

## CHAPTER - V

### EMPLOYMENT

#### INTRODUCTION

Lack of employment is one key element in the chain of causation of impoverishment of the people of the country. Employment entitles one to an income which determines one's access to the basic needs. Thus employment is an instrument in the struggle for the attainment of minimum income and alleviation of poverty. Perhaps for that reason, increase in employment opportunities has been one of the main objectives of planning in Bangladesh. But from the present employment situation of the country it can be said that there is a big gap between the stated objectives of the plan documents and their reality.

In this chapter we examine the relevant issues of employment situation in the rural economy of Bangladesh. Section 1 provides analysis about the relationship between rural employment and agrarian structure of the country. Section 2 examines the rural unemployment and underemployment situation. Section 3 discusses the association between unemployment and poverty in rural Bangladesh.

1.

EMPLOYMENT AND AGRARIAN STRUCTURE

Bangladesh Economy is mainly based on Agriculture. About 59% of the total workers of the country as a whole and 67% of the rural workers are engaged in Agriculture. About 63% of the male workers of the country and about 72% of the male workers of rural areas are employed in Agriculture. 90% of the unemployed of the country are from the Agricultural Sector and scope of employment opportunities outside agriculture is also limited. Thus the employment problem of Bangladesh is very much related with the Agrarian structure of the country. Employment opportunities of the country are mainly determined by the prevailing land tenure system and associated institutional organization of agrarian production. Percentage distribution of employed persons by major industries is presented in the Table-1.

Agrarian Structure

The present agrarian structure is characterised by high rate of landlessness with concentration of land-ownership in few hands. There is exploitative relationship between the large farmers and hired labour (landless as well as small and marginal farmers); landlords and share-croppers, tenants and peasants. <sup>There is also</sup> relationship among farmers themselves, farmer's own labour, hired labour and family labour engaged in

Table - 1

Percentage Distribution of Employed Persons 10 Years  
and Above by Major Industries and Sex : 1983 - 84

Major Industry	Bangladesh			Rural Area		
	Both Sexes	Male	Female	Both Sexes	Male	Female
1	2	3	4	5	6	7
1. Agriculture, Forests and Fishing	58.7	63.3	8.9	66.5	71.6	10.6
2. Mining and quarrying	0.1	0.2	-	0.2	0.2	-
3. Manufacturing	8.8	7.0	28.6	7.7	5.5	31.9
4. Electricity, water and Gas	0.2	0.2	-	0.1	0.1	-
5. Construction	1.7	1.9	0.5	1.5	1.6	0.3
6. Trade, Hotel & Restaurants	11.6	12.2	5.4	9.7	10.1	5.4
7. Transport, Storage & Communication	3.9	4.2	0.4	2.7	2.9	0.3
8. Finance and Business	0.5	0.5	0.3	0.2	0.2	-
9. Community & Personal Service	8.2	8.2	8.9	6.0	6.0	5.9
10. Not Reported	6.0	2.1	46.9	5.4	1.9	44.5
11. Total Employed	100.0	100.0	100.0	100.0	100.0	100.0

Source : Final Report, Labour Force Survey (LFS),  
 1983-84, Bangladesh Bureau of Statistics (BBS),  
 1986, Table 6, P.42.

agricultural production. These production relations determine the distributional system of fruits of agricultural production.<sup>1</sup>

### Land Ownership Pattern

The rural labour market dynamics are very complicated with highly skewed land ownership pattern. The following table gives an idea. The data relate to year 1977.

Table - 2  
Distribution of Rural Households According  
to Size of Owned Land, 1977

Land Ownership Size	% of households	% of population	% of landowned
1	2	3	4
No land except homestead	32.8	27.1	0
Upto 1.0 acre	29.1	26.8	9.6
1.0 - 3.0 acres	23.4	25.2	28.1
3.0 -10.0 acres	12.9	17.6	42.9
10.0-15.0 acres	1.0	1.4	7.9
15.0 acres and above	.8	1.6	11.4
Total	100.0	100.0	100.0

Source : Summary Report of the 1977 Land Occupancy Survey of Rural Bangladesh, Bangladesh Bureau of Statistics, 1977, Table 11.

1. Detailed Discussion regarding characteristics of agrarian structure of Bangladesh contains in Chapter four.

It will be seen from the table-2 that the landless, marginal and small farmers i.e. those owning land upto three acres of land who constitute 85.3% of the total rural households own only 37.7% of the total land. On the other hand, the farmers owning land more than three acres constitute 14.7% of the total rural households and own 62.2% of the total land. These figures tell us about two important facts e.g. (i) land is concentrated in few hands, (ii) the large majority of the rural households who are landless, marginal and small farmers are dependent on tiny minority for agricultural employment.

1983-84 Agricultural Census gives estimation about the agricultural labour households. Proportion of agricultural labour households out of total households was about 40 per cent.

#### Agricultural Labour Households

Agricultural labour households have been defined in the Census as the households whose main source of income is obtained from agricultural labour. The table-3 shows the proportion of agricultural labour households by farm size in Bangladesh.

It can be observed from the table-3 that the small holdings had about 41% of them as agricultural labour households. The medium farmers had only about 9% of them as agricultural labour and large farm holding had 1.3% of them as agricultural labour households. This percentage

Table - 3Percentages of Agricultural Labour Household

Agricultural Labour Households as Percent of	Percentage
1	2
1. Total households	39.8
2. Small farm households (possessing land under 2.5 acre)	40.9
3. Medium farm households (possessing land from 2.5 acres to 7.49 acres)	8.9
4. Large farm households (land possessing 7.5 acres and more)	1.3

Source : The Bangladesh Census of Agriculture and Livestock: 1983-84, Vol. I, Bangladesh Bureau of Statistics, P.65.

of agricultural labour household, of large size group might be the tenant households who supplemented their income as agricultural labour. Another reason might be that major portion of land operated by those holders remained uncultivated.<sup>2</sup>

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<sup>2</sup> The Bangladesh Census of Agriculture and Livestock, 1983-84, Op.cit., P.65.

Coming to the question of hirers of labour, large farmers are the major hirers of labour. Many of them are likely to be involved in non-agricultural activities particularly trade and small industries and would often be absentee landowners. Medium farmers are mostly self-employed, also hirers of labour and to a certain extent involved in non-agricultural activities. It happens sometimes that small farmers also hire labour specially in the slack season. They are partly engaged in non-agricultural activities such as petty trade or business, craftsmanship or daily labour in others enterprise.

Thus from the analysis of employee and employer situation in agriculture according to size distribution of land it comes out that in the present agrarian structure, rural households (mainly landless, marginal and small farmers) who constitute the majority of the rural population have to depend for employment on the minor section of the rural society with large landholdings. In the power structure system of rural Bangladesh large ownership of land gives opportunities to exercise power in every sphere of the rural society. Thus landholding group not only controls the employment opportunities to the poor section, but also dictate the terms and conditions of employment and exercise economic and political control over the broad working masses.

