

WAGES RATE IN HARYANA: A COMPREHENSIVE STUDY

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Abstract

This paper examines the wage rate trend in the state of Haryana, India. Haryana is one of the fastest-growing states in the country, with a significant agricultural and industrial base. The study is based on secondary data those were collected from the Statistical Abstract of Haryana. This paper studied daily wage rate changes in two parts first studied the wage rate from the period 2005 to 2013 and the second part studied the wage rate from the period 2014 to 2022. The first part that more changes in agriculture wages and the second part shows low changes in wages rate. This analysis is based on descriptive methodology. The findings of this study can assist policymakers, employers, and workers in making informed decisions regarding labor market trends and wage negotiations.

Paper Identification



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Introduction

The wage rate in Haryana plays a crucial role in determining its workforce's standard of living and economic well-being. As a predominantly agricultural state, Haryana relies heavily on labor-intensive farming practices, while also experiencing rapid industrialization and urbanization. These factors and other socio-economic variables contribute to the dynamics of wage rates in the region. Over the past decade, Haryana has witnessed significant changes in its wage rate landscape. Factors such as population growth, technological advancements, government policies, and shifts in the composition of the workforce have influenced wage rates in various sectors. Understanding these trends is essential for policymakers, employers, and employees to ensure fair compensation and economic stability.

The research will also consider relevant literature and studies conducted in similar contexts to provide a comprehensive analysis of the wage rate trends in Haryana. Overall, this study intends to shed light on the factors influencing wage rates in Haryana and provide recommendations for policymakers and stakeholders to ensure equitable and sustainable growth in the state's labor market. By understanding the wage rate trend, stakeholders can make informed decisions regarding labor policies, minimum wage regulations, and negotiations to foster a balanced and prosperous economy in Haryana. India is an agriculture domain country and land diversity in the agriculture sector plays an important role in the Indian economy. Most of the population depend on the agriculture sector for their livelihood. In agriculture, many workers in India work very little time annually so they are unemployed for long periods. Because the use agriculture sector in India is a seasonal affair or mainly depends on nature.

Agriculture is an important sector of our state economy and the majority of the population is directly or indirectly dependent on agriculture and its allied activity. The agriculture and allied sector have always been important contributors to the gross state domestic product. There are two Agro-climatic zones in Haryana, the northwestern zone is suitable for rice, wheat, etc. and the southwestern zone is suitable for cotton millets, etc. as kharif season cultivation depends on rainfall. The study of agricultural wages in the Indian context is not a new concept. This study could provide some insight into poverty over the said period and we do not analyze poverty explicitly in this study. The wages are published for each job type –plowing, sowing, weeding harvesting, a cotton picker, and other agriculture operation, carpenter and, blacksmiths. Agriculture wages are directly related to agricultural development.

Review of literature:

Jose (2016) observed the movement of wages over time, their dispersion across states and gender groups within the agricultural labor force. The study further explains the temporal movement and spatial and gender disparity observed in the wage rate. Chavan and Bedamatta (2006) observed a rise in the growth of daily real earnings across all states between 1983 and 1987-88. The study further found a difference between the average wages of male and female agriculture laborers have widened over the year. Krishnamusty's (1988) main focus of this study is to analyze the wage differential in agriculture by caste and operations. The average daily wages earned by women is lower than that earned by men in every operation including transplanting and weeding which are largely female tasks. Acharya this paper is written with the twin purpose of constructing a disaggregated wage series for agriculture laborers in India and explaining the regional variation in the same. Real wage growth rate shows that wages are sensitive to general upswing and downswing in the economy such as agriculture production and inflation. Berdhan (1973) studied much of the data to indicate that irrigation or multiple cropping does generate a positive response not only in the wage income but also in the daily wage rate for agriculture laborers. It seems that the worst possible combination of factors is to be seen in the area where the labor market is flooded by the virtually landless, the level of agriculture productivity is stagnant, and the non-agriculture employment opportunity is too small. Parthasarathy (1996) this paper examines that is contrary to the general impression of a rising trend in real wages we find no firm evidence of the rise in real wages of male agriculture labor even for the period preceding 1985. The year-to-year change in male wage depending on the price of wage goods, is much more dominant than arising trend in real wages.

