

CHAPTER—IX

ECONOMIC TRENDS

I. Livelihood pattern

It was seen in the previous Chapter that while the working population in the Territory increased from 1,38,370 in 1961 to 1,41,025 in 1971, in terms of percentage the working population had declined from 37.49 per cent in 1961 to 29.90 per cent in 1971.

Details of the region-wise percentage of male and female workers are given below :

Area	Percentage of workers to total population.		Males		Females	
	1961	1971	1961	1971	1961	1971
Union Territory ..	37.5	29.90	51.1	48.65	21.1	10.94
Pondicherry	38.9	30.73	56.2	48.98	21.3	11.92
Karaikal	36.0	29.10	54.7	49.68	18.3	8.98
Mahe	25.0	21.13	41.4	38.41	11.0	6.36
Yanam	39.8	29.95	56.3	51.39	23.7	9.01

Pondicherry region has the highest percentage of workers and Mahe the lowest. It may also be noticed that the percentage of male and female workers had declined in the Territory between 1961 and 1971. The decline in the percentage of female workers is more sharp in all the four regions. In general, half of the male population and one-fifth of the female population in the Territory are workers. Mahe stands out as an exception to this general trend as only 38.41 per cent of the males and 6.36 per cent of the females are workers

The very low proportion of female workers in Mahe may be attributed to the absence of agricultural activities there. The general decline in the percentage of female workers may be due to a change in the definition of 'workers'. In fact, the definition of 'worker' adopted for the 1961 census tended to be very liberal in that it included a large number of persons who, though employed, were not engaged in work that effectively contributed to the normal income.*

The following table gives the percentage of workers out of the total population engaged in the agricultural and non-agricultural sectors:

			1961			1971		
			Agri- cultural workers	Non- Agri- cultural workers	Total	Agri- cultural workers	Non- Agri- cultural workers	Total
Union Territory	..		16.5	21.0	37.5	13.4	16.5	29.9
Pondicherry	..	..	17.4	21.5	38.9	13.9	16.9	30.8
Karaikal	..	..	17.8	18.2	36.0	14.5	14.6	29.1
Mahe	..	..	2.2	22.8	25.0	2.2	18.9	21.1
Yanam	..	..	8.5	31.3	39.8	13.4	16.6	30.0

* A worker has been defined as a person who has some regular work for more than an hour per day throughout the greater part of the working season, if he is engaged in seasonal occupation like cultivation, livestock, and household industry. The term included not only actual manual labourers, but also effective supervision and direction. Workers are classified into nine categories based on the nature of the work concerned. This consists of two categories in the agricultural sector viz., (i) cultivator and (ii) agricultural labour and seven categories in the non-agricultural sector viz., those engaged in (iii) mining and quarrying, (iv) household industry, (v) manufacturing other than household industry, (vi) construction, (vii) trade and commerce, (viii) transport, storage and communications, (ix) other services.

It will also be noticed that the percentage of workers, i.e., those engaged in the agricultural sector as well as in the non-agricultural sector has declined in all the regions. The difference between agricultural and non-agricultural workers is the sharpest in Mahe region where only 2.2 per cent are engaged in the agricultural sector while nearly nine times their number are engaged in the non-agricultural sector.

The percentage of working population in the Territory (in 1961) was found to be much less than in the neighbouring States of Tamil Nadu and Andhra Pradesh, but slightly higher than that of Kerala. The percentage of population depending on non-agricultural sectors was higher in this Territory than in Andhra Pradesh, Kerala and Tamil Nadu. While 35 per cent of South Arcot's population are engaged in activities connected with the agricultural sector, only 17 per cent of the population in Pondicherry region are engaged in this sector.

