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7 KERALA MODEL: FACTS AND FALLACIES

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01

THE KERALA MODEL OF DEVELOPMENT : THE EXCLUDED ONES

Joan P Mencher

This paper, based on revisits during the monsoon seasons of 1993 and 1994 to some of the villages studied in the early 1980s as well as partially analyzed data collected by a Kerala research assistant during 1992-93, (i) examines what has been happening to the female agricultural labourers and their families over the past twelve years, and (ii) shows that today agricultural labourers have fewer days of work than 15 years ago despite

increases in their daily wages (apart from those young and strong enough to work in construction, or having husbands or sons who work full time in construction activities). It discusses regional variation in immiseration, the impact of environmental degradation and the increasing hostility of landowners towards labourers leading to neglect of crops of adoption of less labour intensive one.

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02

ECSTASY AND AGONY OF KERALA DEVELOPMENT MODEL

A.D.Damodaran and V.Govindarajulu.

Natural geography

Kerala is situated on the south-west edge of the Peninsula. It has a land mass of 39,000 Sq.Km in area (1.2% of the national land mass) supporting 29 million people (constituting 3.4% of the total population in the country). And it is the second largest in population density having 747 person per Sq.Km. It devolves into three geographic zones.

- a. High lands sloping down the Western Ghats whose altitude range upto 1800 meters, where the major plantation crops, e.g. tea, coffee, cardamom, rubber etc. are grown.
- b. Midlands, full of hills and valleys used for cultivation of coconut, cashew, arecanut, cassava, banana,

ginger, etc.

- c. Lowland and coastal area suitable for rice, coconuts and fruit bearing trees.

Forty four rivers cut across the state which are mostly monsoon fed. The river deltas along with the backwaters provide excellent channels of water transportation. With an average annual rainfall of 200-400 cms. Kerala can be classified as a high monsoon area, though with steep slopes and woods cut forcing soils to acquire poor retention quality. Many parts of the state suffer from flash floods during rainy season and face water scarcity during dry seasons, thanks to the absence of optimal storage and

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distribution system.

Natural resources

The state is unique in its natural resources. Whereas the high value plantation crops and marine resources form the renewable wealth of the State, the only commercially exploitable mineral reserves are the strategic ones along the beach shores and the high quality kaolind found in and around Kollam, Kannur and Kasargod districts.

The people

With 14 million males and 15 million females, literacy rate at 91% (males 95% and females 87%) and high PQLI value at 80, and with infant mortality level as low as 30 per 1000 at birth which is comparable to those of even a few advanced nations, the Malayalee boasts himself as a "developed" one in a developing country. However, with the per capita income of only Rs.3,400/- at current prices, the Kerala model of development has not enabled the Malayalee to create a productive job opportunity at home; instead, the colonial legacy of exporting skilled labour and valuable raw materials to all parts of the world, at low prices, has in turn given rise to a consumer oriented populace, maintaining itself a high living standard largely depending on a remittance economy. Thanks to a massive inflow of money mostly from the Gulf countries of the order of Rs.350400 crores annually, the cost of labour is always higher than that of neighbouring States in the midst of acute unemployment. Kerala shares 10% of unemployed on the rolls.

Land ownership and land use pattern

Kerala accounts for 92% of natural rubber, 70% of coconut, 60% of tapioca, 96% of pepper and 70% of cardamon, besides many other minor spices. And 89% of her operational holdings are less than one hectare in size and such uneconomical holdings have greatly hindered the infusion of modern S&T to increase productivity. Producing only 50% of food needs, the people in the state face a constant threat from food scarcity. Agriculture continues to be the backbone of the economy, its productivity itself remaining stagnant, if not on the declined. This is in spite of the fact that the State has a good S&T infrastructure with one major R&D institute for each single major crop, e.g. RRI for rubber, CPCRI for coconuts, NRCS for

spices, CTCRI for tubers, KAU for rice and horticultural crops and so on.