Jha (2006) examined that mixed trends from states' push as well as pull factors appear to have been responsible for these trends in agriculture employment. The real wages of agriculture workers increase constantly during the 90s though certain indices of agriculture productivity have not increased significantly during the

reference period. Nagaraj et al. (2016) studied the impact of MGNREGA on labor scarcity, wage cost of production, and linkages among wage rates in agriculture and non-agriculture employment. Nandal (2017) explored the relationship between labor and employer. In this study, we explored the layer of structure and try to understand the different bonding between societies from the point of view of labor. Kumar et al. (2017) find out the impact of MGNREGA on agricultural labor in Haryana. The study reveals that agriculture has reported a steep increase in labor shortage after the implementation of MGNREGA. The study also shows a strong positive relationship between the average farm laborer wage rate per day and the average wage per day in MGNREGA. Bhalla (1979) study the that the change in real agriculture wage from 1961 to 1977 and find out that the impact of increasing farm productivity or increasing prices, on real wage rates, is separately measured. Study based on cross-section data. Parthasarathy and Adishesu (1982) examined two main facts regarding Andhra Pradesh first is the analysis of the trend in real wages from 1958-59 to 1978-79 and the second issue is to define the relationship between real wage trend and net capital agriculture production trend.

V.M. Rao (1972) studied the reliability of agriculture data taken from Agriculture wages in India. The comparison reflects that the AWI data show errors in the collection of some issues AWI data may still use in research investigation. P. Bardhan (1973) observed two types of variation in agriculture wages first the variation in wage rate presented with two types of agriculture wage-earners and the second variation in real wage rate between two states Punjab and Kerala. H.S. Sidhu (1988) defined the process of wage determination in the states of Punjab and Haryana. Discuss the role of supply and demand factors in the determination of wage rates in Punjab and Haryana. Rani, M. (2023) Agriculture is still a significant sector for the economy from the perspectives of self-sufficiency and employment, despite the sector's diminishing GDP proportion over time. The trajectory and expansion of GVA, investments in agriculture, and food grain crops were all examined in this article. The results show a fluctuating trend in area and production during the years 1991-92 to 2021-22.

Objectives

To analyze the trend of agriculture wages in Haryana.

Methodology

This study used secondary data to analyze the trend of agriculture wages in Haryana for the period 2005-2022. Data has been taken from various sources such as the statistical abstract of Haryana, RBI, and the Economic Survey of Haryana, etc.

Compound Annual Growth Rate: The study calculated CAGR using the following formula:

$$\text{CAGR} = [(V(\text{final})/V(\text{begin}))^{1/n} - 1]$$

Where:

V (final) = end value

V (begin) = start value

n = number of years

Wage Rates

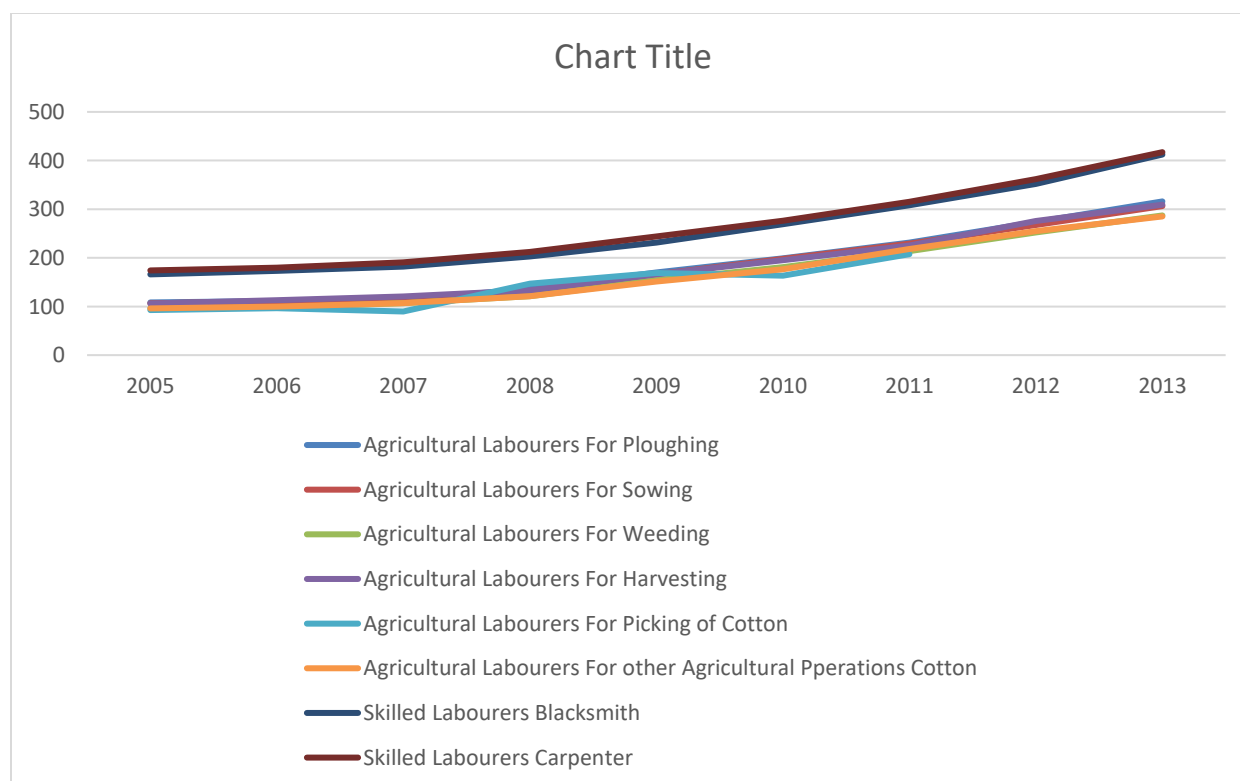
In this study, we analyze agriculture wage rate trends in agriculture operations like plowing, weeding, sowing, harvesting, etc. We calculate the average growth rate in this study. This table shows wage paid to agriculture and skilled labor between 2005 to 2022. This table shows the monetary wages of a worker in agriculture.

