private limited company with the name of Hindustan Anti-biotics Ltd., from June 1, 1954, with an authorised capital of Rs 4 crores. According to original plan, the factory was expected to go into production by the end of 1954 and produce 3.6 million mega units of penicillin to start with and increase it steadily to 9 million. The first process in production was commenced in December 1954, and the first installment of penicillin made in India is expected to be on the market any day.

A Committee of Experts which enquired into the types of penicillin that are to be produced, recommended that all varieties of penicillin required by hospitals, and private practitioners should be produced, and the Government of India has accepted this recommendation.

The capacity of the Pimpri factory will be raised by 60 per cent so as to produce 28-32 million mega units of penicillin per annum. Among the other products that this factory is expected to manufacture are (benzathine) penicillin, DBED penicillin, streptomycin and chloromycetin.

In the initial stages, raw materials required for penicillin production, such as corn steep liquor, chemicals etc., had to be imported. Recently, however, successful efforts have been made to procure the raw materials from indigenous sources, and very soon the bulk of raw materials are expected to be obtained in India.

If the factory is able to fulfil the target of 32 million mega units, it will mean a considerable saving in foreign exchange on imports; in addition, if the domestic demand is taken at around 10 to 15 million mega units, there will be a sizable surplus for export. Will Pimpri be able to deliver less painfully than Sindri?

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Off the Record

Surplus Labour in Agriculture
—Has it been Sized Up?

THOUGH not the largest enquiry of its kind the Reserve Bank Rural Credit Survey team violently challenges this claim—the Agricultural Labour Enquiry has last published its findings on agricultural labour. In fact, the third report, which can be considered the final and most important, has been before the public for some weeks. Elsewhere in this issue will be found the gist of the concluding portion of the most important part of the report, viz., Pattern of Occupation and Employment. But what does it all add up to? Do we get a reasonably sound estimate of the volume of unemployment among agricultural labourers? We know so many of them do not get any wage-employment at all, i.e., not even for a single day in the month, even in the peak period. Now labour which is surplus even at the peak period will be surplus for the rest of the year and can be dispensed with, without any loss to production. So ignoring for the moment the utilisation of such labour in the idle period in self-employment or other partial (under) employment, we get a measure of surplus labour as 13 per cent of the total or 4.6 million in absolute figures, given a total of 35.4 million for agricultural labour in India. But this is a very unsatisfactory measure, since it takes as employed even those who get work only for one day in the month. And the estimate is a little better if instead of peak point unemployment, we take the monthly average of those who failed to get work in each month. If we do that, the estimate of unemployed would be 16 per cent of the total or 5.7 million. But this is not the information we are seeking.

Idle Days and Idle Manpower

Though defined as employed, these 84 per cent remained without work for many days in the month, varying from 3 to 5 days in a month in some States to 9 to 11 days in others. On an average, they got wage-paid work for 218 days and were unemployed or self-employed for the rest of the year.

The unemployment or self-employment of the remaining 16 per cent of the labour force will have to be added to the above, in order to make the picture complete.

Leaving aside self-employment, as before, and taking the year to consist of 300 working days, if those who are employed have no work on an average for (300 218) 82 days out of 300, it amounts to saying that in terms of man-days, there is employment only for 218/300 of those employed and that 9.2 million in round numbers are unemployed and surplus.

Now about those who did not report any wage work at all, the remaining 16 per cent of the labour force, it is assumed that for half the year they are self-employed, and for the other half, fully unemployed.

How to add up the two i.e., the unemployment of the 16 per cent and the idle days of the 84 per cent who are unemployed for some days? To the 9.2 million above has to be added the whole of this 16 per cent or 5.6 million to get the total, which works out at something like 14.8 million. This would appear to be Incontrovertible if the underlying assumptions are accepted viz., that absence of wage-employment is unemployment and that idle days can be converted into idle labour. If on the other hand varying demands for labour in different seasons of the year according to the nature of the agricultural operations are to be given due weight, perhaps the safest estimate of unemployed or surplus labour would be the one at the peak point, i.e., 4.6 million. So unemployment in the sense of lack of wage-employment must range between these two limits, 14.8 and 5.6 million.

This is not a very definite finding. The composite picture presented here gets more blurred when allowance is made, as it has to be made, for self-employment, since casual labour has also its small quota of landholding and has to work on its own for part of the year.

A Third Estimate and Draft Plan

A third figure emerges when only 10 per cent of the total or 5.6 million who report no wage employment are taken to be unemployed but allowance is made for their self-employment. The Labour Enquiry assumes, for reasons which are not set out clearly, that those who do not report any wage employment are self-employed for half the year and are "fully unemployed"
for the other half. If the self-employed are left out, the hard core of the unemployed, according to this method of computation, would be 2.8 million. This is obviously a partial and incorrect estimate. The coincidence, may be accidental but it may not be out of place to note that in his estimates of additional employment to be created in the Second Plan period, Processor Mahalanobis has provided for about this number of new jobs, in addition to jobs for new entrants into the working age group in the next five years, estimated at 9 million. If the employment targets are realised, there may not be jobs for all of these unemployed; the pressure will, nevertheless, be substantially reduced. But if the above analysis is correct, the magnitude of the problem would appear to be much greater than can be tackled by the Draft Plan-frame.

It is hardly necessary to mention that this attempt to size up unemployment in agriculture has been made throughout on the assumption that existing techniques will continue to be followed and that the pattern of cultivation will remain unchanged. If techniques are improved, of course, the extent of direct employment in agriculture will be reduced and the surplus will be greater. That much of the present employment in agriculture is only disguised unemployment in this sense is well-known. The possible effects of improved techniques on the labour situation, however, cannot be judged a priori, for along with the scope of economy in labour, better yields and larger production may create new employment opportunities by increasing the demand for existing services and products and creating demand for new ones.

Subsidiary Occupations
The Enquiry also throws some light on the "subsidiary" occupations of agricultural labour. Taking all categories of rural families in the Indian Union, 20 per cent have subsidiary occupations, but, of these, only about a third has subsidiary occupation outside agriculture, one sixth has agricultural labour and the remaining i.e. about 50 per cent, has-cultivation of owned or leased land, as subsidiary occupation. For almost all the non-agricultural earners, the subsidiary occupation is agriculture! Thus, even subsidiary occupations add to the pressure on land. As against 30 per cent of rural families other than agricultural labouring families, only 21 per cent of agricultural labour families have subsidiary occupations, the principal one accounting for more than 50 per cent being cultivation of land. The non-agricultural subsidiary occupations are house building and repairs, road construction, carting, selling vegetables etc.

A Study In Isolation
The Enquiry does not even mention cottage or village industries as providing any supplementary occupation to the unemployed or under-employed agricultural labour. The inference is, therefore, warranted that whether cottage Industries provide full employment or not to those who ply them, they are not combined, to any appreciable extent, with agriculture as a part-time occupation to fill up the idle time of the agricultural labourer. Whatever their prospects, village industries are a whole-time occupation. This finding knocks one of our pet illusions on the head. There are others, but the pity of it is that the enquiry was so partial and sought to study agricultural labour in isolation from the rural economy of which it is an integral part. But that is no fault of those who carried out the enquiry.