In the Bangladesh context although the major portion of the land asset belong to the minor section of the land-holding group, but their role in the agricultural production system is negligible. They have ability but do not have the willingness to utilize land properly. On the other hand, small and marginal farmers though larger in number, own an insufficient amount of land. They have surplus labour. They and their family members want more work to do. Thus this poor section has the willingness but do not have the ability to implement their willingness. They have no other alternative but to work in the land property of others as agricultural labourers.

#### Nature of Work

In analysis of employment problem, performance of agricultural work of the landholders according to farm size is a relevant matter. The following table-4 gives figures in this direction. According to the census results, in 51.6 per cent cases all agricultural work is performed by the households; in 41.6 per cent cases work is done jointly by household and hired labour but bulk of the work is done by the households; only in 6.8 cases bulk of work is performed by hired labour. These figures tell us about the fact that in agricultural employment self-employment and family labour predominates.



Table-4Agricultural Work According to Farm Size

Agricultural Work on the Farm	Percentage of Total Holdings	Percentage Distribution According to Farm Size of Respective Agricultural Work			Total
		Small Farms (.5 acre to under 2.5 acres)	Medium Farms (2.5 to 7.5 acres)	Large Farms (7.5 and above acres)	
1	2	3	4	5	6
1. Household did all work	51.6	63.7	32.8	3.4	100.0
2. Household did bulk of work	41.6	34.5	50.9	14.5	100.0
3. Hired labour did bulk of work	6.8	36.4	39.9	23.7	100.0
Total	100.0				

Note : Percentages have been calculated from total number of holdings and holdings according to farm size reported.

Source: Report on the Agricultural Census of Bangladesh 1977 (National Volume), Bangladesh Bureau of Statistics, 1981, Annexure 1, P.47.

The predominance of self-employment and family labour in the rural employment system can also be confirmed by more recent available data given below.

Table - 5

Employed Persons 10 Years and Above by  
Employment Type ( Percent of Total )

Type of Employment	Bangladesh	Rural
1	2	3
Self-employed	38.8	39.2
Wage-employed	17.8	13.3
Day Labour	27.0	29.8
Unpaid family Workers	15.9	17.4
Not Reported	0.4	0.3
Total	100.0	100.0

Source : Final Report, Labour Force Survey, 1983-84  
Op.cit., P.48.

In 1983-84 self-employed and family workers formed 54.7% of the total employed in Bangladesh and 56.6% of the total rural employed. In spite of predominance of self-employment and family labour, hired labour is required because in the peak seasons family labour may be insufficient in comparison with requirement; many owner cultivators are partly engaged in non-farm occupation e.g. petty trade, small industries; and most of the large farmers prefer to get the farm work done through labour because of prestige considerations. They do not like to involve themselves or their family members in field work.

Now coming to the distribution of agricultural work according to farm size (table 4). Among the households all work being done by themselves 63.7% are small, 32.8% are medium and 3.4% are large farmers. That is 96.5% of the households depending on family and self-labour are from small and medium farm-groups. Among the households doing work jointly by family labour and hired labour (but major work by family labour) medium farm size group predominates being 50.9% of the total; the percentage of small farms and large farms are 34.5% and 14.5% respectively among this group. In the household group who performed major work by hired labour 36.4% are small, 39.9% are medium and 23.7% are large farmers. In this case though large farmers are the major user of hired labour, they are smaller in proportion in comparison with medium and small farmers. This is because the total number of small and medium farmers are much higher than the total number of large farmers.

The same data can be looked at from another point of view to find out the extent to which household and hired labour are significant in different size groups of farms. An idea can be got from the table-6 given below.

From the table-6, it is seen that self-employment is more important in smaller size group, but it decreases with the increase of farm size. It decreases from 82.8% in case

Table - 6

Percentage Distribution of Agricultural  
Work Among the Farm Size Group

Agricultural Work	Percentage Distribution Among Marginal Farms (Under 0.5 Acres)	Percentage Distribution Among Small Farms (From 0.5 Acres Under 2.5 Acres)	Percentage Distribution Among Medium Farms (From 2.5 Acres Under 7.5 Acres)	Percentage Distribution Among Large Farms (7.5 acres and Above)
1	2	3	4	5
1. Household did all the work	82.8	66.1	41.4	18.6
2. Household did bulk of the work (Mix by households and hired labour)	12.6	28.9	51.9	64.2
3. Bulk of the work done by hired labour	4.7	5.0	6.7	17.1
Total	100.0	100.0	100.0	100.0

Note : Percentages have been calculated from number of households reported.

Source: Agricultural Census of 1977, Op.cit., P.47.

of marginal farmers to 18.6% in case of large farms. Thus there is a negative relationship between percentage households doing

all work by themselves and the farm size. In case of work done by combination of self and hired work the percentage of households increases with the increase of farm size. In case of bulk of work done by hired labour also the percentage of households increases with the increase of farm size. Therefore, in both the above cases positive correlation exists between the percentage of households and farm size. Thus the three cases of labour<sup>or</sup> show that owner's work share decreases with the increase of farm size, hired labourers share of work increases with the farm size, and share of joint work of both owner and labourer increases with the farm size.

2.

## UNEMPLOYMENT AND UNDEREMPLOYMENT

### Open Unemployment

In the literature it has been repeatedly mentioned that in the developing countries usual notion of unemployment as an indicator of the nature and magnitude of the employment problem has certain limitations. It has been pointed out that the measures of unemployment are more appropriate for developed countries where the payment and conditions of employment are generally subject to contractual agreements. In these circumstances, it is relatively easy to divide the labour force into mutually exclusive categories of employed and

unemployed. In the developing countries, on the other hand, wage employment is less widespread. A large majority of the labour force is self employed or unpaid family workers.<sup>3</sup>

In the Bangladesh context, when available data from population censuses and other surveys are examined the limitations of this concept become visible. The table below shows the rates of open unemployment in rural Bangladesh available from various censuses and survey reports.

Table - 7

Rates of Open Unemployment in Rural Bangladesh

Year and source	Percentage of Rural Labour Force Unemployed
1	2
1. 1961 population census	0.61
2. 1974 population census	2.61
3. 1979 (Pilot Manpower Survey)	1.2%
4. 1980 Manpower Survey	1.70
5. 1983/84 Labour Force Survey	1.70

Source : Bangladesh Bureau of Statistics (BBS), 1974, Bangladesh Population Census Report, (National Volume), Table 35, P.34; The Pilot Manpower Survey, 1979, Table 7, BBS. Quoted in Bangladesh: Selected issues in Employment and Development, A Report prepared for the Bangladesh Planning Commission, ILO-ARIEP (International Labour Organization - Asian Regions Team for Employment Promotion), 1985, Table 11, P.2, Manpower Situation in Contemporary Bangladesh-Findings of the Bangladesh Manpower Survey of 1980, BBS, Table 18, P.21, Final Report, Labour Force Survey, 1983-84, BBS, Table 3, P.66

3. Lyn Squire, Employment Policy in Developing Countries, A Survey of Issues and Evidence, A World Bank Research Publication, Oxford University Press, 1981, P.57. Also similar view expressed in, A.K.Sen, Employment, Technology and Development, Clarendon Press, Oxford, 1975, P.18.