The working population in the Territory may further be distributed under nine industrial categories as given below on the basis of the census data of 1961 and 1971 :

Sl. No.	Categories	1961	1971
1	Cultivators ..	22,054 (15.94 %)	16,709 (11.85 %)
2	Agricultural labourers ..	38,807 (28.05 %)	46,275 (32.81 %)
3	Mining, quarrying livestock, forestry, fisheries ..	7,678 (5.55 %)	7,477 (5.30 %)
4	Household industry ..	7,506 (5.42 %)	2,525 (1.79 %)
5	Manufacturing other than household industry ..	17,317 (12.52 %)	22,718 (16.11 %)
6	Construction ..	3,659 (2.64 %)	4,457 (3.16 %)
7	Trade and commerce ..	13,352 (9.65 %)	19,592 (11.05 %)
8	Transport, storage and communication ..	3,279 (2.37 %)	3,575 (2.54 %)
9	Other services ..	24,718 (17.86 %)	21,697 (15.39 %)

It will be evident from the above statement that the livelihood pattern in this Territory is quite diversified. About 12.52 per cent of the working population were engaged in non-household manufacturing industries in 1961.

This increased to 16.11 per cent in 1971. The large percentage of employment in industries is partially due to the well established cotton textile and sugar mills in the Territory. There is a sharp decline in the number of workers engaged in household industry between 1961 and 1971, reflecting a decline in the household industries in the Territory.

The number of workers in the manufacturing industry, construction, trade and commerce, transport and communication registered increase between 1961-71. Employment in 'Other Services' is large because of the relatively larger number of personnel required to man the administrative services of the Territory. However, the percentage of workers in the services has registered a slight decline during the same period. Owing to the long coast-line, fishing is also well developed. This accounts for the large fishing population. The number of workers engaged in livestock and fisheries has, however, remained more or less steady during the period.

Income :

The first serious attempt to compute the Territory's income was made by the National Council for Applied Economic Research which itself was hindered in its work by lack of necessary data. Nevertheless some quick estimate of the Territory's income on the basis of the data available from the various sources was attempted. According to the Council, the per capita income of the Territory was estimated at Rs. 330.4 in 1960-61 which was nearly the same as that of Tamil Nadu (Rs. 334). The Council, however, averred that the standard of living of the people here was low although the per capita income of the Territory was on par with Tamil Nadu and all India.

The economy of the Territory is well diversified and does not depend heavily on agriculture like many other States in the country. Summarising its findings, the National Council for Applied Economic Research stated that "one-third of the Territory's total income is accounted for by agriculture including animal husbandry and fisheries. A little less than four per cent is derived from fishery activities which indicate the importance of this sector in the State. However, the productivity of the primary sector is low which is reflected in the fact that this sector with about half of the total working force in the State produces only one-third of the output. Such a low productivity is mainly due to small land holdings, low inputs in agriculture and the defective land tenurial system".¹

There is no precise information regarding the industrial income over a period of years. A little over one-fourth of the State's income originates in the industry sector, mostly of the modern manufacturing type. In 1961-62 the income from industry in Pondicherry was said to be of the order of Rs. 3 crores which constituted about 25 per cent of the total income of the Territory.² The main industries are cotton textiles, sugar, vegetable oils, matches and country spirits. Since most of these industries are of the processing type, their spread effects on the economy are said to be rather limited. It is to be noted that the major industrial output arises in the non-household industrial sector. The Council estimated the output of the non-household industrial sector at Rs. 290 lakhs, which amounted to 95 per cent of the total industrial output.³ Figures are not available to estimate the rate of growth of output of industry.

Trade, transport and services account for nearly 40 per cent of the Territory's income. The services sector in Pondicherry contributes a slightly higher income, because a large number of persons formerly employed under the French regime, are now getting pensions. Also since there is a full-fledged administrative machinery, the services engaged relatively more people in spite of the small size of the Territory.⁴

The overall economy was expected to grow by about 10 per cent over the 10 year period 1966-76. It was pointed out that this could be achieved by a 13 per cent growth rate in the secondary sector and a 6.2 per cent growth rate in the primary sector. In absolute terms, the total output which stood at about Rs. 12 crores in 1960-61 and which was likely to reach the level of Rs. 13.70 crores by the end of the Third Five Year Plan period was expected to touch Rs. 35 crores by 1976. Consequently the per capita income which stood at Rs. 320 in 1961 was expected to rise to Rs. 790 by 1976. This is expected to be substantially higher than the figure of Rs. 530 reckoned for all-India.