Table:1 Wages Paid of Agriculture and Skilled Labour in Haryana

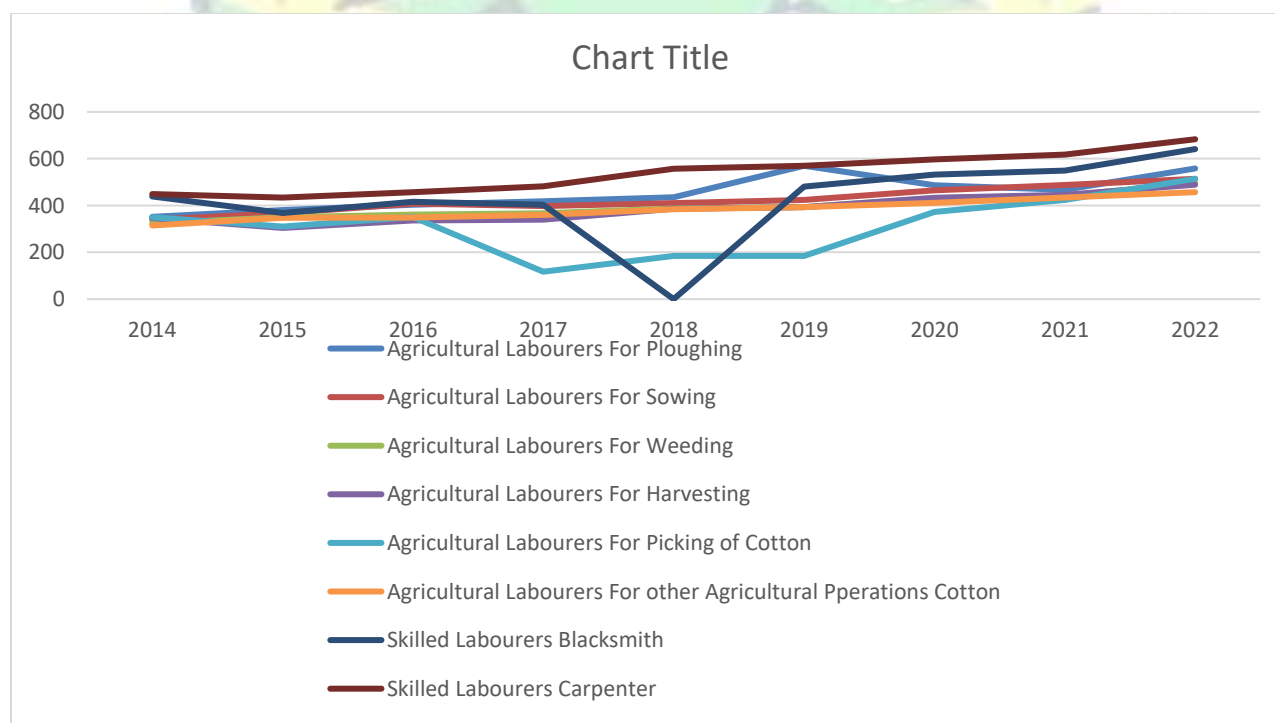
Years	Agricultural Labourers						Skilled Labourers	
	For Ploughing	For Sowing	For5 Weeding	For Harvesting	For Picking of	For other Agricultural Operations	Blacksmith	Carpenter
					Cotton			
2005	108.31	106.53	96.18	106.12	92.5	96.04	165.96	174.12
2006	111.29	110.94	97.96	113.1	96.67	99.77	173.17	179.74
2007	114.41	112.76	107.07	120.59	89.67	106.84	181.82	190.56
2008	135.7	130.27	120.93	133.16	146.75	121.35	202.66	212.13
2009	169.79	166.19	154.28	166.1	168.61	151.09	231.22	243.68
2010	199.21	197.96	180.97	195.42	163.61	176.67	269.23	276.24
2011	231.16	229.34	213.9	225.49	207.5	217.94	308.33	314.98
2012	273.34	267.52	252.4	275.62		254.84	352.06	361.77
2013	315.97	306.39	287.12	309.25	267.25	285.08	412.32	417.24
CAGR	13%	12%	13%	13%	13%	13%	11%	10%
2014	351.53	339.54	323.6	346.19	350	314.62	438.84	449.35
2015	380.81	367.2	349.82	304.15	310	347.87	367.65	433.84
2016	403.29	407.38	360.83	335.96	351.42	349	415.55	457.14
2017	418	398	367	340	117.14	360	403	482
2018	435.7	410.63	387.5	386.74	184	384.43	464.75	556.74
2019	569.73	424.24	392.8	392.66	185.09	393.3	480.91	569.73
2020	485.98	465.15	431.57	432.77	372.86	411.44	531.61	597.05
2021	466.86	487.16	441.86	445.39	424.29	434.36	549.45	617.5
2022	558	514	496	489	514	457	641	683
CAGR	5%	5%	5%	4%	4%	4%	4%	5%

