

# Inequalities in Labour Market Participation of the Tribal Community: Outlook and Key Challenges

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## **Abstract**

*This paper examines the factors determining participation of the tribal community in the labour market. Tribal communities need to be treated as ethnic entities with uniqueness in all facets of their life, living and livelihood. The study revealed that unequal labour market outcomes have been brought about by historically unequal endowments. The inequalities have been shaping up further disparity in tribal mind set, their attitude and keenness for development. The findings indicate that the differences in local ecological factors have been influencing the labour market participation decision of the community.*

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## **Introduction**

The Scheduled Tribe population in India has been in the glare of publicity historically from the development perspective. The approach for an appropriate development policy for the community has been at the crux of the debate for ages. Constitutional provisions, target oriented tribal welfare schemes and programmes galore. But the people remain at the periphery of the mainstream population underdeveloped, malnourished and backward with respect to all economic and social indicators of development.

The tribal people have an inherent efficiency to adapt and ensure survival in any ecological setting. In spite of the aggressive ensnare of the market economy their society still remains deeply rooted with unique communitarian values, the traditional non-market principles of allocation, distribution, transaction, reciprocity bond the tribals in an ethnic community. They participate in economically productive activity and derive income from multiple sources, a significant part of their living is obtained from nature and the local environment where they reside. But such activities are generally primitive with low market value and wage.

## **The Context**

The official statistics report that work participation rate of Scheduled Tribe population is much higher than that of the general population. This has been primarily due to very high participation rate among the tribal women which is significantly higher than the total population also. The primary sector activity has been the dominant one while the secondary sector and the tertiary sector accounts for a meagre share in their livelihood practices. The

population ardently require quality job creation and wage growth for robust economic development.

Access to education, basic amenities, distribution of development schemes - ensuring development and reducing employment gap have been inherent and intertwined objectives of the government. But there exists a virtual gap between the planner's perspective of 'development' and the dire need of the community that stifles them to ripe the benefits of development planning. The government programmes rarely augment their 'capability' qualitatively for lucrative participation in the labour market. The backwardness of the community testify this as the reality, inequality has been historically reigning in opportunities as well as labour market outcomes. As stated earlier, the typical adaptive capacity of the tribal people with the local ecology enable them to earn their meagre subsistence where ever they reside. This disguises apparently their failure to participate in the labour market efficiently.

However, the neo-liberal reforms and most importantly the intrusion of consumer culture have silently transformed the tribal socio-economic milieu and their mind set. Neither could the community stiff up their resilience to care for their ethnic boundary nor did they banish their ethnicity completely and hurl themselves in the market economy. A part of the community tried their best to mould, adjust and get themselves badly accommodated within the fold of market mechanisms, though such transformation had been a slow process. The remaining others were frustrated with bewilderment, as they realised their inability to adjust to the changing scenario. Nevertheless the people envisage better labour market opportunities for healthy life and living.

Gender gap in wages has been a common phenomenon in developing countries (FAO 2010, 2011). Moghadam, 1990 identified class, gender and the state as the factors which frame up labour market opportunities for women in Middle East and North Africa. Setebe 2011 researched that economic crisis and therefore the compulsion for earning higher income have led to increased informal market activities in Tanzania. Variation in female labour force participation in India and its linkage with agro-ecological features have been studied by Agarwal, 1986 and Rosenzweig 1978. Saikia and Majumder, 2015 studied the socio economic factors that influenced the labour force participation of Tiwa tribe of Assam. They concluded that the level of education was not at all significant in contributing effective women workforce participation for both married and unmarried women, instead better rural infrastructure would facilitate labour market participation. Patel 2015 reports about tribal communities migrating to brick kilns at wage rates much below the subsistence in order to repay their outstanding debts. He suggested that government policies have been seasonal in effect, instead earning opportunities related with horticulture, cottage industries etc. should be developed which will ensure income all throughout the year. Hall et al mentioned about the presence of wage differential between the indigenous and non-indigenous population of Vietnam. He cited references that the indigenous community face significant disadvantage in the labour market. He remarked that such 'unexplained' difference has been due to lower human capital endowment of the indigenous community. He mentioned about the role of

education, skills as important human capital to influence the earning differential other than the discriminatory labour market practices.