From the above table, it is seen that the rates of rural unemployment are very low. Although in 1983/84, the rural unemployment rate was about three times that of in 1961, still the rate is an incredibly low estimate for an economy like Bangladesh which is predominantly rural with high population density and high population growth rate. These figures are so low that they can, to quote a renowned economist, put many advanced countries to Shame.<sup>4</sup>

Bangladesh like many developing countries uses straightforward stock concept of measurement of unemployment for statistical purposes based on the 'willingness criterion'.<sup>5</sup> According to this approach, a person is treated as unemployed who did not work at all during the reference period and was actively seeking work. The 1983/84 Labour Force Survey of Bangladesh used an improved version of the concept for estimation of unemployment, e.g. "A person of 10 years and above was considered unemployed, if he/she did not work at all during the reference week (not even an hour) of the survey and was actively looking for work during the last two months or was available for work but did not work due to temporary illness or because there was no work available."<sup>6</sup>

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4. A.K. Sen (1975), Op.cit., P.119.

5. Iqbal Ahmed, "Unemployment and Underemployment in Bangladesh Agriculture", World Development, Vol.16, Nos.11 and 12, 1978, P.1281.

6. Final Report, Labour Force Survey, 1983-84, Op.cit., P.64.

But the 'Willingness Criterion' stated by Raj Krishna is slightly different than is practised in Bangladesh. According to Raj Krishna<sup>7</sup> "By willingness criterion, a person may be called unemployed/underemployed, if he is willing to do more work than he is doing at present; he may either be actively searching for more work or be available for more work if it is offered on terms to which he is accustomed." Mahmud Khan has distinguished three different types of unemployment based on 'willingness criterion'.

These are :

- (1) Open unemployment : workers actively looking for work,
- (2) Underemployment : willing to work more but not actively looking for work,
- (3) Self-operation underemployment: willing to work more if opportunities for self-employment are created. But do not look for work outside whether or not employment opportunities are available in the market.<sup>8</sup>

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7. Raj Krishna, Unemployment in India, presidential address delivered on the occasion of the 32rd Annual Conference of the Indian Society for Agricultural Economics held under the auspices of the U.P. Institute of Agricultural Sciences, Kanpur (Uttar Pradesh), December 23, 1972, in Indian Journal of Agricultural Economics, Vol.XXVIII, January-March, 1973, N.1, P.1.
  8. For more details, please see, M.Mahmud Khan, "Labour Absorption and Unemployment in Rural Bangladesh", The Bangladesh Development Studies, Vol.XIII, Sept-Dec., N.3, & 4, P.67-84.



The straightforward method of estimation of unemployment gives doubtful figures of unemployed in Bangladesh due to some of its limitations. These are: (1) Agricultural production is seasonal in nature as a result of which demand for agricultural labour also fluctuates. In peak seasons demand for labour is very high which sometimes creates scarcity of labour. In the slack season demand is low which creates unemployment. Straight forward method being aggregative in nature fails to capture the seasonal character.<sup>9</sup> An interview conducted during the agricultural busy season and another during the slack season will clearly give two different estimate of unemployment, (2) Rural-urban migration of the labour force which is an important aspect of Bangladesh rural economy and which affects the variation in the size of the labour force is kept out of estimation by this method, (3) Straight forward concept does not take into account the variations in the length of workday. For example in peak periods, a day's work may extend upto 12 hours of intensive field work, whereas in slack period it may fall to about 6 hours a day. In such cases, estimation of unemployment without the use of standard work day becomes inaccurate.

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9. More detailed discussion on Seasonal Unemployment in P. 163

(4) 'Looking for work' which is an important component of straight forward method is a very weak criterion and subject to considerable misinterpretation. Self-employed persons who are unemployed of the particular moment but who are not looking for work thinking or knowing that it is not available at that time, do not come under the above unemployed criteria. Many independent workers, self-employed and unpaid family workers do not consider themselves unemployed inspite of the fact that they may work only a few hours in a week. The cultivators who have enough land to support themselves do not regard themselves as unemployed.

Another point is worth mentioning here. Such a definition of unemployment, which includes only people who are voluntarily unemployed, naturally leads to a very low unemployment level, especially in view of the fact that the levels of skills are extremely low in Bangladesh, compared with the relatively high skill requirements to qualify for the available jobs. It is obvious that, if the notion of 'seeking for work' is not interpreted broadly, the under-reporting of female labour force participants is inevitable, particularly in developing countries where economic conditions restrict the number of so called 'suitable jobs'. In a traditional society generally, men are preferred to women in most jobs. Owing to the high rate of unemployment and underemployment, it can easily be visualized that fewer job

opportunities are left for females - a deterrent factor in reporting of females as even looking for work.<sup>10</sup>

### Underemployment

According to the labour force surveys of some countries underemployment is referred to as a situation of underutilisation of labour time of persons in the labour force leading to inadequate availability of employment and income. It is thus measured in relation to the number of hours worked and/or the size of the income received during a given period of time.<sup>11</sup>

In Bangladesh Pilot Manpower Surveys of 1979, Bangladesh Manpower Survey of 1980 and the Labour Force Survey (LFS) of 1983/84 provide data on the distribution of employed labour force by the number of hours worked during the reference week. According to 1983/84 LFS "Underemployment exists when a person's employment is inadequate, in relation to specified norms or alternative employment, account being taken of his occupational skill (training and work experience)".<sup>12</sup>

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10. Iftekhar Ahmed, "Employment in Bangladesh: Problems and Prospects", in E.A.G. Robinson and Keith Griffin (eds), The Economic Development of Bangladesh Within a Socialist Framework, MacMillan Press, 1974, P.239.
  11. Bangladesh: Selected Issues of Employment in Development, Op.Cit., P.3.
  12. Final Report, Labour Force Survey, 1983-84, Op.cit., P.64.