Manufacturing base

The manufacturing base of the State is very weak. The Central investment in the State declined steadily from the low value of 3.2% in 1974 to 1.62% in 1986. The State run industries are in doldrums, most of them having enormous cumulative losses; those in private sector also have either levelled off their operations or making attempts to seek more profitable pastures elsewhere. No wonder, though the state level Bank branches are flush with money form remittances, the credit : deposit ratio is 30% less than that of other states. No wonder, again even though there are a number of industries in the State, their impact on the State psyche is weak, both culturally and otherwise (12,500 registered industries and 3,900 joint stock companies employing 3.20 lakh persons).

This unhappy situation would get further compounded in future, thanks to the stagnant power sector. This is seen in the declining trends in per capita power consumption by industries. Power consumption by the households shows a rising trend. The State is short of 1,066 million units of electrical energy with demand at 9,238 MU and supply at 8,262 MU. The gap would increase rapidly at least to 1,957 MU by 2000 AD. The hydel potential in the State is 17,000 MU, but only a third is tapped, the rest being unutilized for want of effective strategies, which include the technical-administrative-political inability to handle the exaggerated environmental concerns of over enthusiastic ecology movements.

Economic development of Kerala : Some case illustration

Thanks to the state of the development described earlier, Kerala now is at cross roads. On the one hand, the stagnant agricultural and manufacturing base and, on the other, the remittance economy are giving a temporary relief to the consumer society. But in the long run such a trend will play havoc in sustaining the development as it will be a State of "high cost economy" confronted with low level production and high level unemployment. We illustrate the situation with two examples.

a. Spices

Increased cost of production cou-

pled with lower productivity and lower value addition are the major attribute of the spices sector, making it lose steadily in the international market. This is most glaringly seen in the retreat of the Alappuzha Green cardamom before the rising late-comer, the Guatemalan variety. (Guatemalan cost of production is \$6 per kg against \$15 per kg of Alappuzha Green). Though the yield potential is very high, the actual value is one among the lowest; the yield gap, measured as the ratio between the highest recorded yield per ha. and average yields per ha. is 6x for pepper, 15x for cardamom, 5x for ginger and turmeric and so on. Major reasons for such a sad state of affairs are the following.

1. Treating spices essentially as a rain fed, small holder crop, often cultivated in backyards of homesteads even as an intercrop, instead of as a modern plantation sector.
2. Inadequate input of modern knowledge related to good variety seedlings, appropriate crop protection measures, etc.
3. Primitive post-harvest processing and packaging.
4. Inadequate attempts on major value addition measure including promotion of *national brands* of products.

Not surprisingly, trend in export of spices is less than satisfactory. The threat is going to be much more serious in the coming year, thanks to many more countries going in for cultivation of spices.

b. Beach sand minerals BSM and clays

BSM form the most prominent mineral resource of the state, of which, the rare earth, titanium and zirconium bearing ones are the most important. These raw materials are used to manufacture a

variety of common and as well as strategic high tech products of immense S&T opportunities. Due to highly inadequate technological-industrial inputs of the right quality, much of these sector continue to retain a "raw-material export" oriented status. Though value added products fetch a higher price with even the manufacturing units like IRE, TTP and KMML, unable to attain productivity by enhancing capacity utilization beyond the present level for competitiveness in the international markets and dependent on administrative protection for their very survival. No wonder, these sectors are on steady decline in the modern sense, or at best stagnant in a traditional sense.

Situation is more or less similar to clays, often described as "White Gold", a descriptions well suited for the kaolin clays of Kerala in this case there are additional constraints for economic utilization of this valuable resources arising from the exorbitant value of lands for mining purposes.

Summary and conclusion

Kerala offers, perhaps a unique example of man made backwardness. It has all the components of modern development - very interesting range of raw materials, high-rain agro-climatic geography, long sea-shore with infinite marine and maritime possibilities, including inland transport systems, and a highly skilled and intelligent populace. What she lacks is only the matching political-technical-administrative governance, deeply committed to modernity in work culture and international in operation. Its unique products can conquer world market if they are made competitive through infusion of the state-of-art technologies and management practices, without which even the transient ecstasy will turn to agony for ever.

THE KERALA MODEL : THE CENTRAL TENDENCY AND THE OUTLIER

John Kurien

Economists of the stature of Amartya Sen have been instrumental in continuously highlighting Kerala State's positive achievement of public action as the major factor in its achieving a relatively high quality of life despite relative economic backwardness.