### **The research question**

Inequality exists both in opportunities and outcome of labour market participation of the tribal community. Their labour market participation factor need to be analysed and planned keeping in view the typical traditional and cultural traits that set them apart from the rest of the population. The main objective of the paper is to ascertain the nature and extent of inequalities that dominate and therefore restrain tribal participation in the labour market. For better livelihood the tribal community are aware of the dire need to participate in the labour market but their abilities are constrained and conditioned by local geographical factors, which again remain closely entwined with their socio economic behaviour, the line of causality remains hard to be singled out. How do labour markets play out in tribal societies? What are the factors that deter their participation and/or dampen their earning prospect? How does the local ecology affect their decision? What changes can enhance their opportunities and/or options? The study pivots around these research questions. The paper addresses these questions in the context of the Birhor community of Purulia, West Bengal.

The Birhors of Purulia, West Bengal have truly been the 'people at the periphery'. Being an offshoot of the Mundas of the Chhotanagpur plateau, till recently they led a nomadic life depending exclusively on the forest for food, livelihood and shelter. The forest formed an integral part of their culture and tradition. The Ministry of Home Affairs identified these people as 'Scheduled Primitive Tribe' during the Fifth Plan. Their primitive traits, hunting habit, timidity, primordial expertise and above all backwardness with respect to all economic and social indicators of development have publicised them as one of the 75 Particularly Vulnerable Tribal Groups of India. They have been identified as 'more vulnerable among the tribal groups'. According to the West Bengal Scheduled Tribe Community Census Data of 1991, the Birhors constitute only 0.02% of the total tribal population of the state, there was 855 persons in total. In West Bengal they are mostly concentrated in Purulia district where 271 persons reside in four Gram Panchayat of Bagmundi, Balarampur and Jhalda-I blocks of Purulia.

### **Details of Primary Survey**

The study was undertaken in the Bhupati Pally village in Bagmundi, Purulia. There are 72 Birhor families in the village. Originally they were forest dwellers (just 30 years back). They have the traditional expertise in rope making from the ChihorLata. Almost all the families have cultivable land though the size of the plot in majority of the families have been even less than one bigha. Rearing livestock have been a common practice in every household. Besides being cultivators they have started earning as wage labourers in the nearby local market. Almost all the families move to this 'working for cash' system for earning however meagre it may be. These are unskilled work, they earn cash in a daily basis in lieu of their physical labour. At present neither do the Birhors find ChihorLata in abundance due to rapid

deforestation, nor do what they prepare fetch a good price in the market. They use plastic cement bags as substitutes for ChirhorLata.

There has been variation among the Birhor households in participating in this informal labour market. Few families go frequently while others prefer during crisis situations. There exists wage gap within the community. There are labourers who earn Rs. 50 as a daily wage while for the same work others may earn Rs. 120 or Rs. 130. Their activities entail manual labour, e.g., material loading and unloading, digging soil, breaking stones etc. Such works require low skill, intelligence and experience. Still the money earned at the end of the day varies, even for similar work. That often takes away their zeal to move to the labour market spontaneously. Given their poor standard of living the money earned, however meagre it may be, seem to be worthy enough to ensure subsistence living. The difference in wage apparently seems to be determining their decision. But there are circumstances, beyond their acute poverty and backwardness, which intrinsically compel them to work accepting the wage gap. The study aimed to identify the factors that influenced the decision of the Birhor families to participate in the labour market.