The pilot Manpower Survey of 1979, Manpower Survey of 1980 and Labour Force Survey of 1983/84 provide estimates of underemployment on the basis of the time criterion. The Manpower Survey of 1980 gives information regarding distribution of rural agricultural workers based on their income in the reference week. Data regarding time measure of underemployment are given in the following tables:

Table - 8

Percentage Distribution of Rural Employed Population  
10 Years and Above by Weekly Hours Worked, 1983-84

Weekly Hours Worked in Reference Week	Percentage of Rural Employee		
	Both Sexes	Male	Female
1	2	3	4
Upto 20	2.7	2.1	9.3
21 - 40	19.4	18.2	33.8
Over 40	77.7	79.6	57.0
Total	100.0	100.0	100.0

Source : Final Report, Labour Force Survey, 1983-84,  
Op.cit., P.52

Table - 9

Percentage Distribution of Various Types of Rural Workers by the Number of Hours of Work Done During the Reference Period, 1980

Number of Hours work done during the reference week	Agricultural Self-Employed		Agricultural Labourers		Non-Agricultural Workers	
	M	F	M	F	M	F
1	2	3	4	5	6	7
Less than 20	3.9	42.9	4.3	7.8	2.6	10.0
20 - 39	19.2	40.5	17.4	33.9	18.7	50.0
40 and above	76.9	16.7	78.3	58.2	78.7	40.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source : Manpower Situation in Contemporary Bangladesh, Op.cit., Table 17, 19, 20, P.26, 27, 28.

Table - 10

Incidence of Underemployment Among the Unpaid Family Helpers in Rural Areas, 1983 - 84

Number of Hours Work done during the reference week	Percentage of Rural Unpaid Family Helpers		
	Both Sexes	Male	Female
1	2	3	4
Upto 20	5.7	5.6	10.0
21 - 40	29.3	28.1	47.3
Over 40	65.0	66.5	42.6

Source : Final Report, Labour Force Survey, 1983-84, Table 4, P.54.

From the above tables several observations can be made regarding underemployment situation in Bangladesh in early 80's. These are:

- (1) If an employment less than 40 hours per week is taken as a cut-off point for measuring underemployment,<sup>13</sup> the magnitude of rural underemployment in 1983-84 was about 22% (Table 8). Some more examples of measurement of underemployment in eighties based on the micro studies can be mentioned here. For example, Atiq Rahman and Rizwanul Islam found underemployment rate about 33% in Dhaka villages and about 18% in Dinajpur villages. They have also mentioned that these figures are in line with the recent estimates of underemployment and added that most studies in recent years show underemployment rates to vary from 28 to 35%.<sup>14</sup> The World

13. According to Manpower Survey of Bangladesh, 1980, "From the view point of labour utilization approach persons who are working less than 40 hours per week can be regarded as underemployed", Manpower Survey of 1980, Op.cit., P.26.
14. i) These studies are: (1) A.R. Khan, et.al. Employment Income and Mobilization of Local Resource - A Study of two Bangladesh Villages, Asian Employment Programme, ARTEP/ILO, Bangkok, 1981.  
 ii) M. Muktada and M.M. Alam, Hired Labour and Rural Labour Market in Bangladesh, Asian Employment Programme working paper, ARTEP/ILO, Bangkok, 1983 N.(i) & (ii). Quoted in Atiq Rahman & Rizwanul Islam, Patterns and Determinants of Labour Use in Rural Bangladesh. A Study with Micro-Level Data, ILO/ARTEP, 1986, P.20.

Bank has concluded that underemployment in Bangladesh is roughly equivalent to one third of the agricultural labour force being unemployed.<sup>15</sup>

- (2) If an employment of less than 20 hours per week is taken as an indicator of 'severe underemployment',<sup>16</sup> a small percentage (i.e. 2.7% in 1983-84 (Table 8)) of rural employees appear to be in that category. If this severe underemployment situation is examined among the male members of agricultural labourers non-agricultural workers, agricultural self-employed and unpaid family helpers, it is seen that highest percentage of severe underemployment among the male unpaid family helpers which was 5.6% in 1983-84 (Table 10) in comparison with 3.9% among the agricultural self-employed, 4.3% among agricultural labourers and 2.6% among non-agricultural male workers (Table 9) in 1980.
- (3) Considering 40 hours per week cut-off point to measure underemployment, under employment among the male rural employees was 20.3% in 1983-84 (table 8). But these figures were 31% in 1979<sup>17</sup> and 21.7% in 1980.<sup>18</sup>

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15. World Bank, Selected Issues in Employment, Report No.4292, 1983, Dhaka. Quoted in, Land Economics, Vol.62, N.1, Feb.1986, P.77.

16. Manpower Survey of Bangladesh, 1980 has taken 20 hours per week as a cut-off point for measuring 'Severe Underemployment'.

17. Bangladesh: Selected Issues in Employment and Development, Op.cit., P.5

18. Bangladesh Manpower Survey, 1980, Op.cit., Table 7, P.26.

- (4) The problem of underemployment appears to be much more acute for female workers in all cases.

Another dimension of rural underemployment in Bangladesh is its seasonal nature. Seasonal characteristics of underemployment arise from the seasonal character of growing crops in Bangladesh agriculture. The demand for labour varies due to seasonality of crop production. Even during a given crop cycle there may be substantial variation in demand for labour, for these reasons, unless this cyclical variation is affected by counter cyclical activities in the non-crop sector, the employment opportunities for the agricultural workers is bound to vary between peak and slack seasons. The seasonal distribution of labour use is shown in the table 11.

The table-11 shows that total acreage and labour use under crop is highest in the aman season followed by Aus season. Boro season has the lowest of total acreage and labour use.

Generally in Bangladesh Baisakh and Jaistha (April and May) are the months of land preparation for jute and Aus crop. In some areas, in Baisakh month also Boro crops are harvested and after land is prepared for Aus. Due to these reasons these two months experience a <sup>of</sup> rush/activities. Land preparation for Aus crops depend on weather also. Therefore, when the rain starts the fields for Aus should be ploughed immediately. Demand for hired labour increases.



Table - 11

Seasonal Labour Use in Bangladesh Agriculture

Seasons	Time of Sowing/ Transplanting	Acreage Under Crop (100 thousand)	Total Labour Use (in Million Mandays)	% all Labour Use
1	2	3	4	5
Boro	Transplanted from December to February harvested from March to June	56.16	487.87	19.46
Aus	Transplanted or Broadcasted from March to June harvested from July to August	93.66	785.97	31.35
Aman	Transplanted or Broadcasted from March to August harvested from November to January	142.60	1233.34	49.19

Source : Rushidan Islam Rahman, "Implications of Seasonality of Rural Labour Use Pattern, Evidence from two villages in Bangladesh", The Bangladesh Development Studies, Vol.IX, Winter 1981, N.1, P.80, 1984-1985, Yearbook of Agricultural Statistics of Bangladesh, Bangladesh Bureau of Statistics, Dec. 1985, P.5.

But the supply of labour is limited because the marginal farmers, (those who supply labour) also become busy with their tiny plots of land. Therefore, this period is of severe scarcity of labour. Sravan month (July) is again a peak period due to rush of weeding of Aman and Jute and transplatation of the seedlings of Aman. When transplantation

started, field has to be completed as soon as possible so as to leave all the plants in the same stage of growth so that they can be treated with fertilizer, water etc. at the same time. On the other hand, when weeds start to grow in Aus and Jute land after the rains, most land need simultaneous weeding. If this is not done quickly weeds start multiplying and require more labour. Thus in Bangladesh some period is very peak and demand for labour is very high, but the supply is not adequate which creates scarcity of labour. But it happens also that some period of the year is very slack in case of demand for labour and the supply is also very high. It is evident from the 1980 Manpower Survey Report that there is a substantial variation of proportion of underemployment during peak and slack periods. The data are presented in the table below.