Another significant aspect to be noted is that the overall participation rate (37 per cent) is lower in this Territory as compared to Tamil Nadu (46 per cent). This is said to be due to a very low female participation rate which is 20 per cent while it is 31 per cent in Tamil Nadu. The basic cause of this is the relatively higher pressure of population of the Territory. The Council pointed out that since the male population itself is enough to cope with the

work load needed to run the economy at its existing level very few female workers are required to participate in the economic activity.⁵ Despite such a low participation rate, the net sown area in Pondicherry per agriculture worker was only 0.63 hectare while the figure for Tamil Nadu was 0.64 hectare.

The heavy pressure of population and low participation rate together indicate a large volume of unemployment in the Territory. Due to lack of land reforms there is undue exploitation of the tenants and very little earning accrues to the actual cultivator. The pattern of distribution of holdings is also quite uneven, being responsible for a poor standard of living.

The standard of living of the people would depend not only on the incomes they derive but also on the composition of the families they support. Non-workers depending on others for their livelihood constitute about 62.5 per cent of the total population of the Territory. Even among the workers about 45 per cent rely on agriculture. The National Council for Applied Economic Research further points out that "to the extent emigration of workers taken place in the Territory, the per capita income will also be reduced."

As neither a family budget survey has been conducted nor the cost of living index worked out in the Territory, it is difficult to enter into a more detailed discussion on the subjects of income and standard of living.

Prices :

Except for some stray information, precise data regarding the level of prices and wages during the French regime and later are not available to enter into a purposeful study of the price trends in the Territory. Prices of essential commodities, which were in short supply and for which the Territory was dependent on British India were generally higher here than elsewhere in India.

Nevertheless, an inkling of the price trend could be had from stray references. Julien Vinson pointed out that there was a steep rise in the prices of many commodities in the course of 1880's. An ox sold for 17.50 francs approximately in 1867 was sold for double this price in 1883. About 15 to 20 measures* of paddy was available for a **fanon** and six to eight measures of rice per **fanon** in Karaikal. In 1883 however, a **fanon** fetched only six to seven measures of paddy and two to three measures of rice. A rupee (2.50 francs)

* One measure was equivalent to 0.75 litre and weighed about 800 grams.

fetched 3.125 kg. of coconut oil. Even salt which was available for Rs.190 per garce (52 hecto litres) was sold at Rs. 333.6 Thus between the sixties and the eighties of the XIX century there was a sharp increase in the price of essential commodities.

Except for such scattered references, no other reliable data have been met with for the period before 1958. The Bureau of Statistics and Evaluation, which came into existence in September 1957, started collecting particulars on prices and wages from 1958-59 onwards. The following statement gives the wholesale prices of twenty important commodities in Pondicherry during the period 1959-60 to 1974-75 :

Wholesale prices in Pondicherry

Sl. No.	Commodity	1959-60	1963-64	1965-66	1967-68	1968-69	1969-70
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Boiled rice ..	59.76	63.18	67.74	88.40	—	136.51
2	Raw rice ..	76.53	74.31	N.S	N.S.	—	145.94
3	Blackgram ..	55.16	70.67	80.01	155.80	119.20	110.57
4	Sugar ..	113.72	114.79	125.85	161.31	323.56	206.18
5	Chillies ..	264.92	251.29	296.85	326.68	215.02	593.01
6	Tamarind ..	144.00	108.13	194.83	354.88	190.46	206.46
7	Garlic ..	95.13	116.44	87.81	279.83	96.90	130.21
8	Pepper ..	385.27	404.17	502.29	496.67	485.54	698.79
9	Coriander ..	139.93	93.17	233.79	181.69	158.44	206.21
10	Cummin seeds ..	N.C.	418.75	436.92	612.79	644.71	593.96
11	Salt ..	N.C.	4.45	3.08	5.30	4.24	4.43
12	Coconut per 1000 ..	172.85	229.98	377.85	416.98	338.52	460.52
13	Mustard ..	82.58	115.98	169.88	205.15	178.21	186.46
14	Ground-nut oil	159.41	161.90	295.16	340.81	319.47	452.57
15	Gingelly oil ..	187.37	185.40	345.72	403.35	365.53	500.98
16	Coconut oil ..	232.17	288.32	487.17	541.26	488.47	567.81
17	Potatoes ..	42.04	47.47	59.44	76.76	59.22	74.08
18	Onions ..	23.44	30.67	30.16	37.57	49.22	50.25
19	Kerosene oil (18.5 litres)	5.25	7.97	8.58	9.04	9.32	10.06
20	Matches 50's ..	N.C.	36.00	38.68	39.50	39.33	39.25

