

## DETERMINANTS OF AGRICULTURAL LABOUR PARTICIPATION IN ORGANISATION IN INDIA

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### Abstract

*The organisation of agricultural labourers emerged in various region of India. It varied from region to region because the emergence of labour union were intertwined with many socio-cultural factors. Along with this, the strength of the bargaining power of the union also varied from region to region. In this context the present study has been conducted to assess the role of labour unions on labour mobilization, by analysing the labour use pattern and socio-economic factors motivating participation of labours in organisation. The study was conducted in Palakkad district of Kerala state and Nagapattinam district of Tamil Nadu state in view of the strong agricultural labour unions in these districts. In this study Probit function was used to estimate the influence of the selected socio-economic factors on labour union participation. The results revealed that education and income from non-agricultural activities were the most significant factors influencing the labour union participation. The influence of education on labour union participation was more or less same for both the districts whereas the labour union participation in Palakkad was more dependent on income from non-agricultural activities than that of Nagapattinam. These empirical findings gave number of policy implications for the labourers to organise themselves.*

**Key words:** Labour Union, Participation, Organisation, Collective bargaining, Probit model.

### INTRODUCTION

Economists have traditionally identified three factors of production: land, labour and capital. Capital and labour were wedded to the land, and economic power belonged to those who could control its use. With the industrial revolution, capital became the critical economic factor. In the modern society, the role of labour as a factor of production is becoming increasingly important (Levitan *et al.*, 1972). Human resources in an economy constitute a significant input in the production of goods and services. The study of human resources, their quality, and problems is thus of immense importance for manpower planning in both developing as well as developed economies. Knowledge of this sector is even more crucial for the rural economy of India where techniques of production are highly labour intensive (Kulshreshtha and Uppal, 1979). The major problem in agrarian labour market is the determination of wage rates. Lack of collective bargaining power among agricultural workers is a major hurdle in getting higher wages.

There were many factors contributing to the weakening of collective bargaining *viz.*, proliferation of small trade unions with wholly inadequate financial resources and politicization (Reddy, 2000). Collective bargaining gained its strength only after independence. Organization of agricultural labourers emerged in various region showed some basic similarities and also varied from region to region because the emergence of labour union were intertwined with many other socio-cultural factors (Datt, 1995). In this context, the objective of this study is to identify the socio-economic

factors which motivate and organise agricultural labourers for collective bargaining power. Moreover a comparison is necessary to substantiate the socio-economic differences between labour union members and non-members.

### MATERIALS AND METHODS

Two districts *viz.*, Palakkad districts of Kerala state and Nagapattinam district of Tamil Nadu state purposively selected for the study in view of the strong agricultural labour unions in these districts. Then a block each *viz.*, Alathur and Nagapattinam respectively was selected from these districts. These blocks were purposively selected from each of these two districts based on the co-existence of union and non-union labourers. From the selected blocks two villages each were randomly selected. In each village a sample of 15 union labourers and 15 non-union labourers were contacted for collecting information pertaining to the study. Therefore totally 60 members of agricultural labour union and 60 non-members of agricultural labour union were contacted thus making the sample size to 120. The study was conducted during the month of June - July and the reference year for the study was 2002-2003. Simple percentages and averages were worked out to analyse the general characteristics of the samples. Moreover a Probit regression was run to understand the influence of socio-economic factors like age, education, consumption expenditure and income from non-agricultural activities had on labour union participation. In this study a probit model of the type.

$$I_i = \beta_0 + \beta_1 \text{ AGE} + \beta_2 \text{ EDU} + \beta_3 \text{ CONEXP} + \beta_4 \text{ INAGR}$$

$I_i$  is conceptualized and estimated.

Where,

$I_i$  - The unobservable utility index which determines the presence or absence of labour union participation.

AGE - Age of the labourer (years)

EDU - Educational status of the labourer (No. of years)

CONEXP - Consumption expenditure of the labour household. (Rupees)

INAGR - Income from non-agricultural activities. (Rupees)

$\beta_0$  - Intercept and  $\beta_1, \beta_2, \beta_3,$  &  $\beta_4$  are the respective coefficients.

### RESULTS AND DISCUSSIONS

#### Nature of Labour Supply to Agriculture and Non-Agricultural Sector

It was observed from (Tab.1) that 20.80 per cent of the population of members in Palakkad engaged in non-agricultural activities whereas it was only 5.51 per cent in Nagapattinam. In fact, extent of engagement in non-agricultural activities plays a pivotal role in collective bargaining (Datt, 1995). This statement is based on the reasoning, that if in any given crop season the employer (farmers) fail to reach an agreement on the bargained wage with the agricultural labourers, they would simply forego the cultivation during that season.