Table-12  
Percentage Distribution of Agricultural Workers  
During Peak and Slack Periods by Hours Worked  
During the Reference Period, 1980

Hours Worked During the Reference Week	<u>Peak Period</u>		<u>Slack Period</u>	
	Male	Female	Male	Female
1	2	3	4	5
1. No Work	-	-	5.3	22.6
2. Below 20	0.4	-	23.0	51.3
3. 20 - 39	5.5	2.6	39.4	26.1
4. 40 - 59	28.5	66.1	32.2	-
5. 60 - 79	55.1	31.3	-	-
6. 80 and over	10.5	-	-	-
<u>Total</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Source : Manpower Survey, 1980, Op.cit., Table-7, P.26.

From the table it is seen that in the peak period practically no male or female agricultural workers worked less than 20 hours per week. That is, problem of 'Severe Underemployment' did not exist in the peak period in 1980. But some degree of underemployment among the male agricultural workers still exists in the peak period. About 6% of them worked less than 40 hours in the reference week. Among the female agricultural workers, this figure was about 3%. In the peak period about 66% of the male workers worked even more than 60 hours in a week. Another 29% males worked between 40-59 hours a week while 66% of the female workers worked similar hours. But in the slack period the problem of underemployment becomes more acute. More than 28% of the male agricultural workers either had no job or worked less than 20 hours a week in the slack period. These male agricultural workers were severely underemployed. Another about 39% of the male agricultural workers worked less than 40 hours per week. In case of female workers about 74% either did not work or worked less than 20 hours per week. More than 22% among them did not work at all. Another 26% of female workers worked less than 40 hours a week in the slack period. In the slack period only 32% of male could work between 40-59 hours.

3.

UNEMPLOYMENT AND POVERTY

Earlier Literature did not make distinction between unemployment and poverty. This has occurred in many studies across the globe, e.g., in the international labour organization (ILO) "Country Reports", especially in the Kenya Report.<sup>19</sup>

Indian Debate

In the Indian Context, in the early phase of planning it was believed that growth, employment and removal of poverty follow a sequence in that order. The growth was supposed to be self-reinforcing process, and in due course, mass poverty was expected to melt away with the advent of high per capita income, and the concomitant employment. In the early sixties, doubts on this naive hypothesis were raised when expansion or employment was not keeping pace with the growth of national income. As the capital intensity in industries and allied activities kept rising, the demand for labour failed to increase *pari passu*. The link between growth of national income and employment was at best tenuous. So persistent unemployment came to be reckoned as a problem in its own

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19. A.K. Sen, "Poverty, Inequality and Unemployment: Some conceptual Issues in Measurement" in T.N.Srinivasan and P.K.Bardhan (eds), Poverty and Income Distribution in India, Statistical Publishing Society, Calcutta, 1974, P.68.

right. Very soon, it was also realised that mass poverty had no tendency to decline, despite substantial progress in industry and agriculture. At this stage, poverty was identified with unemployment and underemployment, and its removal was sought to be found in providing employment in the rural works programmes. Poverty and unemployment were thought to be two sides of the same coin.<sup>20</sup>

Dandekar and Rath too propounded a similar view point.<sup>21</sup> They abandoned the time criterion to measure unemployment. They solely relied on the income measure of unemployment. The result was that no distinction was made between the unemployed and the poor. Amartya Sen maintains that 'poverty' as a concept should be kept distinct from 'unemployment', without of course, assuming that the two are independent of each other. He argues that employment is an important means of generating and distributing income, but a person can be rich, and yet unemployed, if he has other sources of income, and also, a person can work hard and still be very poor. Poverty is a function of technology and productivity, of ownership of the means of production and of exploitation and social arrangements for production and

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20. Ranjit Sau, "Growth, Employment and Removal of Poverty", Economic and Political Weekly (EPW), Vol.XII, Special Nos.31,32 and 33. August, 1978, P.1279.

21. Dandekar and Rath, EPW, Vol.VI, N.1, 2, 1971.

distribution. To identify unemployment with poverty seems to impoverish both notions, since they relate to two somewhat different categories of thought.<sup>22</sup> Although Dandekar and Rath's 'Poverty Criterion' has been criticized by Amartya Sen for taking poverty and unemployment as identical and by Raj Krishna for abandoing 'Time Criterion' in measuring unemployment<sup>23</sup>, it is a useful contribution to the literature on measurement of unemployment. Because like other methods of measurement of unemployment, 'Poverty Criterion' enables one to measure unemployment in the context of social problem. People are interested in employment for the sake of earning income and livelihood. Then if a person is employed, and working hard but still if he is earning income below the poverty norm, because he fails to obtain adequate income from job, then, in income sense he is underemployed.<sup>24</sup> Raj Krishna observes that poor are more numerous than idle and idle are more numerous than willing and only a fraction of idle are willing to work more. Hence, all poor persons suffering

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22. A.K. Sen (1975), Op.cit., P.38.

23. Raj Krishna observes that "Dandekar and Rath abandon the time critrion altogether for measuring unemployment and, in effect, reject the distinction between poverty, considered as consumption below a certain minimum and unemployment considered as an involuntary failure to get income-yielding work for the normal number of working days in a year." Quoted in A.K. Sen (1974), Op.Cit., P.68-69.

24. Iqbal Ahmed, Op.cit., P.1283.

from a deficiency of consumption may not be unemployed either in the willingness sense or in the idle sense.

These are the working poor. And all unemployed persons (willing or idle) may not be poor.<sup>25</sup> He (Raj Krishna) on the basis of his empirical findings stated that the poverty and unemployment are not comparable because poverty ratio is the ratio of poor households to all households; and the unemployed ratio is the ratio of unemployed person days to total person days in the labour supply.<sup>26</sup> Raj Krishna established an arithmetical relation between measured poverty and measured unemployment as follows:<sup>27</sup> If

w = the earnings per worker per day;  
 d = days of employment per worker per year  
 $\bar{d}$  = days of employment per worker per year for a fully employed worker.  
 n = Number of workers in the family,  
 f = Number of family members,  
 y = per capita annual family income,  
 $\bar{y}$  = cut off per capita family income for the definition of poverty.

Then poverty,  $P = \bar{y} - y \dots (1)$  and,

Unemployment  $u = \bar{d} - d \dots (2)$

25. Raj Krishna, Rural Unemployment, a paper presented at a symposium, on the concepts and measurement of rural unemployment. Quoted in P.Yousuf, Interrelation between poverty, unemployment and migration - A thesis submitted to M.S. University of Baroda, 1983, P.158.