Source: Statistical Abstract of Haryana (For a normal working day of eight hours.)

Table 1 observed wage rate trends in two parts. The first part 2005 to 2013 shows the increasing trend in wages. In percentage wages of all types, workers define in the table. The compound annual growth rate for ploughing wages was 13%, in sowing 12%, weeding 13%, harvesting 13%, other agriculture operations 13%, blacksmith 11% and the carpenter 10% in the first phase. And the second part shows the trend from 2014 to 2022 which represents the average percentage change in wages. The compound annual growth rate for ploughing wages was 5%, in sowing 5%, weeding 5%, harvesting 4%, other agriculture operations 4%, blacksmith 4% and the carpenter 5% in second phase. The result shows that in the first period wage change is more than in the second period.

Figure:1 Wage Rate Trend in Haryana from 2005 to 2013

Source: Compiled by the author (Statistical Abstract of Haryana)

Figure:2 Wage Rate Trend in Haryana from 2014 to 2022

Source: Compiled by the author (Statistical Abstract of Haryana)

Result and discussion

The wage rates in agriculture can vary depending on several factors, including location, crop type, labor demand, government policies, and market conditions. Pre-2004: The agricultural wage rate experienced fluctuations, but

there was no consistent upward or downward trend during this time. 2004-2011: There was a gradual increase in agricultural wages during this period. Factors such as the implementation of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in 2005, which guaranteed employment and wages to rural workers, contributed to the upward trend. 2011-2013: Agricultural wages continued to rise but at a slower pace compared to the previous period. This period saw a slowdown in economic growth and various factors, including inflation and labor market dynamics, influencing the wage rate. Wage rates in agriculture were relatively stable during 2014-2015. There might have been minor fluctuations depending on regional factors, but no significant overall trend was observed. In 2015-2016 there was a slight increase in wage rates in Haryana. This increase was attributed to factors such as inflation, rising input costs, and demand for labor during peak agricultural seasons. And almost wage rates were stable in the 2016-17 period. 2017-2018 there were reports of wage rate increases in Haryana. Factors such as government initiatives, minimum wage revisions, and increased demand for labor could have contributed to this trend. The wage rate trend during this period 2018-19 showed a mixed pattern. Some parts witnessed a gradual increase in wage rates, while others experienced stability or minor fluctuations. Factors like government policies, market conditions, and crop performance influenced these variations.

Conclusion

This paper shows the trend of agriculture wages in Haryana. Haryana is growing year to year and defines the fluctuation trend in agriculture wages. The wage rate in agriculture can vary significantly depending on several factors, including the country or region, prevailing labor laws, market conditions, skill level of the worker, type of agricultural activity, and demand for labor. Additionally, factors like government regulations, labor unions, and economic conditions can also influence agricultural wage rates. Overall, agricultural wage rates play a crucial role in determining the livelihood and economic well-being of agricultural workers. They are a vital aspect of agricultural economics and labor market dynamics, impacting both farmers and laborers in the agricultural sector.

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