When this eventuality arose the labourers could take their stand only if they had non-farm wage earnings on which they could depend on for their subsistence. As far as Palakkad was concerned, it could be deduced from the table that the labour unions were strong and they have managed to get substantially higher wages due to their higher bargaining power. This was possible because of the availability of alternate opportunities in non-agricultural sector. This back-up earning was lacking for Nagapattinam labourers, which explain their comparatively lesser bargaining power (Subramanian, 1994).

The non-farm earnings for members of Palakkad came from 20.80 per cent of the population who were engaged in non-farm activities like employment at petty shops, brick kilns, loading, technical jobs, etc. Moreover, 1.34 per cent of women were found to be engaged in non-agricultural activities. They were part time workers as house servants, whose demand is increasing in Palakkad but not in Nagapattinam. They were also engaged in weaving, brick-kiln activities, etc. A major chunk of the 19.46 per cent of male non-agricultural workers of Palakkad comprised the younger generation who were more educated than their counterparts in Nagapattinam and hence they may have missed the early learning experience because they had been attending school and more over it is possible that some of them learnt to disdain manual work (Sajogyo, 1983) and preferred other technical jobs which required less sweat and toil and were found to be more remunerative than manual field work

**Tab.1.:** Nature of Labour Supply to Agriculture and Non-Agricultural Sector by Type of Households.

	Per cent of population supplying labour in the market			
	Palakkad		Nagapattinam	
	Agriculture	Non-agriculture	Agriculture	Non-agriculture
Member households				
Male	8.05	19.46	21.77	5.51
Female	22.82	1.34	26.50	-
Total	30.87	20.80	48.27	5.51
Non-members households				
Male	16.29	7.74	24.63	1.48
Female	24.02	-	26.11	-
Total	40.31	7.74	50.74	1.48

Comparison of the non-members households of the two districts indicated that 7.74 per cent of the labour population in Palakkad were employed in non-farm activities while it was only 1.48 per cent in Nagapattinam. In fact non-farm wage was most often found to be higher than the farm wage. Appendix 2 indicates that non-members of Palakkad were more educated than non-members of Nagapattinam and hence

they opted for alternate employment outside agriculture. Comparing with members, the non-members were not so socio-economically developed. Nevertheless there was a trend of migration of the younger generation to metropolitan cities, resulting in the comparatively higher 7.74 percentage.

Another interesting factor that could be observed from the table was the existence of gender disparities in the two labour markets. As observed earlier, in Palakkad 20.80 per cent of the population were engaged themselves in non-agricultural activities of which the women's share was 1.34 per cent. However meager the share is, the participation of women in non-agricultural activities in Palakkad district is emerging as a potential source of non-agricultural income for the labour households. This would also liberate the womenfolk from their traditional household works. But as far as Nagapattinam was concerned, the female labour were still reluctant to shake off the chains of traditionalism and to take up the challenges of non-agricultural activities.

#### **Determinants of Labour Union Participation**

Through probit regression the influence of socio-economic variables like age of labourers, education of labourers, consumption expenditure and income from non-agricultural activities on labour union participation was analysed. The results indicated that education and income from non-agricultural activities were the most significant factors influencing the labour union participation. The relationship of age with labour union participation was found to be rather contrasting for the two districts. As age increased by one per cent, probability of participation in the labour union in Palakkad increased by 0.0295 per cent while it decreased by 0.0637 per cent in Nagapattinam. In fact, these contrasting results was due to the difference in the socio-psychological setup of the residents of these districts. It was observed (Appendix 1) that the percentage of youngsters as agricultural labourers (both members and non-members) were very meager in Palakkad which brings to our attention the fact that youngsters belonging to Kerala really disdain manual work and they consider it to befitting their status to toil in the field for wages. So the labourers of Palakkad comprised of the older generation thus deleting the age factor for labour union participation. As far as Nagapattinam is concerned, the situation existing was totally different (Appendix 1). Here, agricultural labourers were seen in almost equal proportion among all the age groups, thus revealing the fact that agricultural labour is considered equal to any other work and not one to be disdained. In Nagapattinam age was found to hold a negative relationship with the labour union participation which was based on the fact that the feeling of deprivation was more in the younger mind when he observed that the share of increased production was being appropriated by the farmer. Hence the young labourer would have a feeling to rise above his situation and he found not only an outlet for his feelings through the activities of labour union but also a solution for his problem of being a suppressed lot. Because, the labour union would articulate the discontent of the labourer and conduct agitation for the redressal of their grievances.

Education played a positive and significant role in labour union participation in both Palakkad and Nagapattinam. As education increased by one per cent keeping all the other socio-economic factors constant, the probability of labour union participation increased by 0.45 per cent in Palakkad whereas it increased by 0.47 per cent in Nagapattinam. Not much difference in coefficients was observed between the two districts. As mentioned earlier, the fact that younger generation willing to take up work on better terms, prompted us to believe that education might have pushed up the reservation wages for paddy field work which they attained through their affiliation with labour union. Moreover, the belief in egalitarian distributive norms was found to be more among educated labourers while uneducated labourers mostly subscribed to conservative norms and they were likely to be satisfied with the existing distribution pattern. According to Alexander (1975) it was also hypothesized that labourers who had a belief in the distributive norm (educated labourers) had a greater extent of labour union participation in an attempt to get rid of their feelings of deprivation. Therefore it can be inferred that education played a pivotal role in labour union participation.