26. Raj Krishna, "Rural Unemployment - A Survey of Concepts" in Agricultural Development in India: Policy and Problems (edited by) C.H.Shah and C.H. Vakil), Orient Longman Ltd., 1979, P.85-86. Quoted in Delip S.Thakur, Poverty, inequality and unemployment in Rural India (Some conceptual and Methodological Issues in Measurement), B.R. Publishing Corporation, Delhi, 1985, P.146.

27. Ibid., P.164.

Since per capita income is

$$Y = \frac{Wdn}{f} = \frac{Wn (\bar{d} - u)}{f} \quad \dots (3)$$

$$\bar{Y} - P = \frac{Wn (\bar{d} - u)}{f}, \quad P = \bar{Y} - \frac{Wn (\bar{d} - u)}{f}$$

If  $h = \frac{n}{f}$ ,  $p = \bar{Y} - hw (\bar{d} - u)$ , ( $h$  is family worker/  
family size ratio)

$$P = \bar{Y} - h w \bar{d} + h w u \quad \dots \dots \dots (4)$$

This relation can translate, for any household, measured poverty in measured unemployment and vice versa. Cross section relation across households between poverty and unemployment can also be studied with this formula. Thus it can form the basis for the formulation of the relationship between macro measurements of the two phenomena.

From the formula it is understood that poverty is positivity related to unemployment. But the relationship is determined by the cut-off points used for their definition, the productivity of work ( $w$ ) and the dependency ratio ( $h$ ).



In a study Pravin Visaria has examined association between poverty and unemployment by careful analysis of the data for two states of India (Gujarat and Maharashtra). Stating that the widely used Index of poverty is the monthly per capita expenditure of a household, a proxy for income, he asserted that there is a clear inverse association between monthly per capita consumption expenditure levels and their respective incidence of unemployment by person-days. His study revealed that with some exceptions, the labour force in the bottom deciles of households clearly suffers from higher incidence of unemployment. He added that although poverty is more wide-spread than unemployment, there is a clear association between the two: the poor did report non-availability of opportunities of work to a considerably greater extent than the average level in the two states.<sup>28</sup>

P.K. Bardhan feels that poverty and unemployment figures are not likely to be similar, since unemployment is, after all, only one factor contributing to poverty.<sup>29</sup> B. Sarvesara Rao in comparing employment position of non-cultivating agricultural labour households with that of cultivator households, observes that more members of the non-cultivating agricultural labour households are in the work force, they are work for more

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28. Pravin Visaria, Poverty and Unemployment in India: An Analysis of Recent Evidence, World Bank Staff Working Paper, N.417, October 1980, P.9-13.

29. P.K. Bardhan, "On Measuring Rural Unemployment", The Journal of Development Studies, Vol.14, N.3, April 1978, P.342.

days in the year, and still remain more poor. The question between more work or employment and less poverty does not seem to hold good here.<sup>30</sup> J. N. Sinha argues that chronic poverty and chronic unemployment are mutually exclusive categories and the relationship between employment and income (or in other words unemployment and poverty) may take any form depending on the assumption about the earnings per man day. Poverty and unemployment do not bear a unique relationship and they measure different phenomena in diverse socio-economic contexts.<sup>31</sup>

But Lakdawala observes, "In many poor regions of the country unemployment rates are comparatively low.... Low standards of living of landless labourers are associated with fairly low unemployment rates."<sup>32</sup> Therefore, according to observation of Lakdawala poverty and unemployment is negatively correlated instead of being positively correlated. This is rather a peculiar phenomenon. Ranjit Sau has commented that "If poverty seems to be coexisting with a low rate of unemployment, it only means that the employment there is not worth the name."<sup>33</sup>

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30. B. Sarvesara Rao, "Productivity, Employment and Poverty in Rural Areas (A Study of an Agriculturally Advanced Area of Andhra Pradesh)", in B. Sarvesara Rao & V.N. Despande (eds). Poverty: An Interdisciplinary Approach, Somaiya Publications Pvt.Ltd., Bombay, 1982, P.55.
  31. J.N. Sinha, "Full Employment and Anti-poverty Plan: The missing Link", EPW, 12 Dec., 1981, P.2043-44.
  32. D.T. Lakdawala, "Growth, Unemployment, and Poverty" The Indian Journal of Labour Economics, Vol.XXI, April-July, 1978, N.12, P.4-5.
  33. Ranjit Sau, Op.cit., P.1280.

### Asian Experience

Strong association between poverty and unemployment is denied not only in the Indian Context, similar view is also expressed from the Asian experience as a whole. A study has shown that growing poverty is not necessarily associated with growing unemployment. Indeed it is note worthy that in none of the empirical studies of Asia was unemployment cited as a prominent cause of poverty.<sup>34</sup>

### Conclusion

From the above discussion, it becomes clear that it is very difficult to neatly frame poverty and unemployment into a linear relationship. But the factors like low motivation and malnutrition have certain effects on labour mobilization and productivity. Therefore, Keith Griffin and A.R. Khan asserted, "more important, perhaps, than unemployment and underemployment is the low productivity and occasionally low intensity of work arising from the poor motivations, poor health and injustice that is found in most rural areas. The exploitation and inequality to which majority of the rural population is subjected is demoralizing, engenders resentment and stifles initiative and creativity. The effect is not only to lower current output below its potential but to reduce the capacity and willingness of the population to innovate."<sup>35</sup>

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34. Poverty and Landlessness in Rural Asia, ILO, Geneva, 1977, P.24.

35. Keith Griffin and A.R. Khan, "Poverty in the Third World : Ugly Facts and Fancy Models", World Development, Pergamon Press, Vol.6, N.3, P.298.

### Bangladesh Situation

Coming to Bangladesh situation, in 1978/79, 59.5 million of the rural population lived below the poverty line.<sup>36</sup> Whereas in terms of man-days, over 8 million rural workers were unemployed in 1983/84.<sup>37</sup> Available data show that population below poverty line is increasing. For example, in 1963/64, the number was 24.1 million which increased to 42.6 million in 1973/74 then to 55.5 million in 1976/77 and to 59.5 million in 1978/79.<sup>38</sup> From this tendency of growth of population below poverty line and population growth rate at 2.4% per annum (during 1974-1981), it can be assumed that in 1983-84 number of population below poverty line would be of course, more than 59.5 million.<sup>39</sup> Therefore, it can be said that number of poor people is much higher than number of unemployed people. Even number of poor people is about 7.5 times of the unemployed people. That means even assurance of full employment would bring 1/7.5 times of the removal of poverty.

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36. Bangladesh: Selected Issues in Employment and Development, Op.cit., P.58.

37. Estimates of labour time vary from different sources. Noting that the estimates vary, the third five year plan (TFYP) concludes that about one third of the labour time is unemployed in Bangladesh (TFYP P.V-1). According to 1983-84 Labour Force Survey (LES) total number of rural labour force was 24.6 million. Thus the number of rural unemployed in 1983-84 comes over 8 million.

