

# Technology, Skill and Productivity

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The study proposes to focus on the relationship between capital intensity and skill intensity and labour productivity. Technology import from developed countries tends to reduce labour demand in general as it is by and large capital intensive. Even in the labour intensive industries the new technology has reduced labour absorption. On the other hand the imported technology has a strong skill bias with limited opportunities for semi-skilled and unskilled workers. However, the alternate view is that the new technology would create possibilities of product diversification and creation of new products which would throw up new opportunities for employment creation without any commensurate increase in capital. In the back drop of these views the present study would examine the relationship between imported capital (and inputs) and the pace of labour absorption. Imported capital may raise labour productivity but whether the direct and indirect employment gains are substantial needs to be empirically assessed.