

**Economics
Seminar
Series
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**SOUTH ASIAN UNIVERSITY
FACULTY OF ECONOMICS**

Seminar

Structural transformation with limited supplies of Land

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Date: September 1, 2017
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Time: 2:30 p.m.
Venue: FSI Hall, Akbar Bhawan
Satya Marg, Chanakyapuri, New Delhi

All are Welcome

ABSTRACT

Modern economic growth frames a long-term incidental future for agriculture: people move from agricultural to non-agricultural occupations, farm labour productivity increases with the use of modern industrial technology and, over time, the large initial agricultural wage gap vanishes when the share of agriculture in both total employment and value added is below 3%. This was the scenario in OECD countries. However, in large parts of the developing world we observe an increase in the agricultural labour force and a rise in the wage gap. We examine parameters that prevent countries from moving along the OECD path and show how land constraints, rather than barriers to modern technology, drive growing divergences within and between countries. Without a massive worldwide migration of labour, this suggests embedding agriculture in the service sector, with small-scale agro-ecological farming as an alternative to large-scale industrial agriculture and mega-slum-urbanization