

New Technology and Labour Absorption in Agriculture: Some Emerging Issues

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It is an established fact, by now that the scope for absorbing the growing labour force through expansion of manufacturing industries and production services in LDCs is limited and hence a large part of the additional labour force will have to be absorbed within the agricultural sector itself. In other words, solution to the problem of rural unemployment and poverty should be sought within the system by following the policies which will lead to a significant increase in labour absorption in agriculture. On the other hand, unless the additional labour, thus, absorbed in agriculture is employed productively it may not sustain for long. Augmenting input use in production process is not advisable if the marginal productivity of such inputs tend to be zero, even if it generates employment, which may result in pushing down on-farm labour productivities.

It is in this background an attempt is made here to estimate the labour demand functions and productivities of various components of new technology to examine the productive employment generation potential of the new technology in the context of Andhra Pradesh's economy. The estimates are carried out at regional and sub-group (size-class) levels for the period 1976-78 (1). Further, we have tried to project the future demand for the supply of agricultural labour across the regions for the year 2000 A.D. For this purpose, farm level data(2) for all crops, across agro-climatic regions and sub-groups have been analysed. Broadly, this paper is divided into three parts; part one deals with estimates of labour demand, part two examines the productivities of labour as well as other factors influencing labour demand and the projections of labour demand and supply for the year 2000 A.D. are attempted in part three.

I. ESTIMATES OF LABOUR DEMAND

The labour demand functions have been estimated at state level as well as at regional level in order to examine the variations in