

IMPACT OF THE KABSAKA PROJECT ON PRODUCTIVITY, EMPLOYMENT, AND INCOME DISTRIBUTION IN ILOILO¹

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This study was conducted to find out the economic implications of the KABSAKA technology. Specifically, it aimed to examine the impact of the technology on resource productivity, employment, and income distribution in Sta. Barbara, Iloilo.

The mean levels of resources used, yield, and net income were tested for differences using the t-tests. The response function analysis was used to quantify the yield response to factors of production such as labor, rainfall, fertilizer, weedicide, insecticide, and seeds. The covariance analysis was employed to segregate the effect of membership in KABSAKA from other variables such as yield, education, farming experience, family size, capital stock, operating capital, cropping period, and mechanization. On the other hand, the earner-share and factor-share approaches were used to estimate the benefits that accrue to landlords,

farm operators, and hired laborers, and to land, labor, operator's residual and current inputs, respectively.

Results of the comparative analysis showed that the mean annual yield, current inputs, labor utilization, and net income were significantly higher in post-than in pre- and non-KABSAKA farms. On a per crop basis, however, the covariance analysis illustrated the dramatic decline in pre- and post-harvest labor after the adoption of the technology. Much of this decrease in employment was caused by the transition from transplanting to direct seeding and by the mechanization of land preparation. On the other hand, employment did not markedly vary between post- and non-KABSAKA farms.

The production function analysis yielded quantitative evidence that the pre- and post-KABSAKA farms differed significantly in intercepts while the post and non-KABSAKA

farms differed significantly in both intercepts and slopes of their production functions. These imply higher rice productivity in post- than in pre- and non-KABSAKA farms.

On the shares of farm earnings, results showed that the adoption of the technology conclusively benefited the earner participants and the factors of production through increase in their absolute and relative

shares. In terms of the distribution of benefits to various claimants, however, the operator and his family as well as current inputs gained more than the landlord and hired laborers. Similarly, for the factors of production, operator's residual (return to operator's management and capital) and current inputs gained more than land and labor.