not, contribute farm capital to the operation of the farm.

Under the celebrated Zamindari Abolition Act of the State of Uttar Pradesh — the first comprehensive reform of its kind in this country — an occupancy tenant (a permanent and hereditary tenant) had two options. He could continue to pay the rent of land but pay it to the Government rather than to the absentee landowner who was, of course, given a compensation in order to forego the ownership of the land. Alternatively, the occupancy tenant, could pay as a lumpsum a value equivalent to 10 times the annual rent or, in instalments, a sum equal to 12 times the annual rent and, thus, acquire the ownership of land. As soon as the payment was completed, the burden of rent was reduced by half; the remaining half was deemed to be land revenue and was received by the State.

In erstwhile States, such as Bombay, Hyderabad and many others, a tenant-cultivator, who had occupied the land for some years and was described as a permanent or a protected tenant, could venture, within prescribed limits, to buy up land from his landlord by paying about 8 to 10 times the annual rent. This multiple of rent actually worked out to be much less than the market value of the land and by buying up land so cheaply, it became possible for the tenant to acquire ownership rights and avoid further rent payment. After the acquisition of ownership right, the new owner did not pay rent but only paid land revenue which was a mere fraction of the old rent. The India Land Reform Movement thus aimed at the abolition of rents altogether in course of time, as tenants acquired full ownership rights or as owners resumed their lands from their tenants, within prescribed limits, for personal cultivation. Thus, there was to be a return to peasant proprietorship and an elimination of the superfluous layers of non-owning, rent-paying cultivators and non-cultivating, rent-collecting, absentee landlords. Only one payment, namely, land revenue — paid by the owner-cultivator to the Government — was to survive and rent, which was an intermediary payment from the tenant to the landlord was to be abolished.

It is interesting to note, however, that the tenantry in this country did not generally take full advantage of the measures to reduce rents of agricultural lands or of the measures enabling tenant-cultivators to purchase their lands and have rents abolished. Less than 20 per cent of the tenant-cultivators went to the Revenue Courts and pleaded for rent reductions. It was perhaps in the nature of things that owing to the great shortage of land and the increase in land-hunger, the bargaining position of tenants should be compromised seriously. Moreover, in day-to-day life the lot of the tenant is tied with the landlord at many points, and the social relations existing in Indian rural society did not make it easy for tenant to plead openly against their landlords and ask for rent reduction.

Even so, what land reforms could not achieve in a big way in terms of rent reduction, inflation and the growth of productivity between 1951 and 1965 appear to have achieved quite successfully. The point is that rents in Indian agricultural society are fixed in three different ways: rents are settled in terms of so many tonnes of produce per hectare or in terms of so many rupees per hectare or, indeed, as such and such a percentage, say, 30 per cent of the produce. In the first category, the absolute rent which is a given number of tonnes per hectare could not be reduced. But even so, the increase in productivity per hectare made the existing rent a smaller percentage of the increased produce and, thus, reduced rent burdens per hectare. In the second instance, where rents were fixed as so many rupees per hectare, the growth in the productivity per hectare and, more so, the increase in the price of the product, considerably enhanced the value of the product from every hectare of land; and so the given number of rupees fixed as rent came to be a smaller proportion of the value of the produce and constituted a smaller burden. Only in the third category, where rents were fixed as a percentage of the produce, did an increase in the volume and/or the value of the produce result in a simultaneous increase in rents and no alleviation of the rent burden. These are share-crop rents, and it is precisely in this type of rent fixing that the tenantry suffered heavily.

**Share-Cropping Rents:** The discovery on the part of landowners that the adoption of share-cropping arrangements and fixing rents as a percentage of the produce was an excellent way of dodging many important planks of land reform, appears to have led to an increase in subtle share-cropping arrangements whereby the actual tenant is not formally recognized as tenant but is only deemed to be a farm servant. There is either a servant deed made between him and the landlord or, indeed, there is no deed at all but a mere oral lease. This arrangement at one stroke nullifies all the rights of the tenant—the right to security, the right to have rents reduced and the right to purchase the land of the landowner within specified limits and, thus, save himself from excessive rent payment. From all accounts, the area under this kind of share-cropping tenancy is not only large, but has been on the increase lately. A recent study by Ladejinsky in five districts of India in different States confirms this belief. Ladejinsky finds rent burden among share-cropping tenants in the Tanjore district of Tamil Nadu to be between 60 and 66 per cent in numerous cases. Other districts like West Godavari, Ludhiana and Shahbad are not very different in terms of high rent payment and subtle tenancy arrangements. An offshoot of excessive rents obviously is the reduction in the incentive to cultivate land with improved techniques and with a greater intensity of investment per hectare. Moreover, share-cropping tenants, burdened with excessive rents and with no record of the lease, find it very difficult to

obtain loans from co-operative and other organizations, public and private and at best secure very meagre quantities of credit.

In order to reduce the burden of oppressive and exploitative rents and give to the share-cropping tenants their due rights under tenancy reform, including the right to fair rent, the most important thing is to identify these tenants who are often camouflaged as farm servants. The real test of their identity will be whether in addition to giving their labour they are also contributing working capital or fixed capital to the farm. For, if they are contributing capital and not merely labour, the presumption ought to be that they are, in fact, tenants and not merely wage labourers. In that case, their tenancies should be forthwith recorded, the security of their tenure guaranteed, their rents reduced to a 'fair' level and their right to purchase the lands which they cultivate should be granted. Such an identification of share-cropping tenants is by no means an easy matter, as the approach of each single farm hand has to be individually made. Luckily, the population Census of 1961 included in its schedules questions about people's right to the land they occupy and the area so occupied. It turned out from the census data that about 23 per cent of India's total cultivated land is under one form of tenancy or another. As the land openly declared to be under tenancy cultivation in the village papers and in the Censuses of Land Holdings (conducted in the middle of 1950's) works out to be about 12 per cent, it would appear that the additional 11 per cent or so of land area stated in the population Census of 1961 to be under tenancy arrangements is under concealed share-cropping tenancies. On this additional 11 per cent of area, agricultural rents are obviously very high and several studies are available to show that these rents range between one-half to two-thirds of the value of crops produced.

In order to be able to identify the tenants individually, enter their titles in the Record of Rights in the village and have rents subsequently reduced, it has been suggested that a committee be formed at the village level. This committee might deal with one or a few villages and could consist of representatives of tenants, of landowners and of the tenant-cum-landowner category. It is probably better to add to this group a Government representative, preferably of the Land Revenue Department, inasmuch as the presence of this official might help in the maintenance of the proper perspective and prevent politics from dominating the decisions of the committee. Once a tenant is identified and his rights recorded, rents can be reduced to fair levels — about 1/4th to 1/6th of the value of the produce.

Just as a large percentage of permanent or protected tenants who could have taken advantage of the provision of rent reduction, have not, in fact, taken this advantage, so also the right of the tenants to purchase the land at less than the market price has not been adequately utilized.

This seems surprising at first sight, especially when land is said to be a very crucial asset for which there is great demand both on economic and social grounds and when the abolition of high rents automatically follows as soon as ownership rights are acquired by tenants. On detailed consideration, however, there seems to be some justification for the tenants not taking advantage of the right to purchase. The new ownership which such a purchase will grant is not the same as the old one; that is to say, the new right is hedged with many qualifications insofar as one cannot mortgage or sublease one's land, nor use it for non-agricultural purposes, nor, indeed, add to it easily owing to ceiling limits on future acquisitions. Secondly, even though the new ownership rights can be acquired relatively easily by paying only, say, 10 times the annual rent, it requires the amassing of some capital and one has to go out of one's way to do so. And finally, there is a general feeling among protected and permanent tenants that if the new law has already given security, permanency and hereditary rights, there is no particular reason to acquire formal ownership especially since capital has to be amassed and since existing rent burdens, for one reason or another, have already become tolerably low.

**Magnitudes of Agricultural Rents:** Thus, on about one-fourth of the agricultural land surface, tenancy cultivation with rent payments seems to continue; of this about half the area would appear to be subject to rather excessive rent payments, ranging anywhere between 40 to 66 per cent of the value of the produce, while the other half, which comprises recorded tenancies, pays relatively low rents which may well be between one-sixth to one-fourth of the value of the produce, in some cases, slightly more.

In order to give an approximate idea of the rents paid for leasing-in agricultural lands in different parts of the country and in different size groups of farms, we produce from the Farm Management Studies conducted by the Ministry of Food and Agriculture, Government of India some data in Table 1 about rents and their relation with the value of output. It is noteworthy that generally rents per acre decrease as the size of holding increases. This suggests — and there is other evidence too to support this contention that in larger holdings bad land constitutes a greater share. That output per acre declines as holding size increases also suggests the correctness of this hypothesis. Since both rent and gross output decline per acre with an increase in holding size, and decline more or less in the same proportion, rent as a percentage of output has no tendency to increase or decrease with holding size.

But the regional variation in rents per acre and also in rents as a percentage of output are quite remarkable and land reforms do not seem to have brought about much regional equality. In the dry tracts of

erstwhile Bombay, for instance, rents are between Rs. 6 and Rs. 18 per acre and constitute between 10 and 20 per cent of output. But in the wet areas of Andhra Pradesh rents are as high as Rs. 150 to Rs. 210 per acre and amount to as much as 40 to 60 per cent of output. In the two selected districts of erstwhile Madras rents range between 20 and 35 per cent and in the Punjab between 30 and 40 per cent of output.

TABLE I

## Rents Per Acre and as Per Cent of Gross Output Per Acre by Size of Farm

<i>State/Size of holdings (in acres)</i>	<i>Mean size of holding</i>	<i>Rent* per acre (in Rs.)</i>	<i>Gross output per acre (in Rs.)</i>	<i>Rent per acre as per cent of gross output per acre (3 as % of 4)</i>
<b>Andhra Pradesh</b>				
Below 1.25	0.71	204	473	43.1
1.26 — 2.50	1.82	192	492	43.4
2.51 — 5.00	3.65	175	388	45.1
5.01 — 7.50	6.37	168	295	56.9
7.51 — 10.00	9.06	176	346	50.9
10.01 — 15.00	12.32	169	369	45.8
15.01 — 20.00	16.87	185	418	44.3
Above 20.00	33.06	151	327	46.2
<b>Bombay (Maharashtra)</b>				
Below 5	2.7	18	102	17.6
5 — 10	7.9	11	110	10.0
10 — 15	12.3	12	62	19.4
15 — 20	17.2	13	95	13.7
20 — 25	22.2	8	46	17.4
25 — 30	27.7	7	56	12.5
30 — 50	36.9	7	70	10.0
50 & above	68.2	6	36	16.7
<b>Madras (Tamil Nadu)</b>				
Below 2.5	1.53	50	257	19.5
2.5 — 5.0	3.68	50	222	22.5
5.0 — 7.5	6.03	39	195	20.0
7.5 — 10.0	8.72	43	199	22.5
10.0 — 15.0	12.10	27	121	22.3
15.0 — 20.0	17.40	21	72	29.2
20.0 — 25.0	24.04	30	88	34.1
25.0 & above	38.21	15	76	19.7
<b>Punjab</b>				
Below 5	3.63	73	200	36.5
5 — 10	7.48	67	186	36.0
10 — 20	14.37	59	173	34.1
20 — 50	29.32	55	155	35.5
50 & above	79.75	49	142	34.5

Source: *Studies in the Economics of Farm Management*, Ministry of Food & Agriculture, Government of India.

(\*) Estimates of rents are by Dr. C. H. Hanumantha Rao of the Institute of Economic Growth and are based on the *Studies in the Economics of Farm Management* undertaken by the Government of India.



## II. Urban Rents

In this section the rents of non-agricultural lands, (generally urban lands) and of buildings, both residential and non-residential, in urban areas are dealt with. Not only the levels of rents and their recent rates of change, but also the factors influencing these levels and rates, the machinery for controlling rents and the degree of success in the operation of this machinery are discussed.

It is important to note that the rent of land, being the price to be paid for the use of land, depends upon the supply of land and its demand, the latter being derived from the use to which land is put. The main use of urban lands, of course, is for building purposes and, therefore, the rents of urban lands must in the ultimate analysis be related to the returns from buildings, whether of a residential or a non-residential character. Thus in large metropolitan centres where the supply of land for building is very limited but the demand for building is extremely heavy, the result is a more intensive use of building, a tendency to increase the number of storeys in each building, and an increase in rent per unit of space. The total rent of the building on any given area of land increases by leaps and bounds and this in turn enhances the rents of lands on which these buildings are constructed. Thus the real explanation of the rents of urban lands is to be sought in the rents of buildings constructed on these lands and hence land rents are seen to be a derived phenomenon.

The crucial factors in recent times which have raised the demand for buildings and hence their rents, as also the rents of urban lands, are the dual phenomena of population growth and urbanization. India's population which used to grow at a rate much less than 1 per cent per annum before 1921, registered between 1921 and 1951 a growth rate of about 1 per cent per annum, thanks to the decline in the death rate consequent upon the control of infectious and contagious diseases and the control of famines, etc. Side by side with this, a colossal process of urbanization manifested itself as a result of many important factors such as industrialization, lack of job opportunities in rural areas, concentration of war-time industries in cities and post-independence migration of displaced persons. This process was at its peak between 1941 and 1951 and the rate of urbanization during this decade had no parallel in the history of this country. The ratio of urban population to total population which was only 13.9 per cent in 1941 increased to 17.3 per cent in 1951, the rate of urbanization (defined as percentage variation in the percentage of urban to total population) working out to be as high as 24.6 per cent. Between 1951 and 1961, the ratio of urban to total population only rose from 17.3 to 18.0 per cent, the rate of urbanization being only 4 per cent compared to 24.6 per cent in the previous decade.

Even so, the increase in urban population in absolute terms was quite alarming, the decennial rate of growth — both from natural sources and from migration from the rural to the urban sector — working out to 41 per cent in 1941-51 and about 35 per cent in 1951-61.

The period from 1941 to the present times has thus seen an unusual growth of towns and cities. Urbanization is caused partly through the emergence of new towns where there were no towns before and partly by the addition to the size of population centres. Thus, villages become small towns, small towns grow into large towns, large towns become cities, cities grow into major cities and these in turn develop into vast metropolitan centres. An increased density of population in urban areas which urbanization brings about, causes the demand for buildings for all purposes to rise sharply in relation to their supply. Rents of buildings are pushed up remarkably in the process and this in turn has its impact on the rents of lands on which buildings are constructed. The saving factor, however, is that additional lands can be converted from agricultural to urban uses and this additional supply tends to keep the prices and the rents of urban land rather lower on the peripheries of the growing towns and cities than in the centres. Were it not for this fact of availability of agricultural lands for urban purposes, urban rents, both of lands and buildings, would have been much higher than what they actually have been.

Even as the rent to be derived from buildings and lands in urban areas grows, the price of buildings and lands, which reflects the capitalized value of rents, grows accordingly. One of the outstanding features of the last decade or so has been an abnormal increase in land values and in the value of buildings.

Phenomenal increases in the rents of urban lands and buildings are bound to cause great hardships, both to tenants who want residential and other accommodation and to many buyers of premises and of land who constantly find the prices of property rising above the limits of their purse. Salary-earners, professional workers and those with relatively fixed incomes, find it increasingly difficult to acquire property while a tight demand situation relative to supplies enables landlords to evict tenants, increase rents and cause serious inconvenience.

**Urban Rent Control Machinery:** Most State Governments faced with this phenomenon during the Second World War and thereafter, had devised ways and means for rent control. The control mechanism applied generally to rents of buildings in large and medium sized cities, but did not exist, for all practical purposes, in small towns. The most common method applied is that rents prevailing on or around a certain date, for a given living space of a defined quality, are accepted as "fair" rents; and landlords, under control orders, are expected not to raise the

rents of their premises from time to time. The rent control machinery also prevents evictions of tenants except (a) on grounds of non-payment of rent, (b) on grounds of damage or misuse of property, and (c) if the owner of the building wishes to use the building for his own personal requirements (provided there is ample proof that he does not have alternative accommodation and genuinely requires his own building).

