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## SUMMARIES OF GROUP DISCUSSION

### SUBJECT I

#### LABOUR MARKET IN RURAL AREAS

RAPPORTEUR : JAI KRISHNA\*

The discussions were organized within the framework outlined in the Rapporteur's report. The tone of discussion on the "Structure of rural labour market" was set with a brief presentation of the concepts suggested by the Dantwala Committee on "Unemployment Estimates." The suggestion that the percentage of unemployed man-days, at various points of time during the year and in various regions of the country, is a more meaningful concept as compared to the percentage of unemployed workers found general acceptance. However, it was also recognised that estimates of unemployment based on the above concept, while providing a picture of employment in the economy as a whole, may not provide sufficient basis for taking policy decisions. In this context, it was recognized that studies on the pattern of unemployment will have to necessarily take into account the income aspect also. Further, in view of the heterogeneous nature of the rural labour market, researchers would be well advised to work at sufficiently disaggregated levels both in terms of geographical coverage as well as in terms of factors such as age, sex, status of employment, *i.e.*, whether self-employed, or unpaid family worker or hired labourer.

The recent changes in farm technology have brought to the forefront the need to study the supply aspects in the rural labour market. There is urgent need to obtain empirical evidence on points such as reasons for voluntary unemployment, the impact of income changes on leisure preferences, the extent and the factors affecting mobility of labour within the rural sector as also between the rural and urban sectors, in order to acquire a good understanding of the supply side of the equation.

The discussions on factors affecting wage rates highlighted the limitations imposed on the researchers by the available data. There are two main sources of data for calculating the demand for labour, *viz.*, the data thrown up by the Census and the data collected through field surveys by individual researchers. Census data suffer from a major limitation in the sense that it is not possible to arrive at an estimate of the number of hired labour days employed in agriculture. What is more readily available is the number of agricultural labourers. The data thrown up by Farm Management Studies can be effectively tapped for calculating derived estimates of demand for different categories of labour in various regions of the country.

The main source of data on wage rates is the data collected by the Directorate of Economics and Statistics. However, in the absence of availability of appropriate weights, it is not possible to get a weighted estimate of wage rates.

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During the discussions on the impact of technological change in rural labour market, it was generally accepted that changes in farm technology have so far resulted in higher demand for labour, including hired labour per unit of land. The evidence presented in the papers further indicates that wage rates have also gone up, but the picture gets somewhat blurred when wage rates are expressed in real terms. One plausible explanation could be the differential rates of change in the wage rates for different operations. Then, there is the phenomenon of tremendous variation in the trends in wage rates in different regions of the country, though empirical evidence on the subject is still rather limited. It was generally recognized that there is urgent need to initiate detailed studies on the structural changes that have taken place and are likely to take place in the demand for and the supply of rural labour, primarily in the context of technological changes in farming. Such studies will have to take the specific farm situations, differentiated by type of farming, size of farms, etc., into account so as to permit meaningful inferences.

The emergence of collective bargaining by rural labour in some areas of the country was also taken note of. Though this phenomenon is at present limited to certain areas, it is likely that this might extend to some other areas. It is, therefore, necessary that researchers should concern themselves with the study of the economic implications of collective bargaining by rural labourers, both from the point of view of its impact on agricultural production as well as income distribution.

## SUBJECT II

### PATTERN OF INCOME DISTRIBUTION, SAVINGS AND EXPENDITURE IN RURAL AREAS

RAPPORTEUR: D. K. DESAI\*

At the outset it was pointed out to the Group that there were very few papers which discussed any topic of the subject-matter adequately and hence the empirical evidence to draw any kind of generalization was very inadequate. The Rapporteur had therefore to set up a sequence of topics that could be covered and then draw inferences under each topic based on very inadequate data. The Group decided to discuss the topics in the following sequence :

1. Definition of Income Distribution, Savings and Expenditure.
2. Pattern of Income Distribution.
3. Trend of Income Distribution.
4. Savings.
5. Expenditure.
6. Policy Implications.

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