Very recently, (June, 1994), while delivering the first D.R.Lakdawala Memorial Lecture entitled "Markets, Social Opportunities and Economic Development" Sen stated : "We live in a most diverse country, and in many spheres our records are extremely disparate.... In respects of certain variables like average levels of literacy, life expectancy, infant mortality etc. conditions in India are enormously adverse compared with China, and yet in all these respects Kerala does significantly better than China.

Elaborating on the "Kerala Model" Sen pointed out that "there are great many things we can learn from within the country by using the diversity of our experiences, particularly in those of public action - involving of public itself as well as the government. Despite the fact that economic growth of Kerala has been sluggish it has been able to achieve tremendous results in important areas such as literacy, life expectancy and mortality rates. The Indian government should try to emulate the Kerala experience".

We know that this is much easier said than done. Kerala's achievements often considered to be a paradox - can be explained only when we situate them in the specific historical context within which public action was initiated and evolved. The extent to which it is

possible to emulate a societal configuration that has emerged, without partaking in the process through which it was carted is a matter of debate.

When people allude to the "Kerala Model" they are referring to the "average" situation. Only the central tendency of the distribution of the indicator are used to establish the point... However, as in all distributions, the "Kerala Model" also has its "outlier" - communities that seem to have been left out of the domain of public action from what Dreze & Sen have referred to as "capability building".

Getting insights into the factors that explain the position of the outlier in this distribution is important particularly since the credit for Kerala's success is given to development which was driven by enlightened state policy and public action rather than market-led, individual initiatives.

The purpose of this paper is thus two-fold.

Firstly, against the background of the "average" statistics of the Kerala model, it attempts to provide some of the statistics of an "outlier" in Kerala's economy - it's marine fishing community - where the indicators of the quality of life pose no paradox of the kind noticed when considering the state as a whole; instead, one is confronted with the "normal" relationship of low incomes with the associated quality of life.

Secondly, it makes a preliminary attempt towards an understanding of the factors which hindered public action for "capability building" in Kerala from permeating into the fishing community.

PARADOX OF HIGH POVERTY AND HIGH PQLI IN KERALA - FACTS AND FALLACIES

M. Mohandas

Ever since the publication of the pioneering study by Dandekar and Rath in 1971, the Kerala case attracted attention both nationally and internationally. The interest in poverty and under-nutrition in Kerala arose primarily due to the contrasting phenomenon of high incidence of quality of life indices such as literacy, life expectancy and lower level of infant mortality. While Dandekar and Rath ranked Kerala as the state with highest incidence of poverty in the whole of India in 1960-61, Morris and McAlpin estimated highest PQLI (70) in Kerala.

The improvement in quality of life in spite of low per capita income, low level of development and high incidence of poverty seems to be far from convincing. Commenting on the sharp decline in fertility rate from 182 in 1961 to 125 in 1971, Scott said that "a decline of this magnitude is not normally associated with universal poverty." The "Kerala model" came to be characterised as a cheap "miracle" model of development which could be emulated by other developing countries without massive foreign assistance.

The paper focuses on the conceptual and methodological issues underlying the estimates of poverty, under-nutrition and PQLI and examines the factors which influenced Kerala's unique development pattern.

Kerala is unique in so far as it is ranked first in respect of density of population (747), sex ratio (1040), literacy rate (91 percent) and PQLI (70). At the same time, it has the most favourable values in respect of birth rate (20 per 1000), death rate (6 per 1000) infant mortality rate (21) and general fertility rate.

The official estimates of rural poverty were invariably higher in Kerala than the national average till 1972-73. In 1973-74 it equalled the national average of 47.6. But it recorded an unprecedented fall from 47.4 percent in 1977-78 to 26.1 percent in 1983-84 and further to 16.4 percent in 1987-88. The corresponding fall in head count ratio at the national level was only from 51.2 percent to 40.4 percent between 1977-78

and 1983-84 and to 33.5 percent in 1987-88. A similar trend is observed in urban poverty also, although it is less pronounced. Such a dramatic decline in the incidence of poverty over one decade is far from convincing. It appears to be the consequence of the Planning Commission practice of pro-rata revision of NSS private consumer expenditure data to make it tally with the aggregate private consumption of the CSO. The analysis of Minhas and his associates and that of the Expert Committee on Poverty (1993) showed that head count ratio was much higher when it was estimated directly from NSS Private consumer expenditure data.