Sl. No.	Commodity	1970-71	1971-72	1972-73	1973-74	1974-75
(1)	(2)	(9)	(10)	(11)	(12)	(13)
1	Boiled rice	119.69	129.10	133.05	144.65	278.64
2	Raw rice	128.70	138.36	142.32	149.87	252.23
3	Blackgram	116.86	175.65	221.25	195.61	197.66
4	Sugar	174.12	209.98	328.38	363.79	449.05
5	Chillies	481.35	337.83	307.13	497.02	691.35
6	Tamarind	227.29	202.67	187.92	353.50	418.02
7	Garlic	194.92	139.13	100.00	325.29	455.21
8	Pepper	877.63	848.04	728.13	926.67	1,375.04
9	Coriander	288.63	261.29	198.65	262.63	341.65
10	Cummin seeds	488.88	386.88	569.79	894.83	1,387.00
11	Salt	6.10	7.54	5.60	4.46	9.37
12	Coconut per 1000	561.98	367.50	467.71	681.46	724.58
13	Mustard	213.38	208.69	231.38	295.38	391.42
14	Ground-nut oil	500.98	567.81	487.02	767.26	802.52
15	Gingelly oil	501.41	455.82	582.49	785.06	851.72
16	Coconut oil	739.44	587.55	604.81	1,030.77	1,165.15
17	Potatoes	77.21	76.60	94.15	96.96	99.39
18	Onions	43.19	44.27	55.19	77.03	64.83
19	Kerosene oil (18.5 litres)	10.39	11.15	11.69	14.12	19.90
20	Matches 50's	39.75	40.02	40.25	45.88	61.08

N.S. = No stock.

N.C. = Not collected.

Wholesale prices are in rupees per quintal except where otherwise stated.

A close study of the above statement would reveal that the prices of all essential articles of consumption remained almost steady with slight variations till the year 1963-64. After 1964, one almost witnesses an inflationary spiral, with prices soaring up to new heights year after year causing considerable hardship to the salaried and fixed income groups in the Territory. It may be noticed that in most of the cases, the prices had increased more than twofold.

Under the Scheme of Family Living Survey Among Industrial Workers, sponsored by the Labour Bureau of the Government of India, the Bureau of Statistics was entrusted with the work relating to collection of retail prices of 186 commodities. Price collections of these commodities are being made every Saturday, and the weekly price returns are regularly sent to the Labour Bureau.

The price trends of some of the important commodities are given below :

Paddy : The price of first sort paddy which stood at Rs. 39.60 per quintal in 1958-59 rose to Rs. 83.58 in 1972-73. The increase over this period was 111 per cent. The price was at the maximum level of Rs. 89.75 in 1969-70.

Boiled rice : The price of boiled rice (first sort) which stood at Rs. 56.87 per quintal in 1958-59 increased to Rs. 133.05 in 1972-73. The increase over this period was 134 per cent. The price was at the maximum level (Rs. 136.51) in 1969-70.

Blackgram : The price of blackgram was higher at Rs. 221.25 in 1972-73 as against Rs. 51.28 in 1958.

