

CALL FOR PAPERS

Agricultural Economics Research Association (India)

19th Annual Conference

Dynamics of Supply and Demand for Labour in Indian Agriculture

November, 2011

ASSAM AGRICULTURAL UNIVERSITY, JORHAT (ASSAM)

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Outline of the Topic of the conference

Dynamics of Supply and Demand for Labour in Indian Agriculture

1. Agricultural labour has become the most important production component in Indian agriculture. A little less than half of the total cost of production of field crops is of labour. It is much more for labour-intensive crops such as sugarcane, cotton, vegetables etc. A major chunk of the labour cost goes to hire labour (casual/permanent/attached) for different operations. Agricultural labourers are unorganized and often illiterate. They acquired certain cultivation skills through inheritance, experience and also government organized programs through KVKs and other schemes. In fact, over the years of use of modern technology, agricultural labourers have learnt how to perform the operations in new ways. In rural areas, labour is generally provided by landless, and also by small and marginal farmers (as family labour) during lean seasons to augment their meager income from agriculture. For quite some time (the situation is completely changed now), the agriculture of areas/regions with heavy demand of seasonal labour peaks (like Punjab) was solely dependent on migratory labour (though they could reduce the labour requirement considerably through farm mechanization) from labour surplus states like Bihar, Jharkhand, eastern UP etc. The labour market has always been imperfect though there were several legislations to make it fair and perfect including the implementation of the minimum wages Act across the country. However, there was some kind of order and balance based on supply and demand for labour with respect to season, skills, gender, age, health and nature of work/operation.
2. Since agriculture is conventionally a seasonal activity, the demand for labour is mostly seasonal. Hence, the economic condition of rural labour families, particularly landless has always been poor, with food and nutritional insecurity and even deprivation of basic civic amenities like housing, sanitation and education. There are many development and safety net programs of central and state governments for rapid poverty reduction to improve their livelihood. There has been meager improvement in their condition over the years through increase in real wage rate, education of their children, skill up-gradation, greater awareness, earning opportunities in and around villages, towns and cities.
3. In the last 4-5 years, the situation in rural India with respect to availability of agriculture labour has been changing owing to growing urbanization and the implementation of MGNREGA in 2006 by Government of India with the primary

objective of providing 100 days of guaranteed wage employment in a year to every rural household whose adult members volunteer to do manual work. While the opinions/empirical evidences on the impact of the scheme differ, in general the scheme has created more jobs in rural areas, benefitted the weaker sections (SC/ST/women), contributed to water security (through irrigation works), promoted skills through rural works and most importantly reduced seasonal rural-urban out-migrations during the lean season. However, the scheme is believed to have adversely affected the availability of labour to the agricultural operations. Since labourers prefer MGNREGA works on account of less drudgery, weak supervision, facilities provided during the work, needy farmers are competing among themselves to offer higher wages, better perquisites like frequent teas, meals and transportation, all leading to higher cost of production. Further, contemporary changes like increasing urbanization, dwindling common property resources, declining and deteriorating natural resources, children of farmers migrating to towns and cities for better education followed by employment, disinterest of the younger generation in agriculture and attraction of towns and cities for better civic amenities, good communication and entertainment facilities are rendering villages to be old age homes with ageing farmers. Rain-fed agriculture areas are increasingly becoming current fallows owing to such migrations and increasing economic scarcity of labour. All these have created panic and helplessness among farmers who may not hesitate to abandon farming. All these issues need detailed studies as they have far reaching implications on agriculture and rural development. All the same, the limited but important issue flagged for studies, writing papers and discussion in the XIX Annual Conference of AERA is about the growing supply-demand gap of farm labour and its implications on Indian agriculture.

4. The paper writers can consider the following 4 sets of questions/issues for specific investigation and reporting:

A. Labour Employment Scenario in Indian Agriculture

- What are the changes in the rural employment pattern covering agriculture and rural non-farm sector and their implications for agricultural wages and availability? How far changes in wages are productivity linked?
- How far changes in employment pattern including under MGNREGA has resulted in overall transfer of labour from agriculture to other sectors and whether this change has resulted in employment security, income security and reduction in rural poverty?
- Are there evidences of backward bending supply of labour in agriculture? If so, under what conditions this operates. What is the extent of leisure the farmers/labours are experiencing/prefer? How to address this in the context of less labour availability?
- What are the temporal and spatial trends in changing ratio of output prices and wages for different commodities?

B. Estimation of Supply-Demand Gap for Labour

- What is the extent of supply-demand gap of farm labour (defined in terms of difference between quantity/number required/demanded and was actually available, rise in real wages for men and women)? Define/describe/estimate during last 5-10 years, the extent of scarcity by crops/enterprises, seasons, regions, types of labour (casual, attached/permanent), farm operations, gender, developmental schemes ,rain fed and irrigated areas, peri-urban and rural,

plantation crop and areas with better access to roads and communication and areas with poor access to roads and communication.

C. Causes and Consequences of S-D Gap

- What are the causes (nature and extent) and consequences (negative and positive) of increasing (over different time periods) farm labour non-availability with respect to improvement in economic conditions of farm labour, low wage rate, more work made available through development programs like MGNREGA, other such schemes, increased out-migration to towns and cities, urbanization and so on. How have the dynamics of land ownership affected the availability of agricultural labour and potential for mechanization?
- What is the impact of rural labour out migration on different aspects of development in the destination areas, for example, on the availability and cheap supply of services, on accumulation and growth, on urban congestion and their own well being?
- How does migration affect the individuals left behind, households, communities and regions in source areas? The possible consequences of migration can be assessed in terms of economic well being, patterns of accumulation, changes in the labour market, civic rights, entitlements, local participation, awareness, attitudes, habits and consumption patterns, children's education, etc?

D. Coping with the S-D Gap

- Division of labour is difficult in agriculture as the sequence of operations has to be followed. Despite the growing non-availability of labour, how farmers in different conditions are coping with the division of labour?
- How best to overcome the adverse consequences and harness positive ones(if any) like promoting selective mechanization, redesigning the development programs, skill up gradation, promoting rural non-farm enterprises, developing effective supply, service and delivery system, strengthening PRIs and SHGs, creating rural infrastructure and basic amenities in rural areas. How has social capital been used to overcome labour shortages (labour sharing/pooling arrangements during critical operations) and affordable machinery hire services by government, custom hiring service centers? How can farming be made attractive to the younger generation?
- How do the regulatory and policy mechanisms impinge on labour migration? How do socio-political factors influence these mechanisms, at the formulation and implementation level? Can steps be taken to improve "orderly" migration?
- How agricultural research should be prioritized to meet the future challenge of labour non-availability and rising wages? What may be the potential areas for mechanization in labour scarce as well as labour abundant areas?
- What is the coping strategy practiced by the farmers in the event of non-availability of labour? Is there any evidence of changing production portfolio in the event of labour non-availability?

All these issues will be discussed during the 19th AERA Annual Conference to be held at Assam Agricultural University, Jorhat (Assam), during October-November, 2011 for three days

Research papers (in duplicate) typed in double space and accompanied invariably by an Abstract of the paper in not more than 200 words may be sent to the **Secretary, AERA,**

National Centre for Agricultural Economics and Policy Research (NCAP), Dev Prakash Shastri Marg, Pusa, New Delhi– 110 012 before 31st July , 2011. The soft copies may also be sent at aeraindia@gmail.com. The details are also available at AERA website www.aeraindia.in. The length of the paper should not exceed 20 pages including tables, figures, annexure, etc. in double space. A few selected papers and abstracts of the recommended papers will be published in the Conference issue of the Journal, AERR.