The apparent paradox of high poverty and high PQLI with low per capita domestic income are also linked with the conceptual and methodological issues in the measurement of poverty, PQLI and state per capita income.

The high incidence of poverty made by Dandekar and Rath as well as official estimates arose from the methodology adopted by Dandekar and Rath and Planning Commission. The adoption of new methodology and pro-rata revision of NSS consumer expenditures to tally with aggregate consumption resulted in gross under-estimation of poverty since 1973-74. The adoption of uniform All-India PQLI by the Planning Commission ignored state specific demographic factors, composition of cereal basket and higher prices prevailing in the states. The inclusion of "temperature effect" by Sukhatme showed that the per capita calorie requirement in Kerala is around 30 percent less than the average requirement at the national level.

One of the reasons for rating Kerala as having high incidence of poverty is the lower level of calorie intake in Kerala according to different NSS rounds. This is attributable to the use of rice as the staple food and higher price of rice in general and relatively higher prices of all cereals in the state. For instance the estimated price of rice per kg in India was Rs.3.17 in 1983 in contrast to Rs.2.00 for wheat and Rs.1.64 to Rs.1.86 for coarse grains. The

corresponding prices of rice and wheat were higher in Kerala at Rs.3.56 and Rs.2.26, respectively. As a consequence the per rupee calorie recovery for rice was only 1091 at the All-India level compared to 1730 for wheat and 2132 for

Jowar. The corresponding figures for Kerala were 972 and 1529 for rice and wheat.

Thus the discussion raises a host of issues relating to definitions of poverty and its measurement.

CRITICAL COMMENTS ON KERALA MODEL OF DEVELOPMENT AN ABSTRACT

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05

S.Umadevi

Kerala's economic growth is stagnant or retarded because of the dependent nature of its economy. It resembles many of the plantation economies of the Third World whose retarded growth has been explained in terms of the dependency paradigm.

As is well known, it was Raoul Prebisch and the Economic Commission for Latin America (ECLA) who showed that in the case of the Latin American countries, trade instead of being an engine of growth has led to unequal development in the 'Centre' and the 'Periphery'. (The 'Centre' refers to the advanced countries which were the colonial masters and the 'periphery' to those who were the ruled.)

To understand the reason for the dependent development of Kerala, a peep into its economic history in the last century and a half becomes essential. It presents the tale of a food surplus region turning into a net importer of food.

Although before 1956 Kerala consisted of two princely states and only the northern part was directly under the British rule, the colonial policies did directly or indirectly influence the course of the economy. At least the southern part of Kerala, the erstwhile Travancore State (which even now produces more than 50 percent of her cash crops) was a net exporter of paddy/rice before 1860 but later turned into a net importer of food. Among the reasons commonly attributed to such a situation is the rapid increase in population and the change in tastes with the growth of urbanization.

However, we have shown elsewhere that at least in Travancore the state policy of encouraging cash crops (at the behest of the British Resident who was thus indirectly ruling) led to a rapid growth of commercialization of agriculture at the expense of food

production. While Ricardo advocated importation of food to industrialize Britain, in the case of Travancore the Ricardian policy of importing food was resorted to, for encouraging the cultivation of plantation crops or what may be described as the 'promotion of 'industrial agriculture'.

Even after independence the successive governments in Kerala have continued to follow the colonial policy of encouraging the production of cash crops at the expenses of paddy instead of reversing it. The argument often put forward is that Kerala has a comparative advantage in the production of cash crops and there is nothing wrong if she produces these and exchanges them for food. What this argument misses is that the colonialists had their own interest in mind while promoting the growth of plantations here and how can this be characterised as comparative advantage?

From the point of view of economic growth of Kerala, the specialization in the production of cash crops at the expense of food crops has the following disadvantages.