Redgram dhall : The price of redgram dhall (first sort) which stood at Rs. 73.36 in 1958-59 registered a downward trend upto 1961-62 and then increased to Rs. 240.35 in 1972-73.

Wages :

In 1847 the Administration fixed the daily wages payable to different categories of workers in the French establishments and published the rates in the *Bulletin des Actes Administratifs*.⁷ The order fixing the wages was issued by the *Chef du Service des Ponts et Chaussées*. Such orders were not only seen by the *Chef du Service Administratif* and the *Contrôleur Colonial* but also carried the approval of the *Conseil d'administration*.

In 1947 the rate of wages in the mills was 10 annas and seven pies for coolies. It was one rupee two annas and six pies for weavers per day of eight hours and for 85 yards, six annas six pies per day for boys and girls above 14 years and below 18 years and seven annas for women.

While wages in other parts of India registered some increase, the decree which fixed the wages in the French establishments did not provide for any increase here. Moreover, the minimum wages fixed by the Administration was neither honoured nor enforced by the managements. Thus while a worker was paid 10 annas and six pies in one mill, the other mills paid only nine annas. Further, the wages for Indians and Europeans were not the same. The maximum wage for an Indian worker was about one-fifth of that paid to a European.

The dearness allowance for mill workers in Pondicherry varied from one anna nine pies to three annas for each point above 100 points. But elsewhere in India where goods were sold cheaper than in Pondicherry, the dearness allowance was uniformly fixed at three annas per point.

So far as agriculture was concerned, there were constant disputes between mirasdars and agricultural labourers on the question of wages. For instance, sometime after merger a dispute arose on the question of wages to be paid for agricultural labourers engaged in harvesting operations in Kottuchcheri commune. A conference presided over by the Administrator of Karaikal and attended by the Mayor of Kottuchcheri, the Tahsildar and the Police Superintendent decided to pay 5 local measures (two and a half Madras measures) of paddy for every local *kalam* of 48 measures (24 Madras measures) of paddy harvested in addition to two extra measures (local) per day.

Taking into consideration the miserable condition of agricultural workers and the meagre wages paid to them, the Representative Assembly passed a resolution on 3 May 1961 calling upon the Chief Commissioner to fix the minimum wages to be paid to agricultural workers in the Territory. It was under such circumstances that in May 1962 the Government of Pondicherry decided to set up an Agricultural Labour Advisory Commission. This Commission consisted of the Counsellor for Agriculture, a representative each of the Indian National Trade Union Council and the State Congress and three non-official members. The Director of Agriculture functioned as its Secretary.

The Minimum Wages Act, 1948 was extended to this Territory on 1 October 1963. Under the provisions of this Act, the State Governments are empowered to bring forward legislation to fix the minimum wages of workers numbering more than one thousand under any one category. As only agricultural workers numbered more than one thousand, they attracted the provisions of the Act.

The statement below gives the daily wages of agricultural workers at Tirukkanur in Pondicherry region based on the Abstract of Statistics published by the Bureau of Statistics :