By and large, in large cities rent control has been a great boon to millions of tenants, who otherwise would have found the ruling "free" market rents quite intolerable. But rent control cannot be said anywhere in the country to be an unqualified success and has in fact been seriously abused in many cases. Changing tenants, raising rents of new tenants — and indeed of existing ones — under threat of eviction, acquiring the possession of buildings on the plea of personal use and letting them out after a while to other tenants at higher rents, demanding a special payment called a *pagri*, which is the price for vacating an occupier and admitting a new occupier in the premises are fairly well-known abuses in cities like Bombay, Calcutta, Delhi and Hyderabad and indeed in smaller cities and towns. Even when the rent control order is enforced rigorously, new and subtle ways of dodging the control are discovered. While the rent for the building might formally be stated in the lease deed to be a controlled rent quite acceptable to law, additional rent is charged on the grounds that the premises are furnished or certain items of equipment are provided. This, in the majority of cases, is just a method of charging extraordinarily high rents by showing the value of furniture and equipment etc., to be much higher than it actually is. Not only do rent increases occur owing to excessive demands by the landlords in many surreptitious ways but many a tenant, finding himself in a pitifully weak bargaining position and faced with an absolutely impossible situation regarding accommodation, readily accepts rent increases, and so the process continues.

In certain cities like Delhi, after 1947, accommodation was in extremely short supply compared to the demand which got augmented owing to extraordinary factors, such as the partition of the country and the tremendous influx of displaced persons. It was argued that in order to boost up the rate of house construction, rent controls should not be introduced; for that might dampen the initiative to construct more buildings at a rapid pace. This near-absence of control no doubt resulted in a rapid expansion but also brought in its train great hardship to middle and lower-middle classes who had to cut down on many essentials of life in order to provide for rent.

*Pagri:* That rents of urban buildings in large cities are not allowed by law to increase, has led to the emergence of many alternative modes by-passing legislation. Some of these modes have already been mentioned.

One of the most prominent devices in large cities has been the *pagri* system. When, for somewhat compelling reason of his own, the tenant has to leave a building, the landlord takes advantage of the opportunity of obtaining a substantial sum called *pagri* to do the favour of letting the building out to the new tenant. More often than not, the out-going tenant himself demands the *pagri* before leaving the building and handing it over to the landlord or to the next tenant whom the landlord would like to accommodate. There is another reason for charging a *pagri*. While accommodating a new tenant the landlord might want to charge him a rent much higher than the controlled rent — that is a rent which the market can bear. The new tenant may cleverly agree to pay high rent and may subsequently go to the rent controller and have his rent reduced to the controlled level. To safeguard against such a contingency, landlords collect an advance payment which is *pagri*. In theory, *pagri* is nothing but the capitalized value of the difference, wholly or in part, between controlled rent and the uncontrolled, free-market rent which equates the demand for buildings with the limited supply. In actual reality, however, there are many factors which do not make this logic come entirely true. The important point, however, is that *pagri* exists and those who wish to acquire control of the premises—whether they be owners who want to get accommodation for their own living or for subsequent leasing or whether they are new tenants — have to pay a rather forbidding sum which taxes their capacities unduly and, in fact, in numerous cases, prevents people from shifting from their present unwholesome apartments to other better ones.

The *pagri* system has been known to exist in the metropolitan cities of Calcutta and Bombay for many years. It did not exist in Delhi, Madras or Hyderabad, but has been emerging quite rapidly in these, and some other urban, concentrations. As many a desperate tenant in search of accommodation is willing to pay either advance *pagri* or advance rent for several months or even years, it has become possible for many a landlords to construct whole buildings with these advance payments.

**Levels of Rent and Other Details in Selected Cities:** Appendix I gives some details about house rents from socio-economic surveys and other studies undertaken in the cities of Bombay, Calcutta and Lucknow. These details, which are illustrative rather than exhaustive, indicate the levels of rents for premises of different types and for different magnitudes of floor space, percentages of occupants in different rent brackets and the relation between rents and incomes.

## B. WAGES

### I. Industrial Wages

Wage being the reward for labour depends, like the reward for any

other input, on its supply in relation to demand. Indeed, the wage rates of any specific category of labour — skilled, semi-skilled, unskilled, etc. — is seen to depend on the supply of and the demand for that category of labour. Factors on the supply side comprehend such matters as the cost of subsistence or of education and training of workers, the agreeableness or onerousness of work, the desire on the part of the workers to offer their labour in the market and the strength of the working class as determined by their collective bargaining position, etc. Factors on the demand side have obviously to do, among other things, with the demand for the commodity in the production of which the particular variety of labour is involved, and the value of additional product obtained by adding one more unit of labour. Actually, the determination of the wages of any given category of workers, as indeed the determination of the general wage rate, has been the subject of great controversy and has led to the development of alternative theories which vie with one another in explaining such issues as the level of wages, the differentials between the wage level of different categories of workers and the rate of change of wages of one category of workers singly or *vis-a-vis* the wages of other categories.

In what follows in this section will reflect upon the level as well as rate of increase of money wage rates (and wherever possible money earnings) of workers as a whole and some specific categories of workers for which data are available. We also examine the change in some other important variables with which wages must be linked up if a fruitful casual analysis is to be conducted. Periods of economic development are characterized by inflationary tendencies during which both prices and wages move upwards. In such periods, it is essential to know whether wages have been catching up with prices or have been falling behind. To be able to examine this, the rate of increase of money wages or earnings has to be seen in the context of the rate of increase of the general price level, in particular, the price level of working class consumer goods, if an idea of change in the real earnings of labour is to be obtained. Here, not only are the earnings of all workers, but also of particular categories of workers of interest. While some workers may have beaten the price line by having their wages stepped up rather rapidly, others may never have caught up with prices and might have ended up as net losers in the bargain. This may be particularly true of unorganized workers who have no simple mechanism for having their earnings stepped up in line with rising costs of living. It may also be true of salary earners and professional workers whose earnings are generally known to be more sluggish in their upward march, though perhaps sticky in their downward movements. Thus, taking price increases over the period as a norm, one has to compare the relative increase in the wages of important categories of workers for which data are available.

Yet another meaningful comparison is between the rate of increase of wages on the one hand and the rate of increase of earnings of other factors of production such as land, capital and entrepreneurship. Such a comparison obviously reflects upon the relative position of the working class *vis-a-vis*, the owners of property, such as lands and buildings, the owners of other forms of capital and the captains of industry who are the recipients of profits. In a country which has aimed in all its developmental plans at a more and more equitable distribution of the national product between various classes and factors of production and whose policy is consciously geared to an increase in the share of the down-trodden and the weaker sections of the community, particularly wage workers, it is important to ask how the relative share of factors of production, especially the share of labour, has altered.

And finally, there is the major issue of the differentials between the earnings of different classes of workers or workers in different occupations.

**Changes in Money Earnings:** Table II reveals a comparison between money earnings per factory worker and national income per head at current prices over the decade 1951-1961. It would appear that money earnings per worker had increased roughly from 100 to 138 over the decade, *i.e.* by a little more than  $3\frac{1}{2}$  per cent per annum while per capita income in the same period increased from 100 to 122, that is at an average annual simple rate of about 2.2 per cent. Factory workers, therefore, would seem to have improved their money earnings over this decade not merely in absolute terms but also *vis-a-vis* an average member of the Indian society and this is quite understandable in the case of organized workers. What is not so certain is whether unorganized workers in the country, whose earnings cannot rise as rapidly as those of the organized working class, were able to show a gain in one sense or another.

TABLE II  
Trends in All-India Average Annual Money Earnings Per Worker  
and Per Capita National Income

Year	Average annual money earnings per factory worker (1951-100)	Per capita national income at current prices (1951-52-100)
1952	107	97
1953	108	101
1954	108	91
1955	113	93
1956	115	103
1957	121	102
1958	119	111
1959	122	111
1960	130 (P)	119
1961	138 (P)	122

(P) means 'provisional'

Source: Reserve Bank of India Bulletin, April 1954 p. 425.

Table III gives the average annual money earnings of factory workers (earning less than Rs. 200 per month) between 1947 and 1960, separately for most States of the country and, indeed, for the country as a whole. Similar data for 1961 to 1969 are available in Table IV, but for workers earning less than Rs. 400 per month. These data are seen in Tables V and VI in the form of an index with base as 1951/1961. Annual percentage rates of change in the money earnings of factory workers drawing less than Rs. 200/400 per month have been worked out in Table VII and are seen in columns 3/5. It would appear from this Table that in the years prior to 1961 money earnings in Mysore (Karnataka) and Andhra Pradesh recorded the fastest rate of increase (7.3 and 5.5 per cent per annum respectively) among all States; Madhya Pradesh, Madras (Tamil Nadu), Orissa and West Bengal registered an annual percentage increase between 3 and 5; Bombay (Maharashtra) and Uttar Pradesh between 2 and 3 per cent; while Assam, Bihar, Punjab and Delhi registered figures ranging between zero and 2 per cent per annum. Rajasthan was the only State to register a negative rate, that is, a slight decrease in average annual earnings at a rate of 0.8 per cent.

During the period 1961-69, on the other hand, a remarkable similarity emerges in the rate of growth of money earnings of factory workers, among all the States of the country. The highest rate (for Kerala) and the lowest rate (for Bihar) are as close as 11.38 per cent and 10.46 per cent per annum and all other States cluster between these two figures. The mechanism for collective bargaining through trade unions and allied machinery and the transmission of the demands of organized workers all over the country appears to have acquired extra-ordinary efficacy during this period. Without this hypothesis of quick transmission and standardization in practices for raising and setting wage demands, it is difficult to explain such a remarkably close convergence of the rate of increase of earnings all over the country.

It is also possible to obtain from existing data the average *daily* earnings of factory employees who draw less than Rs. 200/400 per month. Tables VIII and IX give these daily earnings for all the States of the country in each of the years 1956 to 1961 and 1961 to 1968. Concentrating on the year 1961, it turns out that the highest level of daily earnings of factory workers is found in Gujarat (Rs. 5.1), Maharashtra (Rs. 4.9) and Delhi (Rs. 5.0). Bihar, West Bengal, Madras (Tamil Nadu) and Uttar Pradesh show figures ranging between Rs. 4 and Rs. 5, while Andhra Pradesh, Punjab, Mysore (Karnataka), Orissa and Rajasthan record figures ranging between Rs. 3 and Rs. 4. Earnings of factory workers seem to be the lowest in Assam, Himachal Pradesh and Kerala and range between Rs. 2.4 and Rs. 3 per day.

On the other hand, the position in 1968 was as follows:

Maharashtra and Madhya Pradesh recorded the highest average daily earnings of organized factory workers — above Rs. 9 per day and were closely followed by Delhi and Gujarat. At the other extreme, while Tripura recorded an unduly low figure of Rs. 2.73, Jammu and Kashmir, Andhra Pradesh, Rajasthan and Punjab had daily earnings between Rs. 5 and Rs. 6, all other States clustering between Rs. 6 and Rs. 8.

**Changes in Real Wages:** While the behaviour of money wages and earnings over time and space is interesting in itself, an even more meaningful question is whether organized workers were able to record any improvement in their levels of living in real terms, that is to say, whether an increase in wage rates was higher or lower than the increase in consumer prices.

Table X enables us to compare the changes in the index of money earnings between 1951 and 1960 with changes in all-India consumer price index. If the base of these indices is taken to be 100 in 1951, it turns out that money earnings of factory workers earning less than Rs. 200 per month rose under the impact of the Korean War from 100 in 1951 to 107 in 1952 and stayed more or less at that level for 3 years. This was so in spite of the fact that these were generally years of falling prices and of a general relaxation in the inflationary atmosphere as a result of the end of the Korean episode; and indeed years of a relative abundance of food owing to very good weather conditions and the bumper harvests of 1953-54 and 1954-55. That money earnings did not decline in spite of a decline in consumer prices shows in part the stickiness of wages and earnings. The period between 1951 and 1955, therefore, was one of real improvement in the conditions of the organized working classes. The index of their real earnings (col. 4 of Table X) increased from 100 to 123.7. After 1956, the position began to worsen somewhat, for while earnings rose at a somewhat slow pace, all-India consumer prices rose from 91.4 to 118.1, *i.e.* by 29.2 per cent in the course of the Second Five Year Plan. Real earnings, therefore, decreased from 123.7 in 1955 to 111.3 in 1960. But even so the level of real earnings in 1960 was 11 per cent higher compared to 1951 and over the whole decade the organized working classes could be said to have improved their position somewhat.

Table XI, however, confirms that real earnings of the working class which, as shown earlier, started decreasing from 1956 onwards, continued to decrease during the 1962-69 period. The index of real earnings (col. 4) stood at 98 in 1969 (base 1961=100) having in fact dipped to lower levels — 95 and 91 in 1966 and 1967 respectively. There is thus some evidence of near-stagnation, in fact a slow worsening of the organized working class position over nearly a decade and a half.



TABLE II  
Average Annual Money Earnings of Factory Worker  
by State

	1947	1948	1949	1950	1951	1952
1. Andhra Pradesh*	—	—	—	—	—	—
2. Assam	755.2	795.8	942.8	1,018.6	1,017.9	1,086.5
3. Bihar	819.8	946.2	983.9	1,059.1	1,240.8	1,413.5
4. Bombay	977.9	1,141.9	1,201.1	1,170.3	1,270.5	1,338.8
5. Gujarat	—	—	—	—	—	—
6. Kerala	—	—	—	—	—	—
7. Madhya Pradesh	572.3	609.2	841.9	936.8	862.0	876.8
8. Madras (Tamil Nadu)	560.3	611.8	726.6	591.2	664.9	837.8
9. Maharashtra	—	—	—	—	—	—
10. Mysore (Karnataka)	—	—	—	—	—	—
11. Orissa	493.6	612.6	527.0	680.6	762.4	853.3
12. Punjab	628.2	675.9	858.7	771.3	756.0	806.4
13. Rajasthan	—	—	—	—	—	—
14. Uttar Pradesh	672.8	887.1	993.0	933.0	960.4	1,002.0
15. West Bengal	567.7	723.9	839.0	877.5	942.3	987.7
16. Delhi	877.7	1,047.3	1,028.4	1,061.6	1,292.6	1,340.5
17. Andaman & Nicobar Islands	—	—	—	—	—	—
18. Tripura	—	—	—	—	—	—
19. Ajmer	445.3	527.2	552.0	660.0	694.2	702.0
20. Coorg	407.4	467.9	400.0	251.9	583.3	559.9
All above States	737.3	883.0	985.8	958.7	1,035.6	1,111.9

Sources: 1. *Indian Labour Statistics* (Labour Bureau), 1959 and 1962.

2. *Indian Labour Year Book* — 1959, 1960, 1961 and 1962.

\* Separate figures prior to 1953 are not available as the State was not in existence. Figures for this State upto 1952 are included in those of Madras. The figure shown against Madras from 1953 onwards are, therefore, not strictly comparable to those for earlier years.

\*\* Estimated

\*\*\* Provisional.