First, the cash crops have to be exchanged or sold for money before they can be converted into food and other necessities. A surplus of cash crops unsold puts the farmer to greater hardship than a surplus of food unsold. Thus the price and market conditions become crucial. However, it has been found that the supply response of cash crops to their prices is poor, i.e., the price elasticity of supply is rather low. As a result, the farmer in the short run cannot take advantage of a rise in price by increasing its supply; nor can he shrink supply in the face of a fall in price.

Secondly, the linkage of the plantation crops to the rest of the

economy is low and therefore they cannot act as the leading sector for initiating growth. Particularly, in Kerala the processing of the products like rubber or cocoa is almost non-existent.

Thirdly, most of these crops face a monopsonistic market. To a large extent multinationals are the buyers of rubber, cocoa, etc. Even in the case of tea, Russia is buying 40 percent of our tea turning out to be the largest single buyer. The buyers of these crops outside the state are more powerful. In the case of coconut, too, it is well known that the Bombay merchants through their fine marketing channels procure most of the copra from here to be processed in Maharashtra. As a result, our own oil mills face a raw material shortage.

Fourthly, as a consequence of their better bargaining power, the buyers of our raw products also wield greater political influence at the centre. Kerala has no hold over the prices of the cash crops it produces. The import policy of the Central Government is a source of danger for the producers of these crops.

Considering the factors mentioned above, from the point of view of raising the rate of economic growth, it would not help Kerala to continue to specialize in the production of cash crops. For these reasons it is alarming to observe the steady decline in the area under paddy and in its production.

The area under paddy cultivation has declined by more than two lakh hectares. Major proportion of the food requirements are met by import. Taking only import on state account in the recent years, it has been of the order of 16 lakh tonnes, while availability of rice from domestic production is only 11 lakh tonnes. This means a major part of what we earn through the export of cash crops is going to meet the import bill on account of food. How would then any surplus be left for reinvestment?

An increase in the production of rice by increasing the area under cultivation is, therefore, advisable to give a boost to the economic growth of this region, for the following reasons.

- a. Its labour absorption capacity is higher than that of other crops.
- b. Its linkages with the rest of the economy are higher than that of the cash crops.
- c. It would reduce Kerala's import bill.
- d. It frees the state from the uncertainty in (i) the Central Government's price policy in

respect of cash crops, and (ii) the allotment of rice quota from the Central pool. (It was 1.4 million tonnes in 1987, which fell to 1 million tonnes early this year).

- e. There is an assured market for it given a high order of demand for this food crop within the State.

Thus increase in the area under paddy cultivation would lead to an increase in employment both directly and indirectly due to its better linkage and would also reduce her import bill, which, in turn, would make the economy more buoyant.

When high wage is shown to be the cause for the non-viability of paddy cultivation as well as for the flight of industries from here, it is not realised that high money wages are also due to a higher level of prices of consumer goods in Kerala. If one compares the Consumer Price Index Number for Agricultural Labourers in Kerala with the other States in India, one finds it quite high, so that the real wages are not as high here. Therefore, easy availability of food is likely to bring down the real cost of labour.

It must also be remembered that the rapid growth of the service sector in Kerala is due to the greater commercialization of agriculture here. Historically, the money earned from plantations was invested in education. On the one hand, banking, trade and commerce needed educated people, and on the other hand, with education many started aspiring for white collared jobs. However, the growth of the service sector has only led to a greater monetization of the economy, not to an increased availability of goods or employment.

Many studies show that even now paddy cultivation is not unprofitable. Only when compared to the profit made in the case of rubber and some other cash crops it seems to be relatively less profitable. The reason why some paddy lands are being converted into coconut gardens is not only the non-viability of paddy cultivation but also absentee ownership. Alternatively it can be due to the fact that the owner has other source of income and cannot directly supervise his field.

Paddy is also relatively less profitable because from time to time huge subsidies are given for rubber and other crops, particularly in terms of cheap fertilizers. Moreover, not many studies have been conducted to find to what extent the HYV's have made paddy

unprofitable.

Therefore, in a situation in which the producers are motivated by merely private commercial profitability while opting for cash crops, it is a pity that the government which should go by social profitability and benefit criterion

should further subsidize these crops at the expense of paddy.

Recently, several critiques of the dependency model have been put forward. This paper intends to take them up and to show how the dependency theory still holds good in the case of Kerala.