38. Bangladesh: Selected Issues in Employment and Development, Op.cit., P.58.

39. Exact figure of population below poverty line in 1983-84 is not available with the author.

Another set of data calculated from labour force survey of 1983-84 explains the relationship between unemployment and poverty.

Table - 13

Employment and Income Position of Paid Workers  
10 Years and Above in Rural Bangladesh, 1983-84

Weekly Income (Tk)	Total Number of Workers (Thousands)	Average Income (Tk) per Week	Average No. of Hours Worked per Week	Income per Hour of Work (Tk)
1	2	3	4	5
1. Below Tk 50	1124	30.8	38	0.8
2. 50 - 99	3670	70.5	51	1.4
3. 100 - 149	3129	116.4	56.2	2.1
4. 150 - 199	1282	160.7	54.2	3.0
5. 200 - 249	769	206.5	52.5	3.9
6. 250 and Above	435	845.9	51.2	16.5

Source : Calculated from Final Report, Labour Force Survey, 1983-84, Bangladesh Bureau Statistic, Table 25, P.144.

From the table, it can be observed that in case of N.(1) to (3) increase of income of the workers is the result of both increase of number of hours worked and income per hour. That means poverty of the less income group is associated not only with less employment hours but also with the lower income per hour of work.

In case of N.(4) to (6) increase of income of the workers is associated with decline of number of hours worked and increase of earning per hour. It means that increase of income is the result of increase of income per hour only. Here poverty is mainly due to less income per hour only. From the above analysis it may be concluded that poverty and unemployment or underemployment is not identical. Unemployment may only be one area of poverty. Even Poverty may occur without presence of unemployment. Thus assurance of full employment will not bring removal of full poverty. Employment of an adequate wage rate is essential.

This is not surprising. Poverty is more wide-spread than unemployment, not only in Bangladesh but also in many cases of the rural areas of the developing countries. This is because many of the poor are not unemployed. Many of the unemployed are not also poor. Most of the poor are employed. Because poor can not afford to remain idle, they accept whatever jobs come their way, however, short may be the duration, however, meagre the remuneration.

#### Movement of Agricultural Wages

Issue like the poverty among the employed in the rural areas of Bangladesh is worth some analysis. Among the rural employment, wage employment plays an important role. According to the 1983-84 Agricultural Census about 40% of the total households were agricultural labour households. These are the households who work in the farms of other households for wages

in cash or kind. Among non-farm households about 63% was agricultural labour households. Detailed discussion about agricultural labourers according to their farm size given in the Section 1 of this chapter. The income position of these agricultural labourers depend on the movement of their real wages.

In the historical perspective, real wages of the agricultural labourers in rice units is lower today in comparision with the historical past. At various points for which information is available over the hundred odd years from the 1830s to the late 1930s wage rate for agricultural workers in rice units ranged between 5 and 6 kg.<sup>40</sup> Around 1950 it was about 3 kg. In the 1970s it fell below 2.5 kg.<sup>41</sup> Government data show that the nominal wages of agricultural labourers have been going up more or less consistently since 1948-49.<sup>42</sup> Prices of food grains and

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40. It is not being claimed that throughout the century leading to the late 1930s real wages were high. There is evidence of fluctuations. For example, the 1988 Report, providing information for the 1880s, makes it clear that conditions were worse a few decades before. All we are able to claim is that for substantial periods wages were as high as is indicated by this range and that the present writer has not come across any measurement during that century which suggests that wages were even as low as they are now. Quoted in A.R.Khan, "Real Wages of Agricultural Workers in Bangladesh" in A.R.Khan and Eddylee (eds), Poverty in Rural Asia, ILO/ARTEP, Bangkok, 1984, P.200.

41. A.R. Khan, Op.cit., P.200.

42. Rural Poverty in Bangladesh - A Report to the like-minded Group, North-South Institute, Canada, 1985, P.85.

other consumer goods, however, have also been going up during this period. A study on rural income for the period 1949-66 shows that real wages have been fluctuating from year to year but generally speaking show a downward trend.<sup>43</sup> The following table-14 shows the trend of agricultural wages.

Table - 14  
Agricultural Wages in Bangladesh

Years	Money Wage (Taka per Person per Day)	Real Wage (Taka per Person per day at 1973-74 Cost of Living)	Index of Real Wage 1966 =100
1	2	3	4
1966	2.40	9.10	100.0
1967	2.60	9.19	101.0
1968	2.75	9.78	107.5
1969-70	2.96	9.40	103.3
1970-71	3.13	9.42	103.5
1971-72	3.38	7.43	81.6
1972-73	4.72	6.71	73.7
1973-74	6.69	6.69	73.5
1974-75	9.05	5.33	58.6
1975-76	8.82	7.09	77.9
1976-77	8.93	7.32	80.4
1977-78	9.44	6.41	70.4
1978-79	10.44	7.28	80.0
1979-80	12.46	6.79	74.6

Source : A.R. Khan, Op.cit., 190.

43. S.R. Bose, "Trends of Real Incomes of the Rural Poor in East Pakistan", in Keith Griffin and A.R. Khan (eds), Growth and inequality in Pakistan, MacMillan, 1971, P.261-268.



The table presents movement of money and real-wages in Bangladesh agriculture from 1966 to 1979-80. In spite of the fact that in case of money income increasing trend is observed during the period examined here, the picture is different in case of movement of real wages. As it is seen from the table that from 1970-71, real wage had declining trend compared to the base year 1966. Specially upto 1974-75 the rate of decline was very high. In 1974-75 the wage rate was 41.4 per cent lower in comparison with 1966. In 1979-80 the wage rate was 25.4 per cent lower in comparison with the base year. The average real wage in the most recent quinquennium for which estimates have been prepared (i.e. between 1977-78 and 1981-82) was nearly 30 per cent lower than the average real wage in first five years (1949-53) since the wage series were published in 1949.<sup>44</sup>

Now few words regarding the agricultural wage rate in the 1980s available from other source.

From the table-15, it is seen that in the period from 1980-81 to 1984-85 the wage rate in terms of coarse rice was below the amount of minimum ordinance. This amount of rice available with the daily wage can be looked from another angle to determine the living standard of the agricultural labourers.

3 Kgs. rice are required daily for an average rural household for minimum standard. From the table it is seen

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44. A.R. Khan, Op.cit., P.194.

Table - 15Daily Wage Rate of Agricultural Labour

Years	Daily Wage Rate in Takas (Without Food)	Rural Price of Rice (Coarse) Per Kg. in Taka	Amount of Rice Available with the (Wage (Kg)).	Daily Wage as Percentage of 3.27 Kg. Rural Price Rice
1	2	3	4	5
1980-81	13.78	4.89	2.82	86.24
1981-82	15.27	6.26	2.44	74.62
1982-83	16.82	6.76	2.49	76.15
1983-84	19.31	7.49	2.58	78.90
1984-85	24.21	8.64	2.80	85.63

Source : Estimated from Socio-Economic Indicators of Bangladesh, Bangladesh Bureau of Statistics, 1986, P.94.