I

Drawing Less Than Rs. 200 Per Month  
7-1961)

1953	1954	1955	1956	1957	1958	1959	1960	1961***
728.4	664.0	610.4	594.9	1,030.8	708.1	885.1	855.4	1,079.0
264.5	1,231.4	1,325.4	1,525.9	1,833.6	1,223.0	1,607.27	1,370.0	1,235.0
472.6	1,450.0	1,387.9	1,235.6	1,299.2	1,283.2	1,358.61	1,593.3	1,485.0
346.4	1,273.1	1,325.6	1,414.8	1,452.6	1,458.0	1,499.7	—	—
—	—	—	—	—	—	—	1,623.4	1,617.0
—	—	—	735.9	805.0	—	965.2	959.7	1,149.0
939.3	966.5	998.3	982.4	1,138.7	1,217.1	1,211.5	1,211.5**	—
821.9	822.0	1,044.7	950.1	978.9	978.9**	978.9**	978.9**	1,411.0
—	—	—	—	—	—	—	1,620.0	1,606.0
—	—	—	852.2	967.3	1,063.7	1,093.0	1,107.2	1,278.0
873.9	894.9	899.2	948.5	956.8	981.0	1,076.36	1,090.2	1,154.0
390.6	1,047.6	975.7	991.0	955.3	1,212.2	766.2	898.7	1,110.0
—	—	—	769.6	907.1	944.1	912.3	912.3**	729.0
054.0	997.0	999.5	1,014.1	1,077.5	1,103.0	1,134.0	1,153.8	1,213.0
973.0	1,057.4	1,110.6	1,141.7	1,173.6	1,198.9	1,225.9	1,284.7	1,310.0
279.6	1,319.50	1,345.3	1,466.9	1,493.4	1,329.7	1,345.4	1,520.9	1,495.0
—	—	—	688.8	657.1	1,017.4	982.5	1,063.8	1,149.0
—	—	—	854.3	933.0	1,147.0	1,345.0	1,345.1	—
005.1	643.6	962.6	—	—	—	—	—	—
013.5	559.4	637.0	—	—	—	—	—	—
11.1	1,111.3	1,173.0	1,186.2	1,233.9	1,284.6	1,309.9	1,342.37	1,408.0

TABLE IV

Average Per Capita Annual Money Earnings of Employees Earning Less Than Rs. 400 Per Month in Man-industries

(in Rupees)

	1961	1962	1963	1964	1965	1966	1967	1968	1969
Andhra Pradesh	1,149	1,152	1,330	1,168	1,209	1,454	1,601	1,830	2,360
Assam	1,599	1,393	1,600	1,631	1,861	2,130	2,097	2,108	2,340
Bihar	1,856	1,748	1,832	1,717	1,890	2,050	2,196	2,429	2,486
Gujarat	1,702	1,764	1,714	1,888	—	2,340	2,663	2,696	2,696
Jammu and Kashmir	—	—	—	782	—	978	1,209	1,532	1,532
Madras (Tamil Nadu)	1,465	1,563	1,583	1,527	—	2,032	2,204	2,346	2,346
Madhya Pradesh	1,816	1,973	1,896	2,009	2,060	1,724	2,009	2,125	2,125
Maharashtra	1,775	1,867	1,920	2,031	—	2,480	2,676	2,876	2,826
Mysore (Karnataka)	1,375	1,284	1,567	1,696	—	1,840	1,785	2,294	2,294
Orissa	1,180	1,336	1,377	—	1,881	2,000	2,325	2,333	2,143
Punjab	1,174	1,258	1,266	1,418	1,642	1,636	1,659	1,670	2,070
Rajasthan	761	1,300	1,334	1,412	—	1,412	1,882	1,853	2,003
Uttar Pradesh	1,264	1,390	1,447	1,552	—	1,826	1,978	2,157	2,200
West Bengal	1,410	1,494	1,578	1,696	1,862	2,024	2,175	2,382	2,644
Haryana	—	—	—	—	—	1,712	2,064	2,219	2,351
Andaman and Nicobar	1,234	1,324	1,346	1,325	1,443	1,621	1,566	1,791	2,024
Delhi	1,655	1,819	1,836	1,961	2,087	2,321	2,499	2,788	3,013
Tripura	—	1,513	1,203	1,622	1,336	1,271	897	1,945	1,945
Himachal Pradesh	1,288	1,491	1,245	1,433	—	2,115	2,950	2,851	2,851
All-States	1,540	1,609	1,661	1,745	1,829	2,112	2,271	2,473	2,564

Source: Indian Labour Statistics, 1967, 1971.

Inflation had taken its full toll and it can be discerned that the unorganized working classes may not have done much better in respect of real wages per worker, whatever other gains they may have obtained.

The improvement noticed in the real wages of the working class in the country as a whole during 1951-61 seems to have been shared by every region of the country.

Table XII reflects upon this. Here is a comparison of changes in money wages per worker with changes in real wages among workers of different States. If 1951 were taken as 100, it would seem that in almost every State the index of wages rose faster than that of consumer prices, leaving the workers everywhere better off in real terms as seen in column 5 of this Table. To illustrate, in the State of Assam, money wages rose between 1951 and 1961 from 100 to 132 while consumer prices, in fact, declined somewhat from 100 to 98, thus making the workers better off in real terms; so much so that the index of real wages rose from 100 to 135 over the decade. Taking yet another illustration, this time from West India, it can be seen that in the State of Bombay, money wages rose over the decade by 32 per cent while consumer prices rose only by 17 per cent, thus resulting in an increase in real wages by about 13 per cent or roughly 1.3 per cent per annum. There is no exception in any of the States to this trend towards improvement in real wages and the level of living judged by these data seems to have gone up everywhere among organized but low-paid working classes. However, it is not established that there was much improvement in the decade 1961-1971 as we shall soon see.

While one must not lay too much stress on State-wise comparisons from the data given in Table XII alone, it can be stated that the fastest increase in real wages per worker was recorded in the State of Orissa (100 to 163 over the decade) and the next fastest increase in Madras (including Andhra Pradesh) (about 50 per cent over a decade). Bihar registered an increase of 39 per cent, Assam of 35 per cent, Punjab of 27 per cent, West Bengal of 19 per cent and Bombay of 13 per cent over the decade.

**Wages in Relation to Other Factor Payments:** As indicated earlier, the point of interest lies not only in estimating whether or not wage rates rise faster than consumer prices, but also whether they rise more or less fast than the money earnings of other factors of production such as interest on capital, profits of entrepreneurship, rents from property and salaries and earnings of professional workers. Table XIII enables us to reflect, at any rate partially, on this important phenomenon of changes in wages relative to the earnings of other factors of production. It will be seen that if 1952-53 were taken as 100, the average annual money earnings of factory workers drawing less than Rs. 200 per month, rose to

TABLE

## Index Number of Money Earnings of Persons Employe

	1947	1948	1949	1950	1951	1952	(B)
1. Assam	71.2	76.1	91.6	98.4	100.0	109.8	1
2. Bihar	73.7	78.1	81.9	96.8	100.0	118.5	1
3. Bombay	76.6	90.1	96.5	91.3	100.0	104.8	1
4. Madhya Pradesh*	80.3	95.9	99.8	118.9	100.0	95.1	
5. Madras* (Tamil Nadu)	89.4	98.4	116.2	90.4	100.0	132.1	1
6. Orissa	57.6	77.3	80.2	86.3	100.0	112.4	1
7. Punjab	88.6	96.9	130.7	115.3	100.0	105.3	1
8. Uttar Pradesh	67.8	91.0	102.0	96.0	100.0	103.4	1
9. West Bengal	61.3	77.7	91.8	94.8	100.0	102.5	1
10. Delhi	58.7	71.2	71.2	76.7	100.0	100.0	
11. Ajmer	61.7	76.9	77.4	93.0	100.0	100.4	
States submitting returns	71.0	85.0	95.4	93.7	100.0	107.1	1

Source: Indian Labour Statistics, 1962.

\*Figures for 1958, 1959, and 1960 do not include those from Madras (including Andhra) as the 1 are not available and hence are not strictly comparable. Figures for 1959 for Madhya Pra have been repeated for 1960, as those for 1960 are not available. If estimated indices for Ma (including Andhra Pradesh) are taken into account, the combined indices for all States submi returns for 1958, 1959 and 1960 would be 121.4, 124.0 and 132.9.

## Factories Earning Less Than Rs. 200 Per Month by States

(1951=100)

1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964
118.2	137.1	153.2	181.3	142.4	168.7	156.3				
120.0	119.4	104.8	113.2	110.8	120.9	140.0				
99.0	103.4	111.0	111.4	115.4	119.2	130.6				
106.7	102.5	111.0	149.7	129.8	135.0	135.0				
128.4	156.3	137.7	149.0	*—	*—	*—				
106.5	119.3	114.8	122.3	126.1	150.8	156.3				
118.3	125.0	129.7	121.9	153.7	100.4	126.6				
100.1	98.5	101.1	112.7	112.3	115.3	119.3				
111.8	117.1	120.4	122.4	125.1	127.6	133.2				
99.8	102.8	112.2	115.9	106.2	106.5	123.3				
93.6	137.6	—	—	—	—	—				
107.7	113.1	115.4	120.8	118.8*	121.7*	131.4*	137.6	143.1	147.5	153.5

TABLE VI  
Index Numbers of Money Earnings Less Than Rs. 400 Per Month in Industries (1961=100)

	1962	1963	1964	1965	1966	1967	1968*	1969*
Andhra Pradesh	103.9	122.3	107.4	109.2	130.6	141.8	154.3	212.9
Assam	85.1	101.6	108.0	125.0	137.6	136.3	136.9	151.7
Bihar	97.0	100.5	92.3	191.5	115.0	122.1	133.9	124.3
Gujarat	104.5	101.9	112.8	—	140.5	162.5	165.1	165.1
Kerala	108.1	107.3	115.9	—	142.3	165.3	174.5	174.5
Madhya Pradesh	108.3	106.0	118.0	112.2	116.7	114.6	145.5	151.4
Madras (Tamil Nadu)	106.8	109.0	101.6	—	138.9	150.6	156.5	156.5
Maharashtra	106.4	109.4	115.8	—	142.5	152.2	156.5	156.5
Mysore (Karnataka)	92.8	110.2	116.5	—	129.8	123.6	156.1	156.1
Orissa	103.0	100.3	—	149.9	158.5	183.4	151.9	174.2
Punjab	110.1	107.5	122.5	140.0	144.5	156.7	151.5	188.5
Rajasthan	171.8	177.8	189.3	—	184.9	228.8	260.7	262.8
Uttar Pradesh	109.3	114.0	121.6	—	142.9	156.4	170.6	175.5
West Bengal	106.0	112.5	120.1	131.6	142.0	154.8	164.9	186.2
Andaman and Nicobar Islands	106.0	111.6	108.8	—	139.2	135.6	143.9	166.2
Delhi	109.9	106.3	114.9	121.5	140.1	150.8	165.5	181.0
Himachal Pradesh	159.2	97.0	105.0	—	150.9	200.9	205.7	205.7
All-States	105.6	108.0	114.1	124.7	139.3	151.3	160.4	166.0

Source: Indian Labour Statistics, 1967, 1971.

\*Provisional

TABLE VII

Annual Percentage Rate of Change of Annual Money Earnings of  
the Factory Workers Drawing Less Than Rs. 200 Per Month

	Annual percentage rate of change*	Period	Annual percentage rate of change	Period
Andhra Pradesh	+5.5	1953-61	+10.85	1961-69
Assam	+1.3	1953-61	+10.59	"
Bihar	+0.5	1953-61	+10.46	"
Maharashtra	+2.5	1953-59	+10.69	"
Kerala	**—	—	+11.38	"
Madhya Pradesh	+4.4	1953-60	—	"
Madras (Tamil Nadu)	+4.4	1953-61	+10.70	"
Mysore (Karnataka)	+7.3	1956-61	+10.71	"
Orissa	+3.5	1953-61	+10.90	"
Punjab	+0.2	"	+10.65	"
Rajasthan	-0.8	1956-61	+10.98	"
Uttar Pradesh	+2.3	1953-61	+10.76	"
West Bengal	+3.4	"	+10.80	"
Delhi	+1.6	"	+10.77	"
Gujarat	—	—	+10.72	"

\*Based on regression equation of the type  $\log W = a + bT$  where W is money earnings and T is years.

\*\*The number of year for which data is available is not sufficient for the purposes of calculation of 'Annual Percentage Rate of Change'.

TABLE VIII

Average Daily Earnings of Factory Employees Drawing Less Than Rs. 200 Per Month

	1956*	1957	1958	1959	1960	1961
1. Andhra Pradesh	1.88	1.82	1.63*	—	2.90	3.96
2. Assam	2.77	2.84	3.32	2.73	2.94	2.96
3. Bihar	3.80	4.07	4.05	4.12	4.31	4.48
4. Bombay	4.47	4.54	4.66	4.77	—	—
5. Gujarat	—	—	—	—	5.03	5.11
6. Kerala	1.84	2.11	—	2.46*	2.65	2.43
7. Madhya Pradesh	—	—	—	3.64*	—	—
8. Madras (Tamil Nadu)	2.64	2.61	—	—	—	4.21
9. Maharashtra	—	—	—	—	5.06	4.92
10. Mysore (Karnataka)	—	—	—	—	2.60	3.89
11. Orissa	2.73	2.78	2.94	3.16*	3.15	3.46
12. Punjab	—	—	—	—	—	3.93
13. Uttar Pradesh	—	—	3.80	3.63	3.83	4.06
14. Rajasthan	—	2.72	2.92	2.70	2.81	3.14
15. West Bengal	—	—	4.21	3.97	4.16	4.35
16. Andaman and Nicobar Islands	2.26	2.32	3.44	3.23	3.58	3.81
17. Delhi	4.62	4.89	4.28	4.39	4.80	5.06
18. Tripura	1.60	1.20	1.88	1.47	1.41	—
19. Himachal Pradesh	—	—	—	—	—	2.86
	3.61	3.67	4.07*			

— Not available

\* — Provisional

Based on figures relating to only those States for which figures of average daily earnings are shown above.

Figures relate to re-organized States and include Defence Factories, but exclude Railway Workshops.

Source: Annual Returns under the Payment of Wages Act, 1936 as quoted in Indian Labour Journal.



TABLE IX

## Earnings of Factory Employees Earning Less Than Rs. 400 Per Month, 1961-68

	1961	1962	1963	1964	1965	1966	1967	1968
Andhra Pradesh	4.18	3.38	3.77	3.23	3.75	4.22	4.65	5.58
Assam	3.41	3.34	3.68	3.62	4.80	5.61	5.89	6.13
Bihar	5.51	5.38	5.63	5.37	6.28	6.40	6.70	7.61
Gujarat	5.37	5.46	5.34	5.83	6.69	7.41	8.39	8.39
Haryana	—	—	—	—	—	5.92	5.67	7.35
Jammu and Kashmir	—	—	—	3.02	3.14	4.83	5.18	5.29
Kerala	2.89	2.90	3.08	3.15	3.54	6.77	7.68	7.13
Madhya Pradesh	5.45	6.33	5.66	6.43	5.70	8.17	8.87	9.08
Maharashtra	5.41	6.04	6.12	6.43	5.70	8.17	8.87	9.08
Mysore (Karnataka)	4.19	4.24	4.83	6.52	7.29	6.09	5.70	7.30
Orissa	3.57	3.86	3.81	5.31	5.93	5.81	7.01	6.54
Punjab	4.05	4.13	4.06	5.20	5.24	5.31	5.56	5.74
Rajasthan	3.49	4.31	4.09	4.58	5.47	4.14	5.86	5.56
Madras (Tamil Nadu)	4.39	4.87	4.78	4.41	4.91	6.51	7.13	7.41
Uttar Pradesh	4.26	4.56	4.63	4.95	6.40	5.86	6.59	6.96
W. Bengal	4.69	4.79	5.05	4.99	5.55	6.61	7.21	7.69
Andaman and Nicobar	4.09	4.44	4.54	5.54	5.58	5.46	5.26	6.14
Delhi	5.47	5.91	5.61	5.83	7.18	7.76	8.07	8.76
Tripura	1.16	2.03	1.95	2.22	2.15	2.46	2.33	2.73
Himachal Pradesh	2.98	4.60	2.83	4.46	3.29	5.71	7.80	7.60
Goa	—	—	—	—	—	5.99	5.08	6.68
All-States	4.79	5.01	5.11	5.42	6.16	6.70	7.24	7.65

Source: Indian Labour Statistics, September, 1971.

TABLE X

Index Numbers of Real Earnings of Persons Employed In Factories  
Earning Less Than Rs. 200 Per Month  
(1951-1960) (Base 1951=100)

Year	Index Number of Money Earnings	All-India Consumer Price Index No. (base shifted to 1951=100)	Index of Real Earnings Col. 2 X100 Col. 3
1947	71.0	82.80	85.8
1948	85.2	92.5	92.1
1949	95.4	95.2	100.3
1950	93.7	95.9	97.8
1951	100.0	100.0	100.0
1952	107.1	98.1	109.2
1953	107.7	101.0	106.6
1954	107.7	96.2	112.0
1955	113.1	91.4	123.7
1956	115.4	100.0	115.4
1957	120.8	105.7	114.3
1958	118.8*	110.5	107.5*
1959	121.7*	115.2	105.6*
1960	131.4*	118.1	111.3*

Source: 'Labour Bureau' as quoted in the Indian Labour Statistics — 1962.

\*This excludes figures from erstwhile State of Madras including Andhra Pradesh, and hence these are not strictly comparable with figures for the previous years. If estimated figures for these States are taken into account the indices of money earnings for 1958, 1959 and 1960 would be 121.4, 124.0 and 132.9 respectively and those of real earnings for the three years would be 109.9, 107.6 and 112.5 respectively.

TABLE XI

## Index Numbers of Real Earnings of Employees in Manufacturing Industries and Mines

<i>Year</i>	<i>All India Consumer Price Index No. (base shifted to 1961 = 100)</i>	<i>Index No. of money earnings of factory workers</i>	<i>Index No. of real earnings of factory workers</i>
1	2	3	4
1962	103	106	103
1963	106	109	103
1964	121	114	94
1965	132	128	97
1966	146	139	95
1967	166	151	91
1968	171	160*	94*
1969	169	166*	98*

\*Provisional

Source: Annual Returns under the Payment of Wages Act, 1936, as quoted in "Indian Labour Statistics", 1971.