A survey was undertaken in all the Birhor families of Bhupati Pally village on December 2014. All the members of the family, male and female even children above the age of fourteen, who worked in the labour market at least thrice in the previous month were identified as respondents for the survey. Alike other tribal communities the Bihors prefer agricultural wage labour in the adjoining cultivable lands. They get wage employment twice a year, during the sowing season and at the time of harvesting the crop, for a period of 10-12 days each. Its important to note that the daily wage remains tagged at Rs. 100 and it remains common for whoever works in the field.

### **Database and Methodology**

This study is intended to identify the determinants of households' decision to participate in the labour market. For this purpose Tobit model is used to analyse why some families are able to derive income regularly than others. Respondents were both male and female who go to the local market for earning wage. Discrimination with respect to female labourers have been observed but instead of focussing on that the study intended to explore the presence and extent of wage differential among the labourers that influenced their choice. The respondent's decision to labour market participation (LMP) has been regressed on wage differential (WD) and control variables (CV).

$$LMP = f(WD, CV)$$

The wage differential (WD) has been a notional concept. It has been defined as the difference between the wage prevailing in the market and the wage that the respondent received. The variable has been defined as the average of such difference earned for the last three working days.

The control variables are:

- (a) Age of the respondent (age),

- (b) Family size of the respondent (fam) - a bigger family generally lead to frequent participation in the labour market.
- (c) Education of the respondent (edu) – years of schooling
- (d) Amount of cultivable land owned (Ind) : it is expressed in ‘bigha’
- (e) Agricultural proficiency (agp)- Though all the families have cultivable land, but they differ with respect to their ability to cultivate crop efficiently. The Birhors inherently have a pitiful knowledge of agriculture. The entire agricultural practice being rain fed, the chance of good harvest varies. Still there are a few who in spite of all odds try their best to reap a good crop. Respondents who were satisfied with their crop harvest for the previous three consecutive years have been considered to be efficient in handling agriculture confidently. Such an ability of the respondents have been expressed as a dummy variable. It has been assigned a value ‘1’ for them while ‘0’ for others.
- (f) Value of livestock reared - Value of livestock implies the money worth of livestock that the respondent have at his home. This differs from ownership. The families often keep animals from their neighbouring villages in their home, shepherd them daily and earn money in lieu of this service.
- (g) Livestock income - Livestock income differs from the livestock kept at home. All the families do not have that aptitude equally to convert the livestock reared into a stream of income.
- (h) Dependence on forest (dpf)- it is a dummy variable that takes value ‘1’ when the respondent’s family depends on forest and ‘0’ otherwise. Respondents who earn by selling ChihorLata regularly are assumed to be dependent on forest. The rest of the families occasionally visit the forest just when they face economic crisis that is no money even for incurring their daily expenditure.

Forests comprise an integral component of Birhor tradition and living. Their livelihood and cultural practices shape around forests though the mode and pattern of dependence have changed with time. The community do not depend absolutely on forest for their subsistence living. They depend on forest for (a) collection of fuelwood and fodder, (b) collection of medicinal plants, and (c) provides nutritional supplements and thus contribute to food security. Collection and sale of non-timber forest produce, particularly ChihorLata has been a supplementary source of income for the entire community. But the level of dependence varied. Families with better knowledge of agriculture preferred less to go to forest for collecting ChihorLata. They reaped the minimum amount of paddy required for their family from their cultivable land. Thus their dependence on forest was lesser expect for fuel wood. Also there were families who preferred to earn wage income than going to forest. They preferred the certainty of wage income rather than the probability of a good price for the collected ChihorLata and therefore a hefty income.

- (i) Children in high school– it is a dummy variable that takes value ‘1’ when at least one or more children of the respondent’s family goes to high school and ‘0’ otherwise. Of late the Birhor community has been realising the importance of education for their children. The regular schooling expense has been an obligation for the families. They

remain apprehensive that they may not be able to afford the regular expenditure in the absence of any perennial source of income. Moving to the labour market is an easy option for them during crisis.