Note : Under the minimum (rural) wage ordinance, daily rural wage rate should not be less than the going market price of 3.27 kg. of (coarse) rice. A comparison has been made here between the trends in wage rates and rural prices of coarse rice.

that a single earner household given the wage rate could not afford this 3 kg. standard, even if he had employment for 365 days in a year.<sup>45</sup>


#### Other Strategies for Labour Exploitation

Besides this poor wage rate, there are various strategies through which agricultural labourers are being exploited by

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45. Bangladesh : Selected Issues in Employment and Development, Op.cit., P.68.

the landlords. One method of reducing the labour cost is share tenancy. Lands are leased out to prospective labourers on the condition that they will work for their landlords specially in the peak seasons.<sup>46</sup> As a result of this interlinkage between land and labour transactions the landlords get the assurance of supply of labour at times of tight labour market. On the side of the agricultural labourers he gets the opportunity of utilisation of labour. The former group consists of large and medium landlords and the latter is landless and small farmers.

Another way is the labour credit transactions which implies that landowners provide consumption loans to the labourers. This loan is also  treated as wage advances to labourers for which they are committed to work for the creditor during peak agricultural seasons. This is a kind of instrument for the landowners to ensure smooth supply of labour during peak periods. Landless and small farmers agricultural labourers those for whom difficult to get institutional credit sell their labour power as part of an interlinked (with credit) transaction.

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46. This practice has been found in parts of India as well as in Nepal. Please see, Ashok Rudra, Extra Economic Constraints on the Agricultural Labour, West Bengal, ARTEP Working Paper, Bangkok, 1982; B.B. Katwal, New Technology, Labour Use and Contractual Arrangements in Nepal, Master of Economics thesis, Thammasat University, Bangkok, 1982; Quoted in Rizwanul Islam and Atiq Rahman, Agrarian Change, Labour Contracts and Inter-linked Transactions in Labour, Land and Credit in Rural Bangladesh, A Study with Micro-level Data, ARTEP Working Paper, 1985, P.16.

Thus the agricultural labourers entering into inter-linked transactions with landlords and creditors expect to higher amount of employment during slack seasons compared to other labourers. Inter-linkage between labour and credit transactions, on the other hand, lead to lower than market wage rates during peak seasons - the difference representing an interest payment for the credit.<sup>47</sup> In order to examine the above situation in the context of Bangladesh, no macro-level data is available with the author. A micro level study can be mentioned here in this connection. Rizwanul Islam and Atiq Rahman surveyed four villages two each from Dhaka and Dinajpur district to examine land-labour and credit transactions in Bangladesh. The survey was done in 1981-82.<sup>48</sup> In the study villages it has been seen that small parcels of land are sometimes leased out to labourers on condition that they will work for their landlords during the peak agricultural seasons. Some labourers also get free house site from their employees. Labourers attached to these landlords are seen

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47. S. Bhalla, for example shows in the context of the state of Haryana in India, how the careful Interlocking of Individual Labour Commitments and Personalised Credit Transactions Serve to neutralise the potential for higher wages due to higher peak period demand for labour. Please see, Bhalla, "New relations of production in Haryana Agriculture", EPW, Vol.XI, N.13, March 27, 1976, P.A23-A30.

48. Rizwanul Islam and Atiq Rehman, 1985, Op.cit.

termed as semi-attached labours.<sup>49</sup> In the survey areas 16% of the total persons of selling labour in Dhaka and Dinajpur villages were with land attachment. More than a fourth of the workers in Dhaka and Dinajpur areas supply labour as a condition for obtaining credit. In the Dhaka villages among the labourers who were attached through credit more than 82 per cent were landless and the rest were marginal farmers, with 0.5 acre of land. In the Dinajpur villages more than 63% were landless and the rest owned less than 0.5 acres.

Analysing data the authors came to the conclusion that the employers are not only having assured supply of labour during tight situations, they are having it at a wage lower than they would have to pay otherwise. Thus it is the creditors and landlords who usually benefitted more carefully interlinking transactions in labour, land and credit. Data show that such interlinkage does not bring additional benefit to the agricultural labourers. Average number of work days hired out by labourers with attachment

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49. The term 'Semi-attached' has also been used by Bardhan and Rudro to discuss the types of labour attachment in the context of west Bengal. They have in fact identified several categories of semi-attached labour. Please see, "Types of labour attachment in agriculture: Results of a survey in West Bengal, 1979", EPW, 30 August, 1980, P.1477-1484.

is almost not higher than that of without attachment. Average wage rates are lower for the semi-attached workers in comparison with the non-attached workers indicating that the employers are having an assured supply of labour during peak seasons at wage rate lower than they would have to pay for the non-attached workers. This above explained situation can be seen from the following table.

Table - 16

Average Number of Workdays Hired Out by Land  
Average Daily Wage Rate of the Labourers with  
And Without Attachment

Villages	Average Monthly Mandays of Labour Hired Out by Workers			Daily Wage Rates (In Taka) of Workers		
	With Land attachment	With Credit attachment	Without attachment	With attachment of Land	With Credit attachment	No attachment
1	2	3	4	5	6	7
Dhaka Village 'M'	17.6	17.2	17.1	13.2	13.1	14.1
Dhaka Village 'B'	14.2	14.0	14.5	13.2	13.1	14.6
Dinajpur Village 'K'	17.8	16.7	17.0	11.1	11.1	12.2
Dinajpur Village 'S'	15.4	14.7	15.1	11.2	11.4	12.5

Source : Rizwanul Islam and Atiq Rahman, Op.cit. ,  
 Tables 17, 18, P.42-43, 44-45.

There are many other ways to reduce labour cost by the land-owners. In many areas of Bangladesh, it is practised that labourers are paid partly with the left over straw of the

paddy. Sometimes Jute palings are also paid as wages. This mode of payment in kind indicates a new development in the wage system of rural Bangladesh. This is a method of reducing wages. Only a generation ago the agricultural labourers could bring paddy straw and jute palings from the landowners free of cost without any deductions from their wages. Another fact which tells about deteriorating the terms of wage payment system against the agricultural labourer is that, earlier food had been the part of their wage and they were given reasonable food. Even women would also have brought their small children along when they worked in somebody's else's home and the children would have been properly fed. But over the last <sup>few</sup> years, it has been reported from different areas of Bangladesh that many women and some men are no longer paid their food in prepared meals in the house of the employers, but only receive a small amount of uncooked rice to take home, less than they would have eaten had they received a prepared meal.<sup>50</sup> Another method of reducing wages by the landowners is to invite migrant labourers from other villages who are not obliged to maintain the reference wage rate. As the supply of labourers increases, wage rates come down, which go against the interest of the labour class as a whole.

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50. Rural Poverty in Bangladesh, Op.cit., P.57.