TABLE XII

## Index Numbers of Money and Real Wages in Major States

(1951=100)

<i>State</i>	<i>Year</i>	<i>Money wages per worker</i>	<i>Consumer price index</i>	<i>Real wages per worker</i>
1	2	3	4	5
Assam	1952	110	97.3	113.1
	1955	137	80.5	170.2
	1958	142	97.0	146.4
	1959	169	95.9	176.2
	1960	156*	97.6	159.8
	1961	132*	97.9	134.8
Madhya Pradesh	1952	95	96.5	98.4
	1955	103	82.8	124.4
	1958	130	103.5	125.6
	1959	135	108.3	124.7
	1960	N.A.	107.0	N.A.
	1961	N.A.	114.5	N.A.
Orissa	1952	112	85.4	131.1
	1955	119	79.7	149.3
	1958	126	93.9	134.2
	1959	151	94.7	159.5
	1960	157*	100.0	157.0
	1961	170*	104.1	163.3

(To be continued)

TABLE XII (Contd.)

<i>State</i>	<i>Year</i>	<i>Money wages per worker</i>	<i>Consumer price index</i>	<i>Real wages per worker</i>
1	2	3	4	5
Uttar Pradesh	1952	103	97.9	105.2
	1955	99	83.0	119.3
	1958	112	104.3	107.4
	1959	115	104.3	107.4
	1960	119*	105.3	113.0
	1961	121*	108.5	111.5
Punjab	1952	105	90.2	116.4
	1955	125	82.4	151.7
	1958	154	94.1	163.7
	1959	100	99.0	101.0
	1960	127*	100.0	127.0
	1961	131*	102.9	127.3
West Bengal	1952	103	96.6	106.6
	1955	117	90.2	129.7
	1958	125	108.8	114.9
	1959	128	107.3	119.3
	1960	133*	113.2	117.5
	1961	134*	112.7	118.9
Bombay	1952	105	97.9	107.3
	1955	103	85.2	120.9
	1958	115	106.5	108.0
	1959	119	115.9	102.7
	1960	131*	117.9	111.1
	1961	132*	117.0	112.8
Bihar	1952	119	94.8	125.5
	1955	119	73.4	162.1
	1958	111	95.5	116.2
	1959	121	93.9	128.9
	1960	125*	93.9	133.1
	1961	132*	95.2	138.7
Madras (including Andhra Pradesh)	1952	132	98.6	133.9
	1955	156	92.9	167.9
	1958	N.A.	117.1	N.A.
	1959	N.A.	124.2	N.A.
	1960	N.A.	130.3	N.A.
	1961	202*	135.1	149.5

\*Provisional.

Source: Indian Labour Statistics, 1963 (as given in the Reserve Bank of India Bulletin, April 1964, p. 439).

126.6 by 1961-62, that is to say at an average rate roughly of 3 per cent per annum. As the wholesale price index over the same period had risen by 23 per cent, that is, at an average rate of 2.6 per cent per annum,

the real earnings of workers could have been said to have increased over this period.

The same, however, cannot be said of real earnings of factory workers during the 1960s. Taking 1961-62 as 100 (as in Table XIV) the index of wholesale prices rose to about 180 in 1969-70. But the index of money earnings of factory workers (earning less than Rs. 400 per month) increased only from 100 to 166 in the same period. The organized workers thus did not, on the whole, beat the inflation of prices. However, this statement is more true in the early 1960s than in the later half of that decade. After the outbreak of the wheat revolution around the mid-1960s the price rise came under control until the outbreak of war with Pakistan in 1971. During this interregnum alone did the organized workers manage to get a higher real wage as a class.

But while these results refer to the earnings of organized workers, it may safely be presumed that unorganized workers, who hardly have an institutional mechanism for having their wages stepped up, had a smaller rate of increase of their earnings than 3 per cent per annum. Similarly, the real earnings of salary earners some of whom also do not have an obvious mechanism for wage increases while others have, but are not expected to utilize it fully — as is the case with civil servants and the army or the police force — most certainly rose at less than 3 per cent per annum.

In like manner, judging by columns 6 and 11 of Table XIII and columns 5 and 10 of Table XIV it is possible to say that in comparison with organized wages, interest earnings on Government bonds also rose less fast over these two decades, the crude annual rate of increase of interest being only about 2.27 per cent in the 1950s and about 2.24 per cent in the 1960s. And finally, the price index of variable dividend industrial securities (company shares) which reflects in many senses the fortunes of the business community, including the profitability of enterprises, rose from 100 in 1952-53 to about 193 in 1961-62, that is, a rise of about 10 per cent per annum. In the following 9 years the index with base 1961-62 as 100 remained virtually unchanged in 1970-71.

The period of two decades under consideration, clearly falls into two sub-periods. In the first sub-period upto 1962 profit earnings and rents of urban property rose much faster than the wages of organized workers, a phenomenon which might have been expected in an inflationary period, such as India was going through since 1954. It is also clear that while rentiers and profit earners were easily able to beat the increase of prices and step up their real incomes as well as their money incomes by a big margin, organized workers were only just able to keep pace with the cost of living. But from 1962 onwards when profits begin to stagnate and Government bonds virtually pay negligible returns, the relative earnings of workers increase even though the working class is not able to overcome the rapid rate of price inflation until the beginning of the agricultural

TABLE XIII  
Rates of Change in Prices, Wages, Profits and Interest: 1952-64

Year	Prices		Wages		Profits		Interests			
	Wholesale prices		Average annual money earnings of factory workers drawing less than Rs. 200 per month		Prices of variable dividend Industrial securities		Interest rates on 3% conversion loans (1986 or later)			
	Index 1952-53 = 100	Percentage change over previous year	Earnings (in Rs.)	Index (1952-53)* = 100	Percentage over previous year	Index (1952-53)* = 100	Percentage change over previous year	Percent per annum	Index	Percentage change over previous year
1952-53	100.0	—	1,111.9	100.0	—	100.0	—	3.66	100.0	—
1953-54	101.2	+ 1.2	1,111.1	99.9	0.1	120.6	+20.6	3.64	99.5	-0.6
1954-55	89.6	-11.5	1,111.3	99.9	0.0	142.5	+12.2	3.67	100.3	+0.8
1955-56	99.2	+10.7	1,173.5	105.5	+5.6	153.4	+ 7.6	3.74	102.2	+1.9
1956-57	105.1	+ 5.9	1,186.2	106.7	+1.1	152.9	- 0.7	3.99	109.0	+6.7
1957-58	106.1	+ 1.0	1,233.9	111.0	+4.0	126.6	-17.2	4.18	114.2	+4.8
1958-59	112.1	+ 4.6	1,284.6	115.5	+4.1	146.8	+16.0	4.13	112.8	-1.2
1959-60	118.7	+ 5.9	1,309.9	117.8	+2.0	161.7	+10.1	4.05	110.7	-1.9
1960-61	127.5	+ 7.4	1,342.4	120.7	+2.5	182.6	+12.9	4.06	110.9	+0.2
1961-62	122.9	- 3.6	1,408.0	126.6	+4.9	192.7	+ 5.5	4.16	113.7	+2.5
1962-63	127.4	+ 3.7				160.3	-16.8	4.49	122.7	+7.9
1963-64	139.0	+ 9.1				167.7	+ 4.6	4.66	127.3	+3.8

Source: 1. Reserve Bank of India Bulletin.

2. Indian Labour Statistics — 1962, issued by the Ministry of Labour and Employment, 1952 has been taken to be 1952-53.

\*Figures from 1957-58 to 1959-60 are with base 1952-53=100. Earlier figures (1951-52 & 1952-53: Base 1938 = 100 and 1953-54 to 1956-57, base 1949-50 = 100 have been adjusted to base 1952-53 = 100).

TABLE XIV  
Rate of Change in Prices, Wages, Profits and Interest

Prices (Wholesale)		Wages		Profits		Interest		
Index (1961-62 =100)	% change over previous year	Annual money earnings of factory workers drawing less than (Rs. 400 per month)		Prices of variable dividend industrial securities		Interest rate on 3% conversion loans (1986 or later)		
		Index 1961 =100	% change over previous month	Index (1961-62 =100)	% change over previous year	% per annum	Index	% change over previous year
1961—62	—	100.0	—	100.0	—	4.16	100.0	—
1962—63	+ 8.0	106.0	+ 6.0	—	—	4.49	107.9	+ 7.9
1963—64	+10.5	109.	+ 2.8	81.6	—	4.66	112.0	+ 3.8
1964—65	+ 8.12	114	+ 4.6	75.9	— 7.0	4.80	115.4	+ 3.0
1965—66	+11.9	128	+12.3	81.1	+ 6.9	5.46	131.2	+13.7
1966—67	+15.0	139	+ 8.6	77.5	— 4.4	5.57	133.9	+ 2.1
1967—68	— 0.5	151	+ 8.6	87.9	+13.4	5.45	131.0	— 2.2
1968—69	+ 2.0	100*	+ 6.0	99.8	+ 9.0	4.99	120.0	— 8.4
1969—70	+ 6.2	166*	+ 3.7	100.1	+ 4.5	5.00	120.2	— 0.17
1970—71	—	—	—	96.0	+ 4.1	5.00	120.2	— 0.0

transformation.

As the most of workers in the society may be taken to be unorganized in the present stage of India's development, it is, perhaps, fair presumption that these unorganized workers, at any rate outside the agricultural sector, were not able to keep their head above the rising tide of prices and suffered some decline in real earnings. At best their purchasing power managed to keep pace with the cost of living and at worst declined "somewhat". This also seems to be the reason why, over the first 15 years of planning, the increase in India's real national income, and more so in per capita real income, has not been either marked or very noticeable. The average rate of increase of per capita real income has been of the order of  $1\frac{1}{2}$  per cent per annum. It is worth reflecting upon that not everybody in the society clusters around the average rate of growth, and that the average improvement is made up of a rather spectacular improvement in the fortunes of some and a less than average improvement, or even a decline, in the real standard of living of others. The analysis given above has tended to show that only profit earners and rent earners have experienced a growth of their earnings faster than that of other groups and, indeed, faster than the rate of increase of prices. But rent-earners and profit-earners are too few and the general feeling of prosperity or adversity cannot be the resultant of what happens to their earnings alone. It is the mass of the working class whose real earnings are likely to decide whether the community as a whole feels better off or not. And here we have seen the result that organized wage earners alone have managed to beat the price line to some extent, while the mass of unorganized workers, salary earners and some professionals have either not managed to keep pace with the price increase or have, in fact, fallen behind in the race for higher money and real incomes.

The only other major category of great importance among working classes is that of agricultural workers. The changes in the earnings of this group *vis-a-vis* some other factors have been examined later in this chapter (Section IV). But it may be mentioned here in passing that there are two categories of workers among agricultural wage earners — those who derive their incomes partly from cultivating the bits of land which they hold either as owners or as tenants; and those who are landless agricultural labourers receiving a wage. It is the first category of workers who also do some cultivation of the soil who could not have suffered much during the inflationary era inasmuch as they obtained a part of their income in the shape of agricultural commodities. The fact that the prices of these commodities were rising nearly all the time did not affect them adversely at all and to the extent they consumed these commodities directly they did not have to buy these in the market at ever-increasing prices. As a matter of fact, the situation affected them favourably, for they sold these commodities at steadily increasing

prices. The decline in the real value of their cash earnings from labour which followed price inflation was partly or wholly off-set through the gain they made as producers of agricultural commodities. It is only in the case of the landless agricultural labourers that the possibility of a decline in real wages over the decade in question cannot be ruled out. It is true that some of them got their wages in kind and, to that extent again, they were cushioned against the impact of inflation. But wages in kind have increasingly lost ground in recent times owing to the rapid process of monetization of the economy that has been in progress. The employers of labour increasingly desire to fix wages in cash rather than in kind as inflation reduces the burden of cash payments. And workers themselves desire cash payments in order to buy urban-industrial goods with cash. Thus cash payments are becoming the rule in a large number of cases and account for a very large part of wages. Inflation did eat into the value of these cash payments. Insofar as the prices of commodities such as mill cloth and kerosene which agricultural workers purchase with their cash earnings kept on rising all the time and in some parts of the period rose at a rate faster than the prices of agricultural commodities — landless wage workers have lost some ground during the inflationary period. The only way in which inflation could have been prevented from having an adverse effect on landless agricultural cash-wage earners was to have the money wage rate itself stepped up faster than prices. From all accounts, this does not seem to have happened. A comparison of the wage rates in 1950-51 and 1956-57, which emerges from the First and the Second Agricultural Labour Enquiries, in fact, reveals a decline in the money wages of agricultural workers and signifies a deterioration in living standards. This finding, of course, has to be qualified. But more will be said on this in the following section dealing with agricultural wages.

**Composition of Earnings:** The earnings of workers in India consist of several categories. The basic wage — which may be related to the time on work, or may be a piece wage — is of course, the main component of earnings and varies between 50 and 90 per cent of total earnings of organized workers. Only an occasional instance may be found of the basic wage consisting of less than 50 and 90 per cent or more than 90 per cent of all earnings. But in addition to the basic wage, workers receive cash allowances of various sorts which go up to as much as 45 per cent of gross earnings; bonuses which have a range of variation from very small figures to as much as 15 per cent of gross earnings; and finally, certain other concessions whose money value may be negligible in many cases, but in some is found to be as high as 10 per cent of earnings. Table XV and XVI enable us to see for the years 1961 and 1967 not only the proportion which each of these earnings constitutes of the gross



TABLE XV  
Average Per Capita Annual Earnings of Employees in Manufacturing Industries Earning Less Than Rs. 200 Per Month (in Rupees)

States	Gross Earnings	Basic Wage	Cash Allowance	Bonus	Money value of concessions	Arrears
1. Assam	1,234.96 (100.00)	807.91 (65.42)	259.57 (21.02)	68.15 (5.52)	95.52 (7.73)	3.81 (0.31)
2. Bihar	1,484.96 (100.00)	1,038.28 (69.92)	354.94 (23.90)	73.64 (4.96)	10.06 (0.68)	7.98 (0.54)
3. Gujarat	1,617.25 (100.00)	879.78 (54.40)	690.67 (42.70)	37.80 (2.34)	1.11 (0.07)	7.89 (0.49)
4. Kerala	1,148.79 (100.00)	699.76 (60.91)	363.44 (31.64)	81.40 (7.08)	2.28 (0.20)	1.91 (0.17)
5. Madras (Tamil Nadu)	1,410.68 (100.00)	690.56 (48.95)	605.95 (42.95)	106.30 (7.54)	1.59 (0.11)	6.28 (0.45)
6. Maharashtra	1,605.80 (100.00)	946.99 (58.97)	601.90 (37.48)	42.99 (2.68)	7.26 (0.45)	6.66 (0.42)
7. Mysore (Karnataka)	1,278.10 (100.00)	842.47 (65.92)	393.85 (30.82)	30.83 (2.41)	3.37 (0.26)	7.58 (0.59)
8. Orissa	1,154.23 (100.00)	882.80 (76.48)	196.23 (17.00)	44.27 (3.84)	2.59 (0.22)	28.34 (2.46)
9. Punjab	1,110.50 (100.00)	1,015.68 (91.46)	71.74 (6.46)	15.57 (1.40)	0.34 (0.03)	7.17 (0.65)
10. Uttar Pradesh	1,212.83 (100.00)	828.91 (68.35)	361.53 (29.81)	10.80 (0.89)	1.61 (0.13)	9.98 (0.82)
11. West Bengal	1,309.93 (100.00)	855.79 (65.33)	398.90 (30.45)	38.80 (2.96)	6.60 (0.50)	9.84 (0.75)
12. Andaman and Nicobar Islands	1,149.26 (100.00)	821.94 (71.52)	288.19 (25.08)	9.81 (0.85)	2.42 (0.21)	26.90 (2.34)
	1,424.77 (100.00)	875.56 (61.45)	489.57 (34.36)	46.32 (3.25)	5.25 (0.37)	8.07 (0.57)

Source: Indian Labour Year Book — 1962

N.B. — Figures in brackets are percentages of gross wage.