7

06

CRISIS IN THE KERALA MODEL OF DEVELOPMENT : EDUCATIONAL PARADOXES

M.K. George

While some commend Kerala Model development as a model to be emulated by developing countries, others challenge the very model itself. Model or no model, what is of importance to a social scientist is the fact that the Kerala experience has generated powerful contradictory impulses against its own continued relevance. The purpose of this paper is to identify the contradictions within the educational sector. The paper briefly looks at the claims in the literacy scene, schooling, high education and education-community interface and concludes with a reference to the systemic roots of the paradoxes and the consequent crisis.

The literacy scene

On 18th April, 1991 Kerala State was declared a totally literate state. According to the National Literacy Mission (NLM) norms and even international standards Kerala can claim to be a totally literate state because not only was the 15 to 35 age group but 90 percent of 15 to 60 year old population was also made literate. The claim is remarkable when we consider that the campaign was time bound, cost-effective and created a mass movement.

Now, the paradox is that the totality does not cover two or three major dispossessed groups such as tribals, the fisherfolk and the floating Tamil population. When one goes by statistics this is a small minority. But when one takes the constitutional perspectives or the Human Rights dimension, this is a major failure. Take the case of follow up. Any literacy effort unless followed up is bound to become a national waste. According to

the official data, there was a seven month gap in initiating any follow up. Even when initiated it has failed to generate the enthusiasm which was characteristic of the original campaign.

In brief, as far as literacy is concerned the reality is far from the claims made by the State. Even by the most optimistic estimates at least 50 percent of the neo-literates have lapsed into illiteracy. The whole effort has become a wasteful exercise for the state.

Schooling

The enrolment is near total. Drop-out rates and wastage are negligible in comparison with other states. Access to schools, except for the tribal and hilly areas, is easy. The picture on the whole is enviable. And yet, there have been many warnings of an impending crisis.

The most basic level of crisis is that the schools do not ensure minimum levels of learning. In a survey in Thiruvananthapuram district, it was found that at least 34 percent of school students do not know how to write even their name in Malayalam without error. Similar studies elsewhere have shown the same situation of 34 percent of students in classes 4 to 7 of the government schools being illiterate. The situation has become so dismal as to warrant a new scheme of Minimum Level Learning in the schools.

The State Planning Board had already predicted that as many as 3000 uneconomic schools will have to be closed and 50000 teachers will be rendered unwanted by 2001. The Board estimates a fall of 16.77 lakh children in the school going age group by 2001. 580 schools

have already been identified as uneconomic schools. Closure of these schools have not been easy. According to the Planning Board estimates, at least Rs.100 crores has been misspent in the school education sector in the last 15 years. By taking a policy decision on uneconomic schools, it feels that the State can save Rs.200 crore a year by 2001 A.D.

It is ironic that even as some of the schools are facing extinction, there is a mushrooming of recognised schools. The political dimensions of this within the coalition politics of Kerala is indeed revealing.

The school system is in crisis because of the failure to maintain basic levels of learning, failure to provide basic facilities like drinking water in many schools, the demographic changes and the politicisation of the educational system.

College education

About 2.75 lakh students pass out with SSLC annually. Even half of them cannot enter a regular college. The less fortunate join the parallel colleges. In the 174 Arts and Science colleges under the Universities of Kerala, Kozhikkode and Mahatma Gandhi, are 70539 boys, 83528 girls, 21,443 SC and 1012 ST students. The private registrants add up to 1.4 lakhs. Most of the parallel college students and a large percentage of the regular students opt for arts subjects. The result is that the State has a large contingent of degree holders in arts subjects, who are not equipped with any skills whatsoever. The deterioration in the quality of education has repeatedly been shown by the necessity of moderation to pass even with a minimum percentage of marks. Even the so-called regular colleges are not able to ensure minimum levels of skill formation and knowledge. Malpractice in examination, poor

attendance and poor quality of teaching, with very little variety in teaching methodology add up to the crisis in this area. Yet another index of lack of quality of college education is the dismal performance of Kerala students in national competitive examinations.