63% of the sample households have reported regular flow of wage income while the rest have a negligible and occasional meagre wage earning. The average wage income earned during the survey period (November 2014) as reported by the respondent represented his 'labour market participation' factor. For the Tobit model this average wage income has been considered as the dependent variable ( $y_i$ ). For 63% of the sample who earn regular income the dependent variable ( $y_i$ ) attains a positive value but for the rest of the 37% respondents with infrequent income,  $y_i$  has been assigned a value of zero for the purpose of modelling.

Therefore,  $y_i = y_i^*$  if  $X_i \beta + \varepsilon_i > 0$ , or  $y_i = 0$  if  $X_i \beta + \varepsilon_i \leq 0$ , where  $y_i^*$  is a latent variable that represents the wage income of the  $i$ th respondent,  $X_i$  is the matrix of control variables,  $\beta$  is the parameter vector and  $\varepsilon_i | X_i \sim N[0, \sigma^2]$ . Following Greene (2003) the log likelihood function for the Tobit model is expressed as,

$$\ln L = \sum_{y_i > 0} -\frac{1}{2} \left[ \ln(2\pi) + \ln \sigma^2 + \frac{(y_i - x_i' \beta)^2}{\sigma^2} \right] + \sum_{y_i = 0} \ln \left[ 1 - \Phi \left( \frac{x_i' \beta}{\sigma} \right) \right]$$

The two parts of the log likelihood function relates to the classical regression for the non-zero observations and the probabilities for the zero observations of the dependent variable.

**Table 1: Tobit Maximum Likelihood estimates of determinants of labour market participation of the tribal community**

Variable	Purulia	
	Coefficient	t-ratio
Intercept	0.431	1.35
Age	0.0419	-2.25
Family size	0.138	-1.35**
Education of the respondent	0.0032	0.52
Landholding size	0.0057	1.27
Children in high school	0.472	1.26**
Livestock income	-0.0531	1.36*
Value of livestock	0.0372	-3.98**
Earning differential	-0.0326	2.04***
Dependence on forest	-0.0615	1.23**
Agricultural proficiency	-0.135	-1.13**

\*, \*\*, \*\*\* indicate statistical significance at 10, 5 and 1% probability levels respectively.

Log likelihood: - 47.326 , LRchi2 (10) = 29.17, Prob > chi2 = 0.000.

Breusch – Pagan test for heteroskedasticity has been done. The results implied absence of heteroskedasticity in the data set.

### Findings and Discussion

The research hypothesis is that labour market participation of the tribal households is determined significantly by the earning differential that they confront in the labour market. Earning differential have been affecting the decision of households to participate in the labour market spontaneously. The Tobit model revealed, higher the wage differential lesser is the incentive of the labourer to turn up again in the local market.

The Birhor families who have acquired the skill of practising agriculture in a better method rarely participate in the labour market. Wage employment being extremely labourious, they perceive it as an inferior earning prospect. Also their comparatively good harvest, that fails seldom ensures the minimum subsistence living for the family. They hardly need to earn more by moving to the labour market. On the contrary, their children, the boys prefer wage labour. Neither do this generation have the acquaintance with forest nor do they have the capability to cultivate their lands cost effectively. Thus it is observed that better inclination for agriculture dissuades intention to go to the labour market.

Also higher the aptitude for agriculture lesser is the wage differential. Though they move to the labour market once in a while, they had better bargaining power in comparison to the others.

The level of education of the labourer, however minimal it may be, also encourages him to negotiate for a better wage. That reduces the wage differential significantly.

Therefore the decision for labour market participation is being influenced by the presence of wage differential among the community. An attempt has been made to identify the factors within the community which can explain the variation in the earnings of the labourers. A multiple regression analysis has been done.