TABLE XVI

Percentage Distribution of Per Capita Annual Earnings of Employees Earning Less than Rs. 400 Per Month in Manufacturing Industries by Components during 1967 (Provisional)

<i>States/Union Territories</i>	<i>Gross Wages</i>	<i>Basic</i>	<i>Cash Allowance</i>	<i>Money Value of Concessions</i>	<i>Bonuses</i>	<i>Arrears</i>
1. Andhra Pradesh	100.00	70.72	27.06	0.02	1.75	0.45
2. Assam	100.00	64.19	26.47	5.60	2.34	1.40
3. Bihar	100.00	68.67	25.27	1.33	4.68	0.50
4. Gujarat	100.00	43.20	51.38	0.06	4.97	0.39
5. Haryana	100.00	82.57	13.04	0.30	3.93	0.16
6. Kerala	100.00	89.00	9.74	—	1.07	0.19
7. Maharashtra	100.00	50.39	43.96	0.18	5.05	0.42
8. Madhya Pradesh	100.00	66.26	32.13	0.05	1.14	0.42
9. Mysore (Karnataka)	100.00	64.69	30.36	0.02	3.65	1.28
10. Orissa	—	—	—	—	—	—
11. Punjab	100.00	89.51	8.29	0.07	2.07	0.06
12. Rajasthan	100.00	75.87	20.27	0.02	3.03	0.81
13. Madras (Tamil Nadu)	100.00	48.85	43.91	0.29	6.71	0.24
14. Uttar Pradesh	100.00	61.80	35.73	0.57	1.50	0.40
15. West Bengal	100.00	59.23	36.68	0.35	3.34	0.40
16. Delhi	100.00	66.73	29.92	0.07	2.99	0.29
17. Goa	100.00	86.73	11.53	0.04	1.40	0.30
18. Andaman and Nicobar Islands	100.00	60.68	38.79	0.10	0.28	0.15
All States/Union Territories	100.00	57.22	37.91	0.32	4.13	0.42

Source: *Indian Labour Year Book — 1968*

earnings at the all-India level but also the State-wise differences in these proportions. It is clear that in 1961, the per capita yearly earnings of the lowest-paid categories of employees in manufacturing industries was Rs. 1,425 on the average. Moreover, the manufacturing workers being an organized category, with trade union contacts between one region and another and with labour laws and wages regulations cutting across State boundaries, the range of variation in their per capita earnings does not seem to be very large. If the lowest figure for per capita earnings of an average worker in the factory establishments was Rs. 1,111 (in Punjab), the highest figures (for Gujarat and Maharashtra respectively) were Rs. 1,617 and Rs. 1,605, that is to say, less than 50 per cent higher than the lowest figures, all other States showing figures within this range. If the average per capita earnings of an employee in the manufacturing establishments was 100 at the all-India level, the basic wage constituted a little over 61 per cent, cash allowances a little more than 34 per cent, bonuses a little more than 3 per cent, payment of arrears about 8 per cent and money value of concessions less than half of 1 per cent of all gross earnings. In 1961, the variation in the percentage which basic wage constituted of gross earnings is found from Table XV to be between 49 per cent for Madras (Tamil Nadu) and 91 per cent for Punjab. In 1967, this variation is seen from Table XVI to be between 43 per cent for Gujarat and 90 per cent for Punjab. But in general, the basic wage is quite close in all States to the all-India average. As for bonuses, Uttar Pradesh seems to be the only State with bonuses amounting to less than 1 per cent of gross earnings in 1961 and less than 2 per cent in 1967. Punjab and Haryana, too, have a small figure between 1 and 2 per cent. All other States have bonuses generally amounting to between 2 and 7½ per cent, the States with highest bonuses in relation to earnings being Madras (Tamil Nadu) and Kerala in 1961 and Tamil Nadu and Maharashtra in 1967. Cash allowances of various sorts are the lowest for Punjab, being about 6½ per cent of all earnings in 1961 but in general range between 20 and 40 per cent of earnings, only Madras (Tamil Nadu) and Gujarat showing figures around 43 per cent. In 1967 Assam alone shows substantial (5.6 per cent) cash concessions, all other States having figures of around or below one per cent.

While we need not be get involved here in a detailed discussion of the levels and the rates of change of earnings of various categories of workers, such as those in coal mines, other mines, plantations, etc., we give in the Appendix II (Tables A, B, C, D and E) further details about these levels and rates of change over time for different sub-categories of workers.

**Occupational Differences in Wages:** One crucial dimension of the wages of working classes ought to be highlighted. A very important way of

looking at wage rates is to differentiate between wages of workers in different occupations. In a developed society, thanks to communications, trade union organizations, Government policies and demonstration effects, wage rates in different occupations for workers with similar skills or onerousness of work tend to become equal. Other things being equal, wages also have a tendency to equate themselves with the marginal productivity of labour in different industries subject, of course, to some very important qualifications.

Tables F and G of the Appendix II give some details of the wages in different occupations and the variations in those rates over time and among different States. Table XVII gives the average annual earnings in various occupations for the year 1950-51, both in terms of rupees and as a percentage of net output per occupied person. This would seem to be an interesting way of looking at earnings. It turns out that if the net output per occupied person in 1950-51 amounted to Rs. 665 at current prices, the annual wages of agricultural workers were no more than Rs. 306 on the average, while the annual earnings of rural skilled labourers were at least double that level, *mochis* and cobblers showing an average earning of Rs. 596, blacksmiths of Rs. 722 and carpenters of Rs. 765. Mine workers came out slightly worse off, coal miners receiving an average annual earning of Rs. 364 and those in non-coal mines getting Rs. 522. School teachers were no better paid than skilled labourers, such as carpenters and blacksmiths had showed an annual earnings of Rs. 769 on the average. Industrial workers (drawing less than Rs. 200 per month), in fact, turned out to be the best paid category, their average earnings being Rs. 967 per annum. It is clear that if the net output per occupied person in the country as a whole were taken to be 100, the earnings of industrial workers were almost  $1\frac{1}{2}$  times that level, those of teachers and rural skilled labourers only slightly more than the output per person, while mine labourers showed earnings between 75 per cent and 96 per cent and agricultural labourers only 46 per cent of net output per occupied person.

TABLE XVII

## Average Annual Earnings In Various Occupations

(1950-51)

S. No.	Occupation	Annual earnings (Rs.)	Per cent of net output per occupied person
<b>I. Agricultural wage rate</b>			
1.	Field labour	300	45.1
2.	Other agricultural labour	306	46.0
3.	Agricultural operations	302	45.4

TABLE XVII (Contd.)

S. N.	Occupation	Annual earnings (Rs.)	Per cent of net output per occupied person
<b>II. Rural skilled labourers*</b>			
4.	Carpenters	765	115.0
5.	Blacksmiths	722	108.6
6.	Mochis	596	89.6
<b>III. Mining labourers*</b>			
7.	Coal	634	95.3
8.	Non-coal	522**	78.5
<b>IV. Others</b>			
9.	Industrial workers (drawing less than Rs. 200 per month)	967**	145.4
10.	Teachers	769	115.6
11.	Net output per occupied person	665	100.0

\*Annual earnings have been obtained from daily earnings as available in the sources.

\*\*Figures relate to the year 1951.

Sources: (1) Sl. Nos. 1 to 8: "Agricultural Wages in India", Ministry of Food & Agriculture.

(2) Sl. Nos. 9 to 12: "Statistical Abstract", 1959-60 C.S.O.

(3) Sl. No. 13: "Education in India" Ministry of Education.

TABLE XVIII  
Average Annual Earnings in Various Occupations  
(1961-70) Rs.

S. No.	Occupation	Annual earnings		
<b>I. Rural Skilled Labourer*</b> (December 1969) :		Hyderabad	Gujarat	Himachal Pradesh
(1)	Carpenters	1,500	1,650	1,800
(2)	Blacksmiths	1,500	1,500	1,800
(3)	Cobblers	1,050	1,200	1,800
<b>II. Employees in Manufacturing Industries</b> (earning less than Rs. 400 per month)		Public Sector	Private Sector	All India
1966		2,437	2,334	2,122
1970		3,068	2,560	2,564
				(for 1969)
<b>III. Workers in Mines*</b>		Coal Mines	Non-coal Mines	
			Mica (Bihar)	Manganese (M.P.)
1961		1,178	834	963
1965		1,559	732	936
1970		2,709	831	921
<b>IV. Teachers</b>		Higher Secondary Schools	Middle Schools	Primary Schools
1950-51		1,258	682	493.20
1960-61		1,681	1,058	872.80
1964-65		1,998	1,459	906.70

\*Calculated from daily earnings on assumption of 300 working days per year.

Sources: (1) Indian Labour Statistics, C.S.O., 1972

(2) Agricultural Situation, April/May, 1970

(3) Education in India, Vol. I., 1964-65.

The rates of change in the earnings of various occupations at current prices between 1950-51 (equals 100) and 1960-61 are seen in Table XIX. While net output per occupied person rose from 100 to 126.8, factory employees had their earnings stepped up by 44 per cent, mine workers by 100 per cent, railway workers by 37 per cent, Central Government employees, including railways, by 27 per cent, plantation workers by more than 45 per cent and rural skilled workers by about 23 per cent.

Two interesting relationships emerging from Table XIX are noteworthy. The higher the level of earnings of any category of workers, the less rapid has been the rate of increase of its earnings over time. Central Government servants, including railway workers, had the highest level of average earnings (Rs. 1,692 per annum) in 1960-61. It is precisely in their case that the rate of increase of earnings over a decade is the slowest (27%). Railway workers have a level of earnings of Rs. 1,624 per annum and the rate of increase (37%) over the decade in their case is somewhat higher. Factory employees have a level of earnings (Rs. 1,376 per annum) lesser than railway workers and Central Government employees and the rate of increase in their case has been as high as 44 per cent over 10 years. Mine workers have earnings even lower than those of factory employees and the rate of increase in their case is nearly 100 per cent over 10 years. Thus, by and large, the tendency for workers with higher levels of earnings to show a slower rate of increase and those with lower level to show a faster increase results in a process of levelling up of the weaker sections of the society and tends to bring about equality among earnings of different occupations.

As distinct from this remarkable tendency, the other noteworthy feature of Table XIX is that plantation workers and rural workers despite very low levels of earnings, have not been able to show faster rates of increase over time and this is more true of rural workers than of plantation workers. Thus, there is a tendency for disparities between rural workers and others to grow, while there is the opposite tendency for disparity within the non-agricultural categories of workers to diminish.

**Wage Policy:** As employers are not always conscious of even the irreducible minimum requirements of wage earners and often take refuge behind the argument of lack of capacity on the part of the enterprise to pay a decent wage, it has become necessary to make and implement a wage policy. Despite unfavourable wage conditions, the Government of India and the State Governments have been conscious of the need for a wage policy which prevents unduly low rates of remuneration and bad working conditions in sweated industries. The concepts of minimum wage, fair wage and living wage have been invoked from time to time and the contents of these concepts have been spelled out on numerous occasions. The Payment of Wages Act was passed

TABLE XIX  
Index Numbers of Earnings by Occupations at Current Prices (1950-51-100)

Sl. No.	Year	Factory employees drawing upto Rs. 200 p.m.	Mines			Railways	Central Govt. including railways	Plantation Assam Valley 2 (men only)	Rural skilled worker	Agr. labour (men only)	Net out-put occupied person
			Coal	Non-coal	All						
1	1951-52	108.0	104.3	108.0	105.4	106.9	103.7	—	106.9	—	103.1
2	1952-53	116.0	112.0	110.0	111.4	109.0	104.4	—	107.1	—	100.0
3	1953-54	115.9	112.1	109.7	111.3	110.9	108.2	100.0	104.5	—	105.0
4	1954-55	115.9	114.4	111.3	113.4	117.7	108.2	115.9	103.2	—	94.9
5	1955-56	122.4	117.0	113.3	115.8	113.5	108.1	131.2	108.1	85.1	97.0
6	1956-57	123.8	165.5	119.5	151.3	116.2	108.9	135.0	109.7	89.8	108.1
7	1957-58	128.7	186.5	128.0	168.5	122.7	113.7	140.1	114.5	93.7	107.2
8	1958-59	130.5	202.5	130.6	179.8	125.7	116.0	129.3	117.7	—	116.7
9	1959-60	134.8	219.3	134.0	192.9	128.2	120.2	141.3	123.0	—	117.9
10	1960-61	143.5	224.1	144.9	199.7	137.0	126.9	144.5	—	—	126.8
11	Average earningsRs.	1376.0	—	—	—	1624.0	1692.0	609	—	—	843.0

1 In 1960-61 or the latest available year.

2 Index with 1953-54=100

Source : (1) *Digest of Indian Labour Statistics, 1960*; *Indian Labour Year Books*; and *Indian Journal*, Min. of Labour and Employment.

(2) Reports of the Chief Inspector of Mines in India.

(3) Reports of the Railway Board, volumes I and II

(4) Report on Census of Central Government employees, C.S.O. and D.G.E.T.

(5) *Agricultural Wages in India*, Ministry of Food and Agriculture

(6) *Education in India*, Ministry of Education.

(7) Monthly Abstracts of Statistics and unpublished compations by C.S.O.

Scattered information is similarly available for the period 1961-70 from various sources. Some of it is presented in Table XVIII and is suggestive of differences in earnings of different occupations and sectors.

in 1936 and attempted to guarantee that wages will be paid at an interval not exceeding one month; that they will be paid not later than the 7th day of the month; and that no deductions will be made from wages except those authorized by the Act, such as a deduction for fines for notified act of omission, for absence from duty, for actual loss or damage to goods, for house accommodation and other amenities provided as a term of employment and for recovery of advances or adjustment of over-paid wages. The Labour Investigation Committee in 1944, the Industrial Disputes Act of 1947, the Tripartite Committee on Fair Wages of 1948 and the Minimum Wage Act of the same year are some of the landmarks in the evolution of a decent wage policy. Several State Governments have also appointed from time to time, inquiry committees and Wage Boards whose work has brought substantial benefits to the working classes. The scope of the Minimum Wages Act has been extended to more and more sweated industries, beginning with industries like *shawl* weaving, rice, flour or *dal* mills, tobacco manufacturing, plantations, stone breaking, tenancies, etc. Minimum time rates, piece rates and overtime rates for different occupations, localities or classes of work have been fixed from time to time. It has been provided that workers may either receive a basic wage and cost of living allowance, or, a basic wage with or without cost of living allowances and the cash value of concessions in respect of essential commodities supplied at concessional rates, or, indeed, a wage rate which includes all these. In all the various committees, sub-committees, advisory boards, etc., appointed by various Governments from time to time, it has become customary to have representatives of the employees, the employers and the Government. While all these are positive steps, uniformity in the standards of minimum wage fixing or, for that matter, in other aspects of wages has not emerged to the desirable extent in the different regions of the country. Different principles with emphasis on different aspects continue to be the cause of a bewildering variety of wage rates. Nevertheless, within a State, and quite often over different States, assemblance of uniformity has been slowly emerging in wages for comparable occupations, intensities of work, skills, etc. The awards given by the Labour Courts, Industrial Tribunals and Conciliation Courts have no doubt helped the healthy tendency towards standardizing wage rates and ensuring equal pay for equal and similar work.

## II. Agricultural Wages

The mode of determination of agricultural wages, their levels and the rates of increase are obviously very different from those of industrial wages. This is so owing to several peculiarities of agricultural wage-labour in the context of an under-developed country with a seriously adverse land-man ratio. In India, the rapid growth of population



between 1921 and 1951 at an annual rate of about 1 per cent per annum and an even more rapid rate of increase at about 2.2 per cent per annum since 1951 has increased the pressure of population on agricultural land which has not been expanding by any significant extent. If only opportunities for the absorption of agricultural workers in non-agricultural operations were abundant, a reduction in the ratio of manpower to land or a slower rate of increase in this ratio could have made things a little more manageable. However, while job-opportunities in the non-agricultural sector have been emerging by the millions in every Five-Year Plan period — they are emerging much too slowly and are being filled by the existing supply of workers from the categories of unemployed and under-employed within non-agriculture, from increased labour participation, and finally, from the natural growth of the non-agricultural population. The agricultural labour force, itself growing at a rapid rate of more than 2 per cent per annum, has not been finding enough opportunities to get absorbed fully. Even before the era of planning such was the great mass of labour force and of population dependent on agriculture that not only was per capita income or output small but a serious degree of under-employment — both seasonal and all the year round — was in evidence. It has been argued that under these circumstances of surplus labour force and under-employment, the marginal productivity of labour tends to approach zero or may even become negative in extreme cases. That is to say, many a farm has workers who may not be adding anything to the total product. If these workers were withdrawn from the farms where they worked in too much of a cluster, the output of the farms would not diminish. As output would not diminish, the presumption is that the workers who were withdrawn were under-employed, although if they were asked whether they were doing any productive job, their answer would probably be that, in fact, they were. It follows that one of the peculiarities of under-developed and over-populated agriculture is that judging by the subjective feelings of workers, these workers are employed, but that, judging by the objective test of whether they are really essential to the work and are adding to the total product, many of them will be found to be redundant.

