



WAGE RATES IN RURAL - INDIA - 2003 - 04

METHODOLOGY FOR COMPILATION OF THE WAGE RATE DATA

INTRODUCTION

India is primarily a rural economy and rural labour in general and agricultural labour in particular constitutes the weakest segment of the society. Being unorganised and scattered, rural labour does not enjoy the benefits of the labour enactments and the employer-employee relationships unlike their counterparts in the organised sector of industries. For them casual employment is the norm with seasonality involving frequent changes of employers and there is no fixed pay either. The information base on the living and working conditions of this segment of the labour force is also very scanty. Rural Labour Enquiries conducted at regular intervals on a quinquennial basis is the only major source of reliable information on socio-economic conditions of rural labour. Besides, the Consumer Price Index Numbers for Agricultural and Rural Labourers released every month by the Bureau provide data for the fixation and revision of minimum wages in agriculture under the Minimum Wages Act, 1948.

The Technical Working Group on Rural Retail Prices set up by the NSSO in 1974 in its recommendations to revise/update the series of Consumer Price Index Numbers for Agricultural and Rural Labourers felt the need for a regular in-flow of wage data for rural workers for drawing up and implementation of wage policy. This data was also found useful in the calculation of State/National Income as well as in the assessment of cost of cultivation of crops. It was also felt that since prices and wages are related to each other it would be useful if the trend of these two characteristics were available on the basis of same coverage. Therefore, the Group suggested to collect the wage rate of large set of occupations from a suitable selected sample of villages in various states so that a fairly representative picture of wage situation is available for the entire country on a continuous basis. In view of the recommendations of the Group, the wage rate data in respect of 18 agricultural and non-agricultural occupations entailing manual work are being collected along with rural retail prices from 600 sample villages spread over 20 states in the country since July, 1986 with the following objectives:

- i) meeting the requirements of complementary data for enforcement of minimum wages fixed/revised by the Government;
- ii) meeting the requirements of drawing up and implementation of Wage Policy; and
- iii) meeting the requirements in estimation of State Domestic Product/National Income and Cost of Cultivation studies.

Initially, owing to some problem with regard to the veracity of data with reference to the purpose for which it was being collected, the compilation of wage rate data was kept in abeyance for some time. During the year 1995, the Governing Council of the National Sample Survey Organisation sorted out the problem and recommended that the wage rate data should continue to be collected and published every month. In pursuance of the recommendation of the Council, the Labour Bureau took up the work of compiling wage

rate data since the agricultural year 1995-96. These data are now being compiled on regular monthly basis and published in our monthly publication, the **Indian Labour Journal**, w.e.f. April, 1998.

SAMPLE SIZE

Since the rural retail prices and wage rates are collected from the same set of sample villages, the state-wise sample size was decided by the Working Group as per the need for constructing the CPI No's for Agricultural/ Rural Labourers. The state-wise distribution of the number of regions, strata and sample villages is given below:

Sl.No.	State	Region	Strata	Sample village
1	Andhra Pradesh	4	18	54
2	Assam	3	8	27
3	Bihar	3	13	39
4	Gujarat	5	10	30
5	Haryana	2	4	12
6	Himachal Pradesh	1	3	9
7	Jammu & Kashmir	3	5	21
8	Karnataka	4	11	36
9	Kerala	2	5	21
10	Madhya Pradesh	7	23	69
11	Maharashtra	6	18	54
12	Manipur	2	2	9
13	Meghalaya	1	2	9
14	Orissa	3	8	33
15	Punjab	2	5	15
16	Rajasthan	4	7	21
17	Tamil Nadu	4	11	33
18	Tripura	1	3	9
19	Uttar Pradesh	5	20	60
20	West Bengal	4	11	39
Total		66	187	600

COLLECTION OF DATA

The Field Operations Division of the National Sample Survey Organisation has been entrusted with the work of data collection. The wage rate data are being collected along with rural retail prices from 600 sample villages spread over 66 NSS regions of 20 States by canvassing Block-5 (Annexure-I) of Schedule 3.01(R). Data collection from these sample villages is staggered over the four weeks of a month with one-fourth of them being covered every week. The days of canvassing of Schedule 3.01(R) are fixed. The village functionaries like the Panchayat Secretary, Progress Assistant, Patwari and other Village or Block Officials are the primary informants for collection of data on wage rates. The data on normal working hours and the prevailing wage rates in cash and kind for the reported working hours are collected sex-wise for each of the 18 selected occupations in 20 states.

The selected occupations for which daily wage rates are being collected every month are as follows:

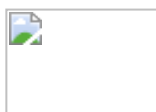
Agricultural Occupations

Non-agricultural Occupations

- | | |
|-------------------|------------------------------------|
| 1 Ploughing | 1. Carpenter |
| 2 Sowing | 2. Blacksmith |
| 3 Weeding | 3. Cobbler |
| 4. Transplanting | 4. Mason |
| 5. Harvesting | 5. Tractor Driver |
| 6. Winnowing | 6. Sweeper |
| 7. Threshing | 7. Unskilled Labour (un-specified) |
| 8. Picking | |
| 9 Herdsman | |
| 10. Well Digging | |
| 11. Cane Crushing | |

COMPILATION OF AVERAGE WAGE RATES

The data received from the field is first posted separately for agricultural and non- agricultural occupations for each state every month. Wage rates are sometimes reported for a duration that is less/more than the normal working hours. In such cases, they are first normalised for eight hours working day. As regards mode of payment of wages, it is made in both ways i.e. in cash and/or in kind. Kind payments are very common in rural areas which include foodgrains, cooked food, tea, fuel, cigarette, biri, fodder, etc. Wages reported in kind are evaluated at local retail prices. Thereafter, data is thoroughly scrutinised and discrepant points are referred back to the field for clarification. In the next stage, the simple arithmetic average of these normalised daily wage rates is worked out occupation-wise and sex-wise for each state as follows:



Where 'W' represents wage and 'n' number of villages in the State.

Similarly, the average wage rates at all-India level are derived by dividing the sum total of wages of all the 20 States by the number of quotations. State-wise averages have been restricted only to those occupations where the number of quotations are five or more in order to avoid inconsistency in wages paid to different categories of workers on account of difference in number of quotations. However, for working out all-India averages all those neglected quotations are taken into account to arrive at total number of quotations at all-India level. At all-India level also, the number of quotations for working out occupation-wise averages have been restricted to five or more.

The present publication provides wage rate data in respect of 18 agricultural and non-agricultural occupations for 20 states and all-India for the agricultural year 2003-04. The dash (-) in Tables against various occupations indicate that no wage rate was reported during the reference month for various reasons, such as:

- (i) either the activity connected with the occupation was not undertaken in the State; or
- (ii) the activity was out of season in the State; or
- (iii) the particular category of workers (i.e. Men/Women/Children) were not engaged in that operation.