**Table 2: Estimates of determinants of variation in wage earnings within the community**

Independent variables	Coefficient	t-value
Age	0.005716	2.53
Education	0.01915	1.39
Children in high school	- 0.3654	-1.16**
Agricultural proficiency	- 0.0462	-1.13*
Amount of cultivable land owned	-0.0138	-1.28
Livestock income	-0.0724	-1.54*

constant	4.6802	6.254**
R <sup>2</sup> = 0.731, F = 11.35, p = 0.0001		

\* indicates p-values less than 5 percent and \*\* indicates p-values greater than 5 percent.

Dependence on forest has not been considered as an explanatory variable. The individuals who face unreasonable wage gap prefer to sell forest products in the market rather than participating in the market except situations of emergency. Thus a relationship exists between the variables but the direction of causality has been different.

The result reveals that land ownership has not been a significant factor but the capability of the labourer as a successful farmer (agp) has been determining his bargaining position in the labour market. Such expertise allows them an advantage amongst the rest of the community. The lack of agricultural knowledge of the Birhors carves up a barrier from the adjacent Santhal population. However the ability of good farming again bridge up this rift, a successful farmer enjoys a favourable position in the community and therefore in the neighbourhood. That benefit him in the labour market to gain a better wage.

Education of the labourer has also no effect on the wage gap factor. The entire community in general lacked the perception of education. Majority of the respondents considered primary education as a significant level of education. Therefore they compulsorily send their children to the local primary school, resulting in high student enrolment in the primary schools. But the families can rarely continue their ward's education beyond this level. Inability to secure the qualifying marks for promotion to the next standard apparently condition their decision to drop schooling. But their decisions were found to be related closely with their socio-economic condition. Often parents discourage their children to go to school, because they feel that may enhance their family labour and help to earn more. A meagre income from herding the animals of the neighbour households appears to be worthwhile rather than forcing the child to go to school. These children being the first generation learners, they express their inability to follow the class room teaching. In spite of attending school majority of the Birhor children were found to be completely unaware of the scope and prospects of higher education. Their attitude revealed that in total they lacked the perception of life and living beyond their village economy.

Conversely, families where children are in the high school definitely show up a better stance for 'development' and welfare. They have realised the importance of education for better life of their children. These families have been visiting the labour market regularly. As their frequency of visit has been higher the wage differential for these families has been lower. Due to regular visits the labourer becomes acquainted and knowledgeable and therefore attains a favourable bargaining capacity.

Access to irrigation has been the crucial factor. Families whose cultivable land is located near a source of water has been reaping a good harvest in comparison to other families. By and large such an advantage has been motivating those cultivators to acquire better agricultural know how and skills to further improve his cultivation process. The families attain a sense of security, however supple it may be. That has been inspiring them to envisage 'welfare' and a

better living for their children. Being hunter-gatherers the community have no sense of 'future' or at least conceiving ideas for the betterment of their children in general. However these few families have been exemptions from the typical Birhor psyche. An implicit inequality exists within the community, its basis being historically rooted. Families with superior agricultural prospects have been thriving well. Their perception, attitude and conviction for better standard of living remain unmatched with the rest of the community. The families in disadvantage, with poor quality of cultivable land, no source of even supplementary irrigation, have been struggling hard even to earn their subsistence living. Their backwardness, timidity and lack of insight identify them truly as 'primitive'. Such inequalities are reflected in the labour market participation decision of the community. Therefore labour market participation has been unequal and that has been fuelling the existing inequalities directly and indirectly. The inequalities are widening apart.

### **Conclusion**

The study revealed that unequal labour market outcomes have been brought about by historically unequal endowments. The inequalities have been shaping up further disparity in labour market participation decision of the tribal community. The local ecology related with the ownership of land has been the dominating factor. Opportunity of irrigated agriculture has been rendering economic security and thereafter nurturing the tribal mind set for aspiring and attaining welfare objectives. This keenness, aptitude and capability has been lacking among the agriculturally disadvantaged rest of the community. Government planning and interventions should be targeted for this underprivileged section of the community to bridge up this virtual gap.

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