This situation of serious labour surplus in the agricultural sector all over the country, barring perhaps a few pockets of labour shortage, existed even before the era of planning began in 1951. Recent indicators show quite convincingly that things might have even worsened somewhat over the last 15 years. It is true that gross acreage under cultivation has increased by about 20 per cent since 1951 (including irrigated acreage). A greater intensity of cropping and the adoption of techniques which utilize more labour has also been in evidence. Even so, the demand for agricultural labour cannot be said to have

kept pace with the supplies from natural increases of labour force and indeed from the increased desire for participation in work, particularly among women. One may, therefore, presume that the degree of under-employment, in all probability, has increased somewhat in the agricultural sector particularly because major possibilities of shifts of agricultural workers into non-agricultural occupations have not yet emerged, although they might emerge in the near future in a big way. Even before 1951 there was a great deal of under-employment of agricultural labour. But suppose that we assume that there was no backlog of unemployed labour; even then it follows that the 4 million or so jobs created during the First Five Year Plan did not absorb all those who came additionally to the labour market to seek jobs. In like manner, while the Second Five Year Plan created about 7 million additional jobs, job-seekers during that period probably increased by 12 to 14 million. In both Plans, then, fresh under-employment among agricultural workers emerged in the economy. The Third Five Year Plan aimed at creating about 12 million jobs, but by all accounts, there was an under-fulfilment of targets in this respect as in some other fields. The number of job-seekers on the other hand continued to increase phenomenally at a faster rate so that, the Fourth Five Year Plan is estimated to begin with a backlog of 12 million under-employed or unemployed workers and will add some 23 million more to the labour force. Of these 35 million, it can hope to absorb only about 16 million additional workers in the non-agricultural and about 5 million in the agricultural sector, so that Fifth Plan might begin with a backlog of some 14 million unemployed or under-employed. Under these circumstances, when millions of new jobs created in non-agricultural sector are not found sufficient to absorb fully the new job-seekers within the non-agricultural to the non-agricultural sector remains an academic one, for some time to come. One is, therefore, strengthened in the belief that agricultural under-employment has been growing nearly all the time during the era of planning, despite the creation of millions of job-opportunities in the non-agricultural sector and despite increased demand for labour in the agricultural

In this set-up it was but natural that wage rates in agriculture should not rise or rise much too slowly. And this is precisely what seem to have happened. We have already seen in the previous sections that the rate of increase in the wages of rural skilled workers between 1951 and 1961, has been far slower (a little more than 23 per cent) compared to the rates of increase of other workers (railway workers about 37 per cent; factory workers about 44 per cent; mine workers about 100 per cent and plantation workers about 45 per cent). Apart from the rate of increase, the absolute level of earnings of rural workers, even of the skilled category, is seen to be much lower than in the case of other categories (see Table

XVII); and this too is obviously the result of the supply of agricultural labour being much larger relative to demand than in the case of other workers. As a result of these factors the relative position of agricultural workers *vis-a-vis* other workers has been deteriorating, the only exception to this statement being those agricultural workers who also own lands and cultivate these. As part of their earnings are non-wage earnings and come from the cultivation of land — a business whose fortunes have not behaved badly since the beginning of the Second World War — these land-owning workers have probably not lost very much in the bargain and might have even gained grounds. It is the landless agricultural workers who emerge as the worst hit amongst almost all recipients of wages.

**The Agricultural Labour Enquiries:** The First Agricultural Labour Enquiry was conducted by the Government of India in 1950-51 and the Second Agricultural Labour Enquiry in 1956-57. While a comparison of wages, earnings, employment, etc., of agricultural workers between these two years is not very easy to make in view of changes in definitions and procedures between the two enquiries, a fairly clear picture of the relative position of agricultural workers is available separately for each of the two years for different operations and indeed in different areas of the country. Table XX gives the average daily wage of casual agricultural labourers in 1956-57, both for men and women, working in different operations and in different regions of the country. The daily wage for men in non-agricultural rural occupations was 167 *paise* and this compared with an agricultural wage of 96 *paise*. Operation-wise, while ploughing fetched a daily wage of 100 *paise*, transplanting fetched 111 *paise*, harvesting 93 *paise* and weeding 88 *paise*. In the case of females, non-agricultural operations fetched a higher wage — 62 *paise* per day — compared to the agricultural wage of 59 *paise* per day. Sowing for women appeared to be the most remunerative of operations, fetching 82 *paise* daily; transplanting was the next best, fetching 69 *paise*, while harvesting and weeding brought 58 and 52 *paise* per day respectively.

For males as well as for females, agricultural wages turned out to be the highest in Punjab, the average daily wage in 1964-65 for men being 198 *paise* and for women 122 *paise*. Assam, West Bengal and Kerala also recorded generally higher daily wage rates for men compared to other States while Madhya Pradesh and Orissa recorded the lowest figures (76 and 80 *paise* respectively).

As stated already, a comparison of wages between the First and the Second Labour Enquiry, that is to say, between 1950-51 and 1956-57 is made extremely difficult owing to changes in definitions and procedures. If one were to go by simple uncorrected results, it would appear that the average daily wage rate of casual male agricultural labourers

TABLE XX  
Average of Daily Wage of Casual Agricultural Labour During 1956-57

S. No.	State and Zonal Council	AVERAGE DAILY WAGE (in paise)											
		Agricultural Operations (Men)						Agricultural Operations (Women)					
		Ploughing	Weeding	Trans-planting	Harvesting	All Agri. operations	Non-agri. operations	Sowing	Weed-ing	Trans-planting	Harvest-ing	All Agri. operations	Non-agri. operations
	<b>Central Zone</b>	89	69	104	94	86	96	63	54	72	64	61	58
1.	Uttar Pradesh	94	76	106	97	92	99	51	53	74	67	65	59
2.	Madhya Pradesh	80	58	68	89	76	90	77	55	68	62	59	57
	<b>Eastern Zone</b>	104	110	123	103	106	116	101	64	85	70	74	71
3.	Bihar	94	89	101	92	91	115	87	61	85	73	74	72
4.	West Bengal	143	141	160	135	143	127	115	114	116	68	98	90
5.	Orissa	63	79	87	81	80	90	60	58	56	58	55	57
6.	Assam*	168	144	157	146	154	168	107	107	154	99	115	101
	<b>Southern Zone</b>	97	74	91	83	91	98	74	48	59	54	54	59
7.	Andhra Pradesh	90	82	91	81	87	97	81	50	54	56	55	67
8.	Madras (Tamil Nadu)	91	61	92	81	84	91	61	45	53	49	48	48
9.	Kerala	130	—	78	132	128	136	108	57	59	72	70	58
	<b>Western Zone</b>	94	76	111	84	86	103	62	50	93	53	55	60
10.	Bombay	97	79	112	87	87	99	56	51	96	54	55	59
11.	Mysore (Karnataka)	88	66	108	77	84	112	66	47	87	53	55	59
	<b>Northern Zone</b>	182	134	133	202	163	133	38	67	68	105	79	52
12.	Rajasthan	108	83	100	110	98	125	38	65	35	67	61	60
13.	Punjab*	208	173	134	247	198	138	—	194	100	140	122	40
	All-India	100	88	111	93	96	107	82	52	69	58	59	62

Source: Report on the Second Agricultural Labour Enquiry (1956-57) as quoted in *Indian Labour Statistics* — 1962.  
\*Assam includes Manipur and Tripura and Punjab Includes Delhi and Himachal Pradesh.

declined from 109 *paise* to 96 *paise*, that is, by 12 per cent and for females from 68 *paise* to 59 *paise*, that is, by 14 per cent. As a consequence, the average annual income of agricultural labour households also seems to have decreased from Rs. 497 to Rs. 437 and the per head annual income from Rs. 104 to Rs. 99.4. There are other indicators too of a worsening in the position of agricultural workers between the two years under discussion. The proportions of agricultural labour households with land seems to have decreased from 49.9 per cent to 42.9 per cent; average annual consumption expenditure of agricultural labour households appears to have increased from Rs. 461 to Rs. 617, strangely enough without a simultaneous increase in income. In consequence thereof, the percentage of agricultural households in debt seems to have gone up from 45 per cent to 66 per cent, while the accumulated debt per household also seems to have increased from Rs. 47 to Rs. 88.

These results, against a wholesale acceptance of which the reader must be seriously warned, have to be subjected to rigorous scrutiny as, indeed, they have already been in Indian economic literature.\* A great deal of analysis has established the point that if corrections were made for definitional and procedural changes between the two Enquiries, the comparative position of agricultural labourers in 1956-57 could not be said to have been any worse than in 1951. The decline in incomes was the result not of changes in the actual reality, but largely of the elimination of households with relatively high incomes which, under the new definition, could not be classified as agricultural labourers. It was also the result, quite substantially, of using the wholesale price index for evaluating the kind incomes of agricultural labourers in 1956-57, when, in fact, the retail price index (which happened to be about 10 per cent higher) was used for a similar evaluation in 1951. It turns out after close examination that the average number of days worked during the year increased for men by 2.6 per cent and for women by 9.2 per cent in agricultural operations. But this increase in employment or the demand for labour could not match the somewhat faster increase in the supply of labour between 1950-51 and 1956-57. In the result, under-employment perhaps increased somewhat and wage rates understandably decreased by 4 per cent for men and by as much as 13 per cent for women between 1950-51 and 1956-57. It is this faster decrease in the wage rates of women that perhaps made it a little more remunerative to employ women in preference to men, wherever such substitution was possible. The net result was, therefore, a greater increase (9.2 per cent) in the average number of days worked during the year by women compared to a smaller increase (2.6 per cent) in the number of days worked by men.

---

\**Agricultural Labour in India*, Ed. V.K.R.V. Rao, a publication of the Institute of Economic Growth, Asia Publishing House, 1962.

The Ministry of Labour has continued to compile statistics of average daily earnings of agricultural labour households on the model of Table XX presented earlier. For the year 1964-65, these statistics are presented here in Table XXI.

**Minimum Agricultural Wages:** While it has been possible for the Government in this country to devise a machinery for at least a partial control of agricultural rents, urban rents and industrial wages, it has not been found easy, under the prevailing circumstances, to set up an effective mechanism for the fixation of minimum agricultural wages. There are several difficulties of an almost insurmountable character — which stand in the way of an effective minimum wage either in money or in real terms. To begin with, the mass of agricultural labour is phenomenally large, agricultural labour households numbering about 16.3 million in 1956-57 and the population of these households amounting to about 72 million. Within the agricultural labour class, the landless category itself is very large, accounting for no less than 9 million families and about 40 million population. Landless labourers thus constitute about 57 per cent of all agricultural labourers and about one-sixth of agricultural population. This last mentioned figure is quite extraordinary for probably no country in the world has such a large mass of agricultural population deriving its livelihood from wage labour. Even in a thickly populated country like China, agricultural labourers never became so numerous in relation to agricultural population or total population. Apart from the difficulty of numbers, regional disparities in India are so enormous that a minimum wage to cater to the needs of each region is beset with difficulties of its own. The norms for fixing minimum wages for agricultural labourers are not clear. Even in theory while wages of workers in other sectors and lines of industry may have some relation with the marginal product of labour, *i.e.*, the value of additional output due to the employment of one more worker, practically no relation is said to exist between agricultural wage and the marginal product of labour in the agricultural sector. The point typically made in theoretical economic literature is that in agriculture quite often the marginal product is so small (or even negative) that a wage equal to the marginal product will certainly not suffice for the worker and his family to keep body and soul together and would be even below the subsistence level. Wages in agriculture, it is said, are not determined in a country like India with reference to the marginal product, and it seems a better hypothesis to say that agricultural wages are either related very roughly to the subsistence level or are equal to the average farm product, *i.e.*, the total farm output divided by the total number of workers. (We shall presently note some important rebuttals of these statements in the context of the 1960s and the 1970s as distinct from the 1950s).

TABLE XXI  
Average Daily Earnings of Agricultural Labour Households 1964-65

AVERAGE DAILY EARNINGS (in paise)

Sl. No.	Agricultural Operations (Men)							Agricultural Operations (Women)						
	Ploughing	Sowing	Trans-planting	Weeding	Harvesting	All Agri. operations	Non-agri. operations	Ploughing	Sowing	Trans-planting	Weeding	Harvesting	All agri. operations	Non-agri. operations
I. Central Zone	84	116	160	119	129	110	115	80	90	127	89	97	89	86
1. Uttar Pradesh	70	124	170	127	148	110	147	85	99	129	97	13	95	80
2. Madhya Pradesh	105	101	133	92	108	111	128	77	72	124	80	90	86	90
II. Eastern Zone	152	161	197	162	161	155	160	120	115	142	126	118	117	96
1. Bihar	137	140	186	140	148	139	155	114	124	157	125	125	120	92
2. West Bengal	184	175	232	177	186	181	167	94	114	177	129	137	136	98
3. Orissa	137	140	109	145	140	133	152	107	101	78	98	96	89	93
4. Assam	214	224	450	326	365	221	259	178	—	254	164	—	170	170
5. Manipur	—	—	—	—	—	—	280	—	233	—	—	—	233	—
5. Tripura	205	202	199	192	194	197	218	—	100	150	100	150	137	—
III. Southern Zone	147	134	187	113	132	142	170	106	97	97	77	95	90	92
1. Andhra Pradesh	116	127	156	108	119	121	129	87	108	100	63	91	85	74
2. Madras (Tamil Nadu)	144	124	281	112	140	139	153	106	80	88	66	91	85	110
3. Kerala	220	183	183	194	203	211	308	133	170	126	116	137	123	110
IV. Western Zone	140	—	—	144	128	140	177	91	86	115	76	86	86	92
1. Gujarat	134	180	102	160	130	147	163	98	171	104	138	111	119	130
2. Maharashtra	149	174	170	166	140	147	201	89	80	107	71	75	77	88
3. Mysore (Karnataka)	124	121	165	86	105	121	137	90	73	127	60	77	79	88
V. Northern Zone	211	190	215	197	239	204	193	125	110	59	152	136	175	108
1. Rajasthan	242	189	150	134	171	176	159	119	104	59	139	122	109	147
2. Punjab	205	189	212	221	266	213	207	151	—	—	266	157	145	97
3. Jammu and Kashmir	172	—	345	100	226	103	—	—	—	—	—	—	150	—
4. Delhi	175	216	—	175	—	175	224	160	—	—	175	420	162	150
5. Himachal Pradesh	—	—	—	—	—	—	—	—	—	—	—	—	—	—
All-India	139	151	186	142	143	143	154	102	97	115	87	95	95	92

Source: Indian Labour Statistics, 1971.

The agricultural wage fixing machinery can, therefore, at best, find it feasible to allow for a minimum subsistence wage which is generally higher than the marginal product of labour. But even a subsistence wage is not an easily definable term, inasmuch as the content of subsistences is too vague and depends a great deal upon personal discretion, subjective feelings and value judgements. Should subsistence include only inferior cereals or superior cereals too? Should children's education, which is deemed to be social necessity and has a constitutional directive to support it, be regarded as an essential part of subsistence? What quality of housing, fuel and clothing should be provided for? There is no one answer to these questions and hence minimum wages are not easy to decide upon.

Arbitrary decisions, however, as in so many other cases, could, of course, be taken; but the real difficulty with a minimum wage programme is the difficulty of enforcement. With a great abundance of the supply of labour in relation to demand, and with supplies growing each year faster than demand, agricultural labourers are in a very weak bargaining position. The landless amongst them have no real asset or property to fall back upon. Competition between them for the relatively few opportunities available is bound to keep their wages and their bargaining position very weak. The availability of other workers and indeed of machines, tractors, etc., as substitutes for labour also works in the same direction, so that there is nothing except the fear of law to enforce minimum agricultural wage. And law, unsupported by other social and economic forces, is indeed not an effective guarantee of enforcement.

The possibility of minimum wage fixing becomes a reality in those regions of the country where the demand for labour begins to catch up with supplies and eliminates the vast labour surplus. This brings about some competition among employers of labour and begins to force them to follow the law or the regulations about minimum wage. For the country as a whole, minimum wage fixing of an effective character will probably have to wait some more time until the pace of industrialization, by absorbing some of the vast labour surplus in the country-side, pushes up wages somewhat, introduces competition among employers and makes it possible to talk of an effective minimum wage.