**Daily wage rates for agricultural and skilled labourers at Tirukkanur
(Pondicherry region)**

Year	Ploughmen		Sowers and trans-planters		Weeders		Reapers and harvesters		Herdsmen		Other agricultural labourers	
	M	M	W	M	W	M	W	M	C	M	W	
1958-59	..		..	..	..		..	..		..	..	
1959-60	..	..	..	..	..	..	..	..	..	..	..	
1960-61	1.51	1.42	0.77	1.36	0.56	1.56	1.00	0.53	0.34	1.43	0.80	
1961-62	1.72	1.42	0.80	1.50	0.73	1.50	0.70	0.57	0.43	1.57	0.74	
1962-63	1.72	1.75	0.75	1.60	0.72	1.81	1.19	0.55	0.39	1.66	0.80	
1963-64	1.82	1.71	0.82	1.64	0.82	1.65	1.06	0.64	0.57	1.62	0.82	
1964-65	2.15	1.94	0.90	1.94	0.92	1.96	1.64	0.67	0.64	2.24	0.99	
1965-66	2.23	1.92	1.15	1.63	0.92	1.91	1.64	0.66	0.62	2.37	1.28	
1966-67	2.69	2.25	1.25	1.74	1.06	2.59	2.19	0.65	0.62	2.66	1.46	
1967-68	3.48	2.47	1.42	2.48	1.35	2.88	2.45	0.83	0.89	3.14	0.96	
1968-69	2.88	3.00	1.00	3.29	1.00	2.71	2.50	1.75	1.48	3.29	1.00	
1969-70	3.88	2.97	1.20	3.10	1.19	3.62	2.74	0.54	0.87	3.13	1.37	
1970-71	3.99	3.30	1.43	3.08	1.22	3.32	2.52	0.72	0.86	3.21	1.55	
1971-72	3.83	3.51	1.77	3.14	1.76	4.04	3.17	0.89	0.89	3.34	1.86	
1972-73	3.81	3.49	1.63	3.17	1.34	3.74	2.96	0.96	0.96	4.10	2.18	
1973-74	3.50	3.93	1.50	3.56	1.47	4.08	3.63	1.40	1.40	3.87	1.59	

M = Men

W = Women

C = Children.

Consequent to the increase in the general level of prices, there has also been a rise in the rates of wages. An agricultural labourer who was paid only Rs. 1.50 per day in 1960-61 received a daily wage of about Rs. 4 in 1972-73. Similarly a carpenter or a blacksmith, who was paid Rs. 3 per day in 1960-61, would not offer his services for less than Rs. 7.50 a day in 1972-73. The daily wage of a blacksmith which was Rs. 3 in 1960-61 had increased to Rs. 6.83 in 1972-73.

The level of wages for some of the popular categories of occupation some years after merger, is available from the Area Survey Report of 1959.

The details are given below :

Occupation						Wages	
						Average daily earnings in 1959	
						Rs.P.	Rs.P.
Agricultural labourer	..	..	..	..	..	0.50	to 1.50
Carpentry	..	..	..	..	..	2.00	to 3.50
Blacksmithy	..	..	..	..	..	1.50	to 2.50
Oil pressing	..	..	..	..	..	1.00	
Pottery	..	..	..	..	..	1.00	to 1.37
Cobblery and leather works		..	..	..	..	1.00	to 2.75
Engineering works	..	..	..	..	..	1.50	to 2.50
Handloom weaving	..	..	..	..	..	0.75	
Mat weaving	..	..	..	..	..	0.50	
Rope making	..	..	..	..	..	1.50	
Basket making	..	..	..	..	..	50.0	to 1.00

The level of wages of skilled workers such as carpenters and blacksmiths between 1960-61 and 1972-73 will be evident from the following statement :

Year				Wages	
				Carpenters	Blacksmiths
				Rs.P.	Rs.P.
1960-61	..	..	..	2.97	3.00
1961-62	..	..	..	2.93	3.17
1962-63	..	..	..	3.69	3.50
1963-64	..	..	..	3.90	3.66
1964-65	..	..	..	4.32	4.18
1965-66	..	..	..	4.56	4.50
1966-67	..	..	..	5.52	—
1967-68	..	..	..	5.69	—
1968-69	..	..	..	5.85	4.67
1969-70	..	..	..	5.63	5.53
1970-71	..	..	..	5.84	5.43
1971-72	..	..		5.86	5.73
1972-73	..	..	..	7.54	6.83

Following the announcement of the 20-Point Programme in July 1975, the minimum rates of wages payable to various categories of farm workers were fixed by the Government with effect from 1 May 1976. In Pondicherry region, while wages for adults ranged from Rs. 3.50 to Rs. 9.00, for non-adults it ranged from Rs. 2.10 to Rs. 3.60 for ploughing, sowing, plucking of seedlings, harvesting, reaping, milking, tending cattle, bee-keeping, poultry farming, etc. While the hours of work has been fixed as five for those engaged in ploughing it was seven for other categories of workers.