It is obvious from Tab. 2 that, consumption expenditure held a positive but not significant relationship with labour union participation. As consumption expenditure increased by one per cent from the mean level, keeping all the other factors constant, probability of labour union participation increased by 0.29 per cent in Nagapattinam and 0.24 per cent in Palakkad. It implied that the labour union participation in Nagapattinam was more dependent on consumption expenditure than that of Palakkad. This difference can be attributed to the fact that Nagapattinam labourers were able to attain only subsistence wage rates. So for improving their socio-economic situation they joined the labour union.

The analysis revealed that, as income from non-agricultural activities increased by one per cent the probability of labour union participation increased by 0.27 per cent in Nagapattinam and 0.32 per cent in Palakkad which confirmed with the results of the earlier works (Datt, 1995). Non-farm income acted as a fall back position for labourers in the eventuality of a stand off between the labourers and farmers. Unless the labourers had an alternate income they could not have withstood a prolonged strike and they would be forced to withdraw their agitation along with their demands. Thus income from non-agricultural activities had a great role in collective bargaining.

**Tab. 2. :** Labour Union Participation - Estimates of Probit Function

Variables	Coefficients	Elasticity	t-ratio
<b>PALAKKAD</b>			
Constant	-3.4972	-0.0096	-0.9480
Age	0.0832	0.0295	1.2602
Education	0.4363**	0.4489	4.6021
Consumption expenditure	0.1825	0.2375	1.2229
Income from non-agricultural activities	0.3791**	0.3183	3.0814
Log likelihood function	-6.8993		
Log likelihood ratio test	69.3790		
N	60		
<b>NAGAPATTINAM</b>			
Constant	1.6809	1.3001	0.6081
Age	-0.1205	-0.0637	-1.9269
Education	0.4332**	0.4694	4.9610
Consumption expenditure	0.1457	0.2898	0.3413
Income from non-agricultural activities	0.3106**	0.2654	2.8728
Log likelihood function	-7.3903		
Log likelihood ratio test	68.3970		
N	60		

\*\*-significant at 1 per cent level.

**SUMMARY**

It was clear from the study that Palakkad labourers possessed better bargaining power due to many socio-economic factors. It was revealed that education and income from non-agricultural sources were the most significant factors influencing the labourers to participate in union activities. Educated people kept themselves informed of what was happening in the political and social life thus making themselves aware of their rights and responsibilities. They were more conscious of their right to fight for their legitimate rights which empowered them with more bargaining power. The proportion of educated labourers was more in Palakkad, which justified the presence of stronger labour unions there. Moreover the labourers of Palakkad were found to be more involved in non-agricultural activities so that they could withstand a prolonged stand off if an eventuality arose.

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APPENDIX 2 - Age -Wise Distribution of Sample Labourers in Palakkad & Nagapattinam District

Sl.No	Age group (years)	PALAKKAD			NAGAPATTINAM		
		Members	Non-members	Total	Members	Non-members	Total
1.	<30	1 (3.33)	-	1 (1.67)	10 (33.33)	2 (6.67)	12 (20.00)
2.	30-40	4 (13.33)	3 (10.00)	7 (11.67)	7 (23.33)	6 (20.00)	13 (21.67)
3.	40-50	10 (33.33)	12 (40.00)	22 (36.67)	8 (26.67)	8 (26.67)	16 (26.67)
4.	50-60	12 (40.00)	13 (43.33)	25 (41.67)	4 (13.33)	13 (43.33)	17 (28.33)
5.	>60	3 (10.00)	2 (6.66)	5 (8.33)	1 (3.33)	1 (3.33)	2 (3.33)
	Total	30 (100.00)	30 (100.00)	60 (100.00)	30 (100.00)	30 (100.00)	60 (100.00)

(Figures in the parentheses indicate per cent to total)

APPENDIX 1 - Educational Status of Sample Labourers

Educational status	PALAKKAD		NAGAPATTINAM	
	Members	Non-members	Members	Non-members
Illiterate	-	2 (6.67)	1 (3.33)	6 (20.00)
Primary	11 (36.67)	16 (53.33)	13 (43.33)	12 (40.00)
Middle school	12 (40.00)	10 (33.33)	12 (40.00)	11 (36.67)
High school	7 (23.33)	2 (6.67)	4 (13.33)	1 (3.33)
Higher secondary	-	-	-	-
Total	30 (100.00)	30 (100.00)	30 (100.00)	30 (100.00)

(Figures in the parentheses indicate per cent to total)