Important research work in respect of the agricultural sector undertaken in India after the outburst of the wheat revolution in the northern part of the country in the late 1960s suggests a major structural change in the relationship between agricultural wages and productivity. In fact empirical results for the 1950s itself, when better seeds and irrigation had come to be used extensively but the exotic of high yielding varieties with a lot of fertilizer use had not yet emerged, point out to a much greater rationality among farmers than they have so far been credited with. The works of G. R. Saini for the 1950s and of P. S.



Vashishtha \*for the 1960s show, farmers do come quite close to a rational allocation of resources. In technical jargon, agricultural labour productivity at the margin is not zero but positive and, what is more the ratio of the marginal products of different inputs correspond quite closely to the ratios of factor costs. All this means that the agricultural scene is rapidly changing and is becoming sensitive to changes in costs, prices and profits. Farming is becoming a business rather than a way of life; and bargaining power is also getting altered radically. Organized trade unions in agriculture — among workers, tenants and small farmers — are a real possibility now and wage fixing in relation to the marginal product of labour is already becoming a reality, as distinct from wage-fixing on the basis of traditional norms or even the average product of labour.

---

\*G.R. Saini: Economics of Farm Management with Special Reference to some Selected Holdings in Uttar Pradesh, Ph. D. Thesis, University of Delhi.

P.S. Vashishtha: Analysis of Agricultural Production Functions., Thesis, University of Delhi.

## APPENDIX I

Table 1: Bombay

## Tenements by Monthly Rent and Total Floor Space (Sq. Feet)

Monthly Rent in Rupees	Floor Space (Sq. Feet)						Total
	Upto 120	121- 200	201- 300	301- 400	401- 500	Over 500	
10 and below	3,351 (66.5)	1,515 (30.0)	135 (2.6)	31 (0.6)	6 (0.10)	3 (0.1)	5,041 (100.0)
11 — 20	1,293 (36.5)	1,711 (48.3)	444 (12.5)	74 (2.0)	14 (0.4)	10 (0.3)	3,546 (100.0)
21 — 30	139 (11.1)	565 (45.0)	378 (30.1)	113 (9.0)	40 (3.2)	20 (1.6)	1,255 (100.0)
31 — 40	43 (6.9)	199 (31.9)	185 (29.7)	99 (15.9)	62 (10.0)	35 (5.0)	623 (100.0)
41 — 50	16 (4.7)	44 (12.8)	111 (32.9)	77 (22.2)	54 (15.7)	40 (11.7)	342 (100.0)
51 — 75	7 (1.8)	56 (14.6)	72 (18.6)	60 (15.2)	82 (20.9)	112 (28.9)	389 (100.0)
76 — 100	3 (1.8)	6 (3.7)	30 (18.5)	24 (14.7)	32 (19.6)	68 (41.7)	163 (100.0)
101 — 150	3 (2.4)	1 (0.8)	14 (11.3)	13 (10.5)	22 (17.7)	71 (57.3)	124 (100.0)
151 — 200	—	2 (5.3)	—	7 (18.4)	2 (5.3)	27 (71.0)	38 (100.0)
201 & above	—	1 (1.9)	1 (1.9)	2 (3.6)	6 (9.3)	45 (83.3)	55 (100.0)
Not or inadequate information	61 (46.9)	41 (31.5)	10 (7.7)	7 (5.4)	7 (5.4)	4 (3.1)	130 (100.0)
<b>Total:</b>	<b>4,916</b> (42.0)	<b>4,141</b> (35.4)	<b>1,380</b> (11.8)	<b>507</b> (4.3)	<b>327</b> (2.8)	<b>435</b> (3.7)	<b>11,706</b> (100.0)

Source: D. T. Lakdawala, V. N. Kothari, J. C. S. Sandesara and P. R. Nair — *Work, Wages and Well-being in an Indian Metropolis* — Economic Survey of Bombay City — University of Bombay, Chapter IX, page 750.

Note: 1 — Figures in brackets are percentages of the total.  
2 — This is as a result of field work done during 1955 and 1956.

Table II: Bombay

## Rent-paying Families by Monthly Rent and Tenement

<i>Monthly Rent: in Rupees</i>	<i>Bungalow</i>	<i>Flat</i>	<i>Chawl</i>	<i>Hutment</i>	<i>Other</i>	<i>Total</i>
10 or below	2 (—)	43 (0.9)	4,583 (90.9)	374 (7.4)	39 (0.8)	5,041 (100.0)
11 — 20	7 (0.1)	123 (3.5)	3,309 (93.4)	79 (2.2)	28 (0.8)	3,546 (100.0)
21 — 30	12 (1.0)	216 (17.2)	998 (79.5)	13 (1.0)	16 (1.3)	1,255 (100.0)
31 — 40	9 (1.4)	240 (38.6)	357 (57.3)	9 (1.4)	8 (1.3)	623 (100.0)
41 — 50	5 (1.5)	215 (62.9)	111 (32.3)	4 (1.2)	7 (2.1)	342 (100.0)
51 — 75	6 (1.6)	288 (73.9)	90 (23.2)	1 (0.3)	4 (1.0)	389 (100.0)
76 — 100	5 (3.1)	132 (81.0)	22 (13.5)	2 (1.2)	2 (1.2)	163 (100.0)
101 — 150	2 (1.6)	112 (90.3)	10 (8.1)	—	—	124 (100.0)
151 — 200	1 (2.6)	37 (97.4)	—	—	—	38 (100.0)
201 & above	2 (3.6)	53 (96.4)	—	—	—	55 (100.0)
Not or inadequate information	—	15 (11.5)	109 (83.9)	3 (2.3)	3 (2.3)	130 (100.0)
Total	51 (0.4)	1,474 (12.6)	9,589 (81.9)	485 (4.2)	107 (0.9)	11,706 (100.0)

\* Figures in brackets are percentages of the total.

Source: D. T. Lakdawala, V. N. Kothari, J.C.S. Sandesara and P. R. Nair—*Work, Wages and Well being in an Indian Metropolis*—Economic Survey of Bombay City—University of Bombay, Chapter IX, Page 723.

Table III: Bombay

## Rent-paying Families by Monthly Rent Paid and Number of Rooms

<i>Monthly Rent in Rupees</i>	<i>One</i>	<i>Two</i>	<i>Three</i>	<i>Four</i>	<i>Five</i>	<i>Six and above</i>	<i>Total</i>
Less than 11	4,886 (96.9)	145 (12.9)	9 (0.2)	—	—	1	5,041 (100.0)
11 — 20	3,047 (86.0)	469 (13.2)	25 (0.7)	4 (0.1)	—	1	3,546 (100.0)
21 — 30	802 (63.9)	383 (30.5)	53 (4.2)	12 (1.0)	4 (0.3)	1 (0.1)	1,255 (100.0)
31 — 40	267 (42.9)	268 (43.0)	70 (11.2)	14 (2.2)	8 (0.5)	1 (0.1)	623 (100.0)
41 — 50	87 (25.4)	141 (41.2)	88 (25.7)	21 (6.1)	8 (0.9)	2 (0.6)	342 (100.0)
51 — 75	77 (19.8)	111 (28.5)	126 (32.4)	53 (13.6)	20 (5.1)	2 (0.5)	389 (100.0)
76 — 100	9 (5.5)	54 (33.1)	40 (24.6)	41 (25.2)	11 (6.7)	8 (4.9)	163 (100.0)
101 — 150	4 (3.2)	27 (21.8)	32 (25.8)	33 (26.6)	15 (12.1)	13 (10.5)	124 (100.0)
151 — 200	—	6 (15.8)	9 (23.7)	8 (21.0)	9 (23.7)	6 (15.8)	38 (100.0)
201 and above	—	1 (1.9)	8 (14.8)	9 (16.7)	16 (29.6)	21 (37.0)	55 (100.0)
No or inadequate information	101 (77.7)	19 (14.6)	4 (3.1)	5 (3.8)	—	1 (0.8)	130 (100.0)
<b>Total:</b>	<b>9,280</b> <b>(79.3)</b>	<b>1,624</b> <b>(13.9)</b>	<b>464</b> <b>(4.0)</b>	<b>200</b> <b>(1.7)</b>	<b>81</b> <b>(0.7)</b>	<b>57</b> <b>(0.5)</b>	<b>11,706</b> <b>(100.0)</b>

Figures in brackets are percentages of the total.

Source: D. T. Lakdawala, V. N. Kothari, J. C. S. Sandesara and P. R. Nair—*Work, Wages and Well-being in an Indian Metropolis* — University of Bombay, Chapter IX, Page 726.

Table IV : Bombay  
Families by Monthly Income and Monthly Rent (in Rupees)

Monthly family income	Monthly Rent										No or inadequate information	Grand Total	
	10 or less	11-20	21-30	31-40	41-50	51-75	76-100	101-150	151-200	Over 200			
Less than 50	191 (75.5)	52 (20.5)	6 (2.4)	1 (0.4)	—	2 (0.8)	—	1 (0.4)	—	—	253 (100.0)	13	266
50-99	1203 (72.4)	399 (24.0)	45 (2.7)	7 (0.4)	3 (0.2)	3 (0.2)	1 (0.1)	1 (0.1)	—	—	1662 (100.0)	49	1711
100-249	3098 (52.3)	2057 (34.7)	490 (8.3)	167 (2.8)	64 (1.1)	36 (0.6)	6 (0.1)	7	1	—	5926 (100.0)	43	5969
250-499	460 (18.6)	854 (34.5)	532 (21.5)	280 (11.1)	146 (16.0)	145 (6.0)	37 (1.5)	18 (0.7)	2 (0.1)	1 (0.1)	2475 (100.0)	14	2489
500-999	23 (13.1)	113 (15.3)	141 (19.1)	127 (17.2)	89 (12.1)	125 (17.0)	67 (9.1)	43 (5.8)	6 (0.8)	3 (0.4)	737 (100.0)	2	739
1000 and above	3 (0.9)	9 (2.6)	24 (7.0)	31 (9.0)	37 (10.7)	68 (19.8)	48 (14.0)	48 (14.0)	27 (7.8)	50 (14.0)	345 (100.0)	2	347
No or Inadequate information	63 (35.4)	62 (34.8)	17 (9.6)	10 (5.6)	3 (1.7)	10 (5.6)	4 (2.2)	6 (3.4)	2 (1.1)	1 (0.6)	178 (100.0)	7	185
Total :	5041 (43.5)	3546 (30.6)	1255 (10.8)	623 (5.4)	342 (2.9)	389 (3.4)	163 (1.4)	124 (1.1)	38 (0.3)	55 (0.5)	11576 (100.0)	130	11706

Source : D.T. Lakdawala, V.N. Kothari, J.C.S. Sandesara and P.R. Nair—“Work, Wages and Well-being in an Indian Metropolis” Economics Survey of Bombay City—University of Bombay—Chapter IX, page 718.

Note : Figures in brackets show percentage of, ‘Rent paying families’ to total in each income group.

**Table V : Calcutta**  
**Rent and Different Income Groups**

<i>Income Group</i>	<i>Monthly Rent</i>								<i>Average</i>
	1-5	6-10	11-15	16-30	31-60	61-125	126-250	<i>Rs. 251 Above</i>	
1-30	49.1	30.9	11.4	11.4	—	—	—	—	5.64
1-30(with food)	53.0	23.0	4.5	3.0	—	—	—	—	5.13
31-100	4.4	23.3	14.9	10.8	1.5	—	—	—	8.30
101-200	15.0	19.0	18.2	30.2	12.4	1.5	—	—	18.0
201-350	3.5	3.8	10.2	26.6	42.1	3.5	—	—	41.00
351-750	1.8	1.8	0.9	11.7	37.0	30.0	11.2	0.9	75.00
751-1200	—	—	2.0	4.0	14.3	50.0	2.4	2.0	107.00
1201 and Above	—	—	—	—	5.7	20.0	43.4	26.0	203.00

*Source* : S.N. Sen—'The City of Calcutta'—A Socio Economic Survey, 1954-55 to 1957-58. Chapter VII, page, 154.

**Table VI: Calcutta**  
**Rent in Different Types of Household**  
 (Percentage of total in each type)

Monthly Rent (Rs.)	Separate Flat	Complete House	Joint House	P.W. K.R.*	K.W. K.R.**	All Kutchas	Mess Hotel	Shop-dwelling
1 — 5	—	—	30.3	32.0	37.3	45.3	30.0	11.7
6 — 10	—	—	12.2	20.0	26.8	30.1	31.6	19.0
11 — 15	1.5	—	25.3	18.3	20.4	15.2	6.3	17.0
16 — 30	9.2	7.0	10.3	13.4	10.0	4.0	3.4	28.2
31 — 60	38.0	30.5	14.1	2.0	1.5	0.5	5.6	8.4
61 — 125	30.6	30.5	2.5	0.2	0.3	0.1	—	1.0
126 — 251	13.4	20.0	0.27	—	—	—	—	—
251 and above	2.7	7.0	0.1	—	—	—	—	—
Average rent (Rs.)	85.0	103.0	19.0	9.0	8.5	7.0	—	—

\* P.W.K.R. — *Pucca Wall Kutcha Roof*

\*\* K.W.K.R. — *Kutcha Wall Kutcha Roof*

Source: S. N. Sen — '*The City of Calcutta*' — A Socio-Economic Survey, 1954-55 to 1957-58, Chapter VII, Page 152.

**Table VII: Calcutta**  
**Rent and the Ratio of Rent-paying Households**

Monthly Rent (in Rupees)	Percentage of rent-paying households to total
1 — 5	31.4
6 — 10	20.0
11 — 15	14.0
16 — 30	16.0
31 — 60	8.6
61 — 125	3.1
126 — 250	1.1
251 and above	0.3
Not available	5.5
<b>Total:</b>	<b>100.0</b>

Source: S. N. Sen—'*The City of Calcutta*' — A Socio-Economic Survey, 1954-55 to 1957-58, Chapter VII, p. 149.

**Table VIII: Lucknow**  
**Distribution of Households by Monthly Rent or Letting Value**

	<i>Local</i>		<i>Born Outside</i>		<i>Total</i>	
	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>
No rent	184	6.95	279	19.23	463	11.29
Less than Rs. 5	755	28.51	291	20.05	1,046	25.52
Rs. 5 to less than Rs. 10	796	30.06	317	21.86	1,113	27.16
Rs. 10 to less than Rs. 15	421	15.90	180	12.40	601	14.85
Rs. 15 to less than Rs. 30	339	12.80	222	15.30	561	13.69
Rs. 30 to less than Rs. 50	96	3.67	73	5.03	129	3.15
<b>Total</b>	<b>2,648</b>	<b>100.00</b>	<b>1,451</b>	<b>100.00</b>	<b>4,099</b>	<b>100.00</b>

*Source:* Radhakamal Mukerjee and Baljit Singh — 'Social Profiles of Metropolises' — Social and Economic Structure of Lucknow, Capital of Uttar Pradesh—1954-56, Chapter IX P. 128.



## APPENDIX II

Table A

Index Numbers of Money Earnings of Workers Employed in Mines  
during December Each Year  
(Dec. 1951 = 100)

Year		Coal	Non-coal	All Minerals
1951	(11.11)	100.0	100.0	100.0
1952	(11.31)	107.4	101.9	105.7
1953	(11.97)	107.5	101.6	105.6
1954	(12.16)	109.7	103.1	107.8
1955	(12.48)	112.2	104.9	109.9
1956	(17.65)	158.7	110.7	143.6
1957	(18.74)	178.9	118.5	159.9
1958	(21.34)	194.2	120.9	170.6
1959	(22.02)	210.3	124.1	183.1
1960	(23.56)	214.9	134.5	189.6
1961	(23.56)	214.7	161.7	198.0

Source: (1) Chief Inspector of Mines

(2) Chief Inspector of Coal Mines as quoted in *Indian Labour Statistics-1962*.

N.B. (a) Figures in brackets show 'Average Weekly Cash Earnings of Workers in Coal Mines'.

(b) The annual percentage rate of change of money earnings (weekly) of workers in coal mines is 9.6 (Regression Equation  $\log_w = 1.2086 + 0.0397T$ . Origin 1956 where  $T = 0$ .  $T$  units is one year).

