

Chapter - I

INTRODUCTION

1.0.0 In recent years many developing countries are experiencing the problem of underemployment and disguised unemployment, specially in agricultural sector. Some economists argue that underemployment has been a serious problem which has emerged as a result of population pressure on a limited area of arable land, without suitable possibilities for labour absorption in other sectors of the economy, while others argue that underemployment does not exist at all in the agricultural sector of many of the developing countries. However, it is felt that most of the assumptions on the basis of which they have drawn their conclusions were not explained fully and were not always deeply investigated.

The concept of underemployment was once a very widely accepted one. It has been held that one of the characteristic symptoms of underdevelopment is the existence of surplus labour in agriculture. While it is also recognised that there exist some economies which do not have a surplus labour, no one earlier have ever supposed that the Indian economy is one them. However, this idea has been under attack during the last several years. The most challenging amongst them is that the surplus is illusory; that traditional agriculture is

efficient enough to make full use of the total supply of labour in agriculture. According to these economists, the problem of surplus labour in agriculture without having any scope of absorption elsewhere is non-existent, who feel that suitable agricultural practices and policies can well absorb surplus agricultural labour. Hence, the problem of underemployment arising out of surplus labour is simply a myth for the developing country like India.

It can be stated that post-war development theory started with the basic postulate of the existence of unlimited supplies of labour and the existence of both surplus labour and disguised unemployment and underemployment. People have either established empirically the existence of surplus labour or refuted it and the issue has become very controversial. In spite of all the arguments and counter-arguments, doubt still prevails about the underutilisation of the labour force in agricultural sector. The exact implication of both the contradictory labour-surplus and no-labour surplus hypotheses remain unexplained. Still numerous questions pertaining to underemployment remain unanswered for which answers are sought. The present study is an attempt to analyse all these points and to test some hypotheses.