**Table A (i)**  
**Index Nos. of Money Earnings of Workers in Mines during**  
**December Each Year, 1962-69**

<i>Year</i>		<i>Coal</i>	<i>Non-Coal</i>	<i>All Minerals</i>
1962	(24.36)	221.2	169.5	204.9
1963	(26.63)	240.2	171.9	218.7
1964	(26.71)	241.7	175.3	220.8
1965	(31.18)	280.5	190.1	252.0
1966	(34.56)	309.8	194.8	273.6
1967	(46.31)	417.1	217.4	354.2
1968	(49.77)	442.3	228.5	375.0
1969	(52.31)	452.5	248.6	388.3

*Source:* Director General of Mines and Safety as quoted by *Indian Labour Statistics* 1967, 1971.

*Note:* Figures in brackets show average weekly cash earnings of workers in coal mines.

**Table B**  
**Index Number of Money Earnings of Workers in Coal**  
**Mines during the Month of December**  
**(Dec. 1951 = 100)**

<i>States</i>	1951	1956	1961	
Andhra Pradesh	100.0	131.3	178.9	(25.58)
Assam	100.0	139.4	150.7	(20.53)
Bihar —				
Jharia	100.0	159.9	215.2	(23.58)
Raniganj	100.0	N.A.	N.A.	(22.93)
Madhya Pradesh	100.0	186.0	260.2	(23.83)
Maharashtra	100.0	N.A.	N.A.	(23.69)
Orissa	100.0	186.5	240.8	(22.60)
Rajasthan	100.0	203.2	221.7	(19.22)
W. Bengal (Raniganj)	100.0	149.4	202.9	(23.38)
Indian Union	100.0	158.7	214.7	(23.56)

N.A.—Not Available

*Source:* 'Monthly Coal Bulletin, Dec. 1961' as quoted in *Indian Labour Year Book* 1962.

*Note:* Figures in brackets show 'Average Weekly Cash Earnings of Workers in Coal Mines during — 1961'.

**Table B(i)**  
**Index Numbers of Money Earnings of Workers in Coal**  
**Mines during the Month of December Each Year**

<i>State</i>	1966	1969
Andhra Pradesh	259.0	393.9
Assam	246.0	269.8
Bihar (Jharia)	296.0	444.1
Madhya Pradesh	391.5	562.0
Maharashtra	—	—
Orissa	347.5	491.4
Rajasthan	246.5	—
West Bengal	306.8	438.6

*Source:* Directorate General of Mines Safety as quoted by *Indian Labour Statistics*, 1971.

**Table C**  
Average Daily Earnings of Workers Employed in  
Mines other than Coal during the Year 1961

<i>States</i>	<i>China Clay</i>	<i>Copper</i>	<i>Gold</i>	<i>Iron Ore</i>	<i>Lime Stone</i>	<i>Manga- nese</i>	<i>Mica</i>	<i>Stone</i>
Bihar	1.24	4.70	—	3.32	4.09	—	2.72	2.26
Mysore (Karnataka)	—	—	6.03	—	—	1.77	—	—
Orissa	—	—	—	2.62	3.17	2.03	—	—
Madhya Pradesh	—	—	—	—	2.04	2.22	—	—
Maharashtra	—	—	—	—	—	2.77	—	—
Andhra Pradesh	—	—	—	—	—	—	2.39	—
Rajasthan	—	—	—	—	—	—	1.76	—

*Source:* Annual Report of the Chief Inspector of Mines for the year ending December 31st, 1961', as quoted in the *Indian Labour Year Book* — 1962.

**Table C(i)**  
Average Daily Earnings of Workers Employed in Mines  
other than Coal during the Year 1965.

<i>States</i>	<i>China clay</i>	<i>Copper</i>	<i>Gold</i>	<i>Iron Ore</i>	<i>Lime Stone</i>	<i>Man- ganese</i>	<i>Mica</i>	<i>Stone</i>
Bihar	1.43	5.48	—	2.81	5.33	—	2.72	2.56
Mysore (Karnataka)	—	—	7.35	2.70	3.18	2.46	—	—
Orissa	—	—	—	3.45	4.00	2.20	—	—
Madhya Pradesh	—	—	—	—	3.38	2.54	—	—
Maharashtra	—	—	—	—	—	2.53	—	—
Andhra Pradesh	—	—	—	—	—	—	2.32	—
Rajasthan	—	—	—	—	5.14	—	2.27	—
Goa	—	—	—	4.33	—	—	—	—

*Source:* D.G.H.S. as quoted the *Indian Labour Year Book*, 1968.

**Table D**  
**Earnings of Plantation Workers in Assam (1947-48 to 1960-61)\***

Years	Assam Valley			Cachar		
	Men	Women	Children	Men	Women	Children
1947-48	17.87	17.87	10.72	15.92	13.25	10.55
1948-49	19.27	15.21	9.44	15.82	10.59	8.27
1949-50	21.78	15.94	11.08	17.53	11.91	5.24
1950-51	20.43	17.23	11.68	16.51	15.08	10.37
1951-52	22.49	19.85	12.37	17.41	16.69	10.33
1952-53	21.09	18.43	11.53	17.09	16.16	10.08
1953-54	35.15	30.29	17.94	32.08	26.14	16.64
1954-55	40.71	35.61	21.65	31.93	27.07	17.43
1955-56	46.12	40.60	25.95	33.60	28.22	18.06
1956-57	47.48	41.42	25.01	32.35	27.86	18.43
1957-58	49.23	41.92	24.78	38.43	26.86	14.37
1958-59	45.45	38.76	23.28	30.24	27.38	18.70
1959-60	49.79	44.07	27.40	40.32	31.90	21.50
1960-61	50.77	45.67	29.87	40.59	30.58	27.74

Source: 'Controller of Emigrant Labour' as quoted in  
 (a) *Indian Labour Statistics* — 1962.  
 (b) *Indian Labour Year Book* — 1962.

\* Ends on 30 September

\*\* Cash Earnings exclude money value of concessions.

- N.B. (1) With reference to the above Table a labourer is defined as a person working on wages not receding Rs. 50 per month (excludes a clerk, a domestic servant, or a mechanic, carpenter, mason, brick-layer or other artisans.  
 (2) The figures of earnings are based on tea estates submitting returns. The coverage is incomplete and varies from year to year.  
 (3) The figures in respect of the years prior to 1953-54 are based on two months' average (March and September), whereas those for 1953-54 and onwards are based on 12 months average.  
 (4) The figure for 1958-59 shows a slight fall due to the fact that no prosperity bonus was paid during the year.  
 (5) The increase in figures for 1959-60 over the figures for 1958-59 is due to increase in wage rates and the share of prosperity bonus.

**Table E**  
**Annual Percentage Rate of Change of the Earnings of Plantation Workers in Assam (1947-48 to 1960-61)**

Area	Annual Percentage rate of change*
<b>Assam Valley</b>	
Men	9.9
Women	10.9
Children	10.0
<b>Cachar</b>	
Men	8.8
Women	9.4
Children	9.6

\*Based on regression equation of the type  $\log W = a + bT$  where W is monthly earning and T is year.

Note: Based on data as given in Table D of Appendix II.

**Table - F**  
**Average Annual Money Acreage of Persons Employed in Factories Earning Rs. 300 Per Month by Industries**

(Rupees)

	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960**	1961
1. Process allied to agriculture (gins and presses)	155	185	170	189	157	211	195	197	203	207	228
2. Food except beverages	480	522	534	536	480	633	622	677	636	662	1,215
3. Beverages	969	878	916	889	984	861	936	889	978	957	1,039
4. Tobacco	392	395	419	446	395	461	518	493	686	710	1,521
5. Textiles	1,044	1,122	1,116	1,090	1,191	1,245	1,243	1,306	1,337	1,407	1,485
6. Cotton mills	1,178	1,258	1,228	1,172	1,302	1,360	1,364	1,435	1,477	1,561	1,658
7. Jute mills	815	905	914	936	995	1,034	1,037	1,045	1,057	1,130	1,093
8. Silk mills	991	946	953	1,026	11,31	1,218	1,216	1,311	1,146	1,301	1,266
9. Woollen mills	988	930	1,047	988	954	1,025	986	1,070	1,179	1,359	1,361
10. Footwear, other wearing apparel and made up textile goods	989	1,122	1,038	1,107	1,101	1,098	1,308	1,336	1,399	1,425	1,459
11. Wood and cork except furniture	654	667	717	746	670	762	727	846	843	858	856
12. Furniture and textures	940	834	883	970	681	716	959	781	831	1,031	1,124
13. Paper and paper products	958	1,019	998	948	1,063	1,036	1,158	1,226	1,276	1,294	1,254
14. Paper	997	1,048	1,032	917	1,102	1,081	1,213	1,331	1,410	1,376	1,327
15. Printing, publishing and allied industries	1,052	1,156	1,123	1,214	1,152	1,189	1,218	1,210	1,316	1,228	1,319
16. Leather and leather products except footwear	752	719	879	815	837	757	890	1,118	1,045	944	1,180
17. Tanneries and leather finishing	749	705	881	653	716	632	776	935	783	771	977
18. Rubber and rubber products	1,325	1,340	1,432	1,336	1,368	1,502	1,497	1,326	1,274	1,414	1,491
19. Chemical and chemical products	968	974	1,036	1,021	957	981	1,147	1,308	1,367	1,334	1,432
20. Fine and pharmaceutical chemicals	978	1,010	1,049	1,078	1,142	833	1,186	1,287	1,413	1,384	1,415
21. Matches	842	891	961	684	608	911	914	1,562	1,570	896	1,131
22. Products of petroleum and coal	1,132	1,157	1,408	1,340	1,493	1,686	1,990	1,850	2,195	2,042	1,855

(Continued)

Table F (Contd.)

(Rupees)

	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
23. Non-metallic mineral products (except products of petroleum and coal)	699	696	824	740	782	833	835	885	920	1,008	1,014
24. Manufacturing of glass and glass products (except optical lenses)	692	720	777	828	823	755	775	858	975	904	1,069
25. Manufacturing of pottery, china and earthenware	654	722	738	718	769	786	790	893	903	984	1,030
26. Manufacturing of cement	919	1,074	1,156	1,232	1,184	1,206	1,363	1,410	1,477	1,462	1,686
27. Basic metal industries	1,368	1,533	1,711	1,163	1,673	1,488	1,463	1,557	1,529	1,499	1,506
28. Metal products (except machinery and transport equipments)	917	991	942	1,205	1,048	1,120	1,145	1,186*	1,253	1,304	1,315
29. Machinery (except electrical machinery)	998	1,030	1,032	1,118	1,100	1,136	1,189	1,322	1,216	1,225	1,296
30. Electrical machinery, apparatus, appliances and supplies	1,238	1,296	1,309	1,275	1,340	1,314	1,438	1,470	1,490	1,435	1,493
31. Transport equipment	1,171	1,671	1,164	1,392	1,430	1,473	1,482	1,458	1,473	1,422	1,641
32. Ship building and repairing	1,337	1,317	1,258	1,604	909	1,594	1,659	1,620	1,620	1,688	1,844
33. Miscellaneous industries	1,067	995	1,074	1,162	1,210	1,170	1,249	1,211	1,262	1,284	1,280
34. Electricity, gas and steam	1,229	1,300	1,413	1,329	1,372	1,455	1,592	1,568	1,548	1,506	1,572
35. Water and sanitary services	908	973	899	1,046	1,041	1,116	1,148	1,207	1,242	1,110	1,304
36. Recreation services	969	969	920	946	1,037	1,227	1,302	1,167	1,056	1,221	1,421
37. Personal services	853	328	337	374	364	465	488	598	770	722	981

*N.B.* The above figures are in terms of rupees. The Payment of Wages Act covers such factories as are defined under clause (m) of section 2 of the Factories Act—1948. Figures for 1956 exclude those from Karnataka, Kerala, Rajasthan, Himachal Pradesh, and Jammu and Kashmir, for 1958 exclude those from Tamil Nadu, Karnataka, Kerala, Himachal Pradesh and Jammu and Kashmir, for 1959 exclude those from Tamil Nadu, Karnataka, Himachal Pradesh, and Jammu and Kashmir, for 1960 those from Himachal Pradesh, and Jammu and Kashmir. In the figures for 1960, estimated figures of Madhya Pradesh, Tamil Nadu and Rajasthan have been included.

\*Figures exclude those of Assam.

\*\*Provisional and estimated.

**Table - G**  
**Average Annual Money Earning of Persons in Factories Earning Less Than**  
**Rs. 200 Per Month in the Public and the Private Sector by Industries and States, 1961, (P)**

(Rupees)

	<i>Assam</i>	<i>Bihar</i>	<i>Gujarat</i>	<i>Kerala</i>	<i>Madras (Tamil nadu)</i>	<i>Mysore (Karna- taka)</i>	<i>Orissa</i>	<i>Punjab</i>	<i>Rajas- than</i>	<i>Uttar Pradesh</i>	<i>West Bengal</i>	<i>Andaman and Delhi Nicobar Islands</i>	
1. Processes allied to agriculture (gins and presses)	191	851	186	—	266	189	—	499	506	536	655	—	911
2. Food (except beverages)	679	885	718	405	753	397	562	581	—	1,126	684	—	1,148
3. Beverages	943	1,020	894	—	1,087	—	1,043	793	398	1,080	1,331	—	998
4. Tobacco	—	883	354	755	809	283	754	619	—	530	929	—	—
5. Textiles	348	879	1,793	1,237	1,591	1,206	999	985	1,038	1,182	1,141	—	1860
6. Footwear, other wearing apparel and made up textile goods	—	1,819	1,071	658	774	832	—	18	—	1,777	1,073	—	983
7. Wood and cork (except furniture)	917	649	761	672	717	788	759	898	—	1,038	922	957	1,442
8. Furniture and fixtures	1,611	884	851	838	822	1,342	871	964	—	1,046	1,261	966	1,502
9. Paper and paper products	—	1,512	857	1,176	636	560	1,699	941	—	1,197	1,375	—	806
10. Printing and publishing and allied industries	1,904	1,025	1,251	1,097	1,310	916	1,183	1,341	1,244	1,157	1,304	2,305	1,667
11. Leather and leather products (except footwear)	—	2,043	837	—	991	678	340	786	—	1,456	1,030	—	1,004
12. Rubber and rubber products	—	—	1,239	896	1,797	870	—	669	—	747	1,744	—	907
13. Chemical and chemical products	1,521	1,296	1,461	2,140	1,023	907	1,169	1,212	—	831	1,463	1,248	1,375
14. Products of petroleum and coal	1,645	1,583	1,954	1,931	1,552	2,050	—	1,839	—	1,878	1,974	—	2,085
15. Non-metallic mineral products (except product of petroleum and coal)	—	2,410	1,436	—	577	705	689	612	1,067	799	1,107	—	777
16. Basic metal industries	681	2,142	890	263	1,095	761	1,315	1,021	642	1,146	1,500	—	1,046

Table G (Contd.)

	Assam	Bihar	Gujarat	Kerala	Madras (Tamil- nadu)	Mysore (Karna- taka)	Orissa	Punjab	Rajas- than	Uttar Pradesh	West Bengal	Andaman and Nicobar Islands	Delhi
17. Metal products (except machinery trans. equipment)	1,748	955	917	855	1,206	792	1,768	900	921	1,289	1,481	—	952
18. Machinery (except electrical machinery)	1,210	1,863	1,179	1,145	1,156	1,500	1,241	838	338	858	1,329	—	1,187
19. Electrical machinery apparatus, appliances — and supplies	—	1,624	984	1,259	1,196	1,146	—	953	—	1,438	1,746	—	998
20. Transport and transport equipment	1,336	1,015	1,264	1,144	1,560	1,500	1,116	1,427	206	1,203	1,612	1,483	1,732
21. Miscellaneous industries	—	571	1,107	1,048	970	1,145	993	1,159	756	1,454	1,058	—	1,642
22. Electric gas and steam	1,496	1,570	1,879	1,601	1,594	1,639	1,886	1,398	850	1,576	1,703	1,951	N.A.
23. Water and sanitary services	1,880	1,125	1,173	1,149	1,730	—	1,078	—	1,244	1,486	—	—	—
24. Recreation services	—	—	—	—	1,681	—	—	—	—	889	—	—	—
25. Personal services	—	645	560	1,301	845	867	1,180	1,249	—	1,214	981	—	1,309

Source: Indian Labour Statistics — 1963

N.B. The figures have been obtained by dividing the total wages bills by corresponding figures at average daily employment. Figures for average daily employment are as obtained under the Payment of Wages Act and are, therefore, different from those obtained under the Factories Act, 1948. Figures for Andhra Pradesh and Maharashtra could not be included due to late receipt of return.

P Provisional.