Education-community interface

An educational system becomes meaningful in so far as it serves the goals of the community that sustains it. One of the major indices of the crisis in this area is the educated unemployed. The latest estimates show 43 lakhs of registered job-seekers. In all, there are 21.11 lakh matriculates, 3.08 lakh pre-degree holders, 1.76 lakh graduates and 33,125 post graduates on the hunt for job. There are also 1.17 lakh technical and professional work seekers. Other indicators of crisis within this area are growing drug menace and trends of violence, among students.

In brief, the scene from the literacy, schooling, college and education-community interface, is one of paradoxes and crisis. What then are the systemic roots of this crisis?

Systemic roots of the educational paradox

The historical roots of the present crisis ridden situation is the first aspect to be considered. Two dimensions are important. First, the elitistic nature of the educational system in its early stages and the more recent colonial past. In the first case, education was never considered to be a popular commodity and in the latter, education was considered only an instrumental object, narrowly defined as a means to get lower grades of employment. In one sense, the present educational crisis is the failure of the educational system to overcome these two past shackles.

8 KERALA'S DEVELOPMENT EXPERIENCE: SOME FURTHER ISSUES

8

01

THE RELEVANCE OF THE KERALA MODEL IN THE EMERGING WORLD ORDER

W. Richard Franke and Barbara H. Chasin

The emerging world order

The apparent recent victory of capitalism and market economies poses severe challenges for the third world. Capitalism has shown its capacity to produce consumer products, generate wealth for some, and defeat most attempts to create socialist or populist alternatives. But the capitalist system's current dominance over the world's economies is accompanied by problems that render it a highly questionable force for improving the lives of the majority of third world people. In the 1980s and early 1990s capitalism was accompanied by five major phenomena that undermined the lives of the 3rd world poor.

Two deep recessions - 1980-82 and 1990-92 - in the rich countries played out as one long and continuing recession in many third world countries. Between 1984 and 1990, third world countries transferred US \$178 billion to rich country commercial banks. Per capita incomes in Africa decreased by 12.5%; in Latin America they dropped 9.1%. In Brazil 60,000 "extra" child deaths are attributed to these recessions; for the third world as a whole more than 500,000 excess deaths are estimated for 1988 alone.

The lack of a powerful competing social model has weakened third world countries such as India that had previously used U.S. - Soviet competition to bargain for a more independent, self-reliant path to development. Bilateral US aid is declining with a recent Clinton Administration decision to close 21 USAID missions and eliminate 1,000 aid-related jobs, 92% of them held by third world nationals. Rich country aid to India was

already only \$3.20 per capita in 1991, representing only 3.5% of overseas assistance from developed countries.

A large drop in so-called "soft" development aid corresponds with a large increase in demands by the IMF and world Bank for "structural adjustment" and high-interest borrowing. Never the main World Bank programme, Basic Needs and the International Development Association approach has been replaced by the 1985 "Baker Plan" which ties loans for rescheduling earlier debts to acceptance by receiving countries of World Bank and IMF structural adjustment policies. These policies aim at opening public economic sectors to private investors by cutting government services, lowering wages, and increasing poverty levels for ordinary people. Recently, structurally adjusted countries such as Chile, Costa Rica, Ghana and the Philippines, have experienced rising levels of poverty and increasing environmental damage with little economic growth.

A growing world-wide environmental crisis now threatens the production of food and other necessities in the next century. Grain, animal and fish production are threatened by projected declining land availability, water shortages, overuse and the lack of immediately known technological fixes. Simultaneously the introduction of thousands of untested chemicals may be the cause of the recent increase in death rates from cancers with known links to smoking.

Increasing inequality threatens to harden into a wall separating a few wealthy countries and some third world elites from a mass of workers and farmers to be left dispossessed and in misery by

the daily workings of the emerging world order. In 1960, the richest 20% of countries had 30 times the wealth of the poorest 20%. By 1989 this figure had risen to 59. When internal inequality is factored in, the richest 20% of the world's people may have 150 times the wealth of the poorest 20%. Income inequality is compounded by gender inequality: at present rates, it will take third world women more than 200 years to become as literate as men. Paradoxically, growing inequality comes at a time when rich country economists are finally questioning the Kuznets model of rising inequality as a necessary early stage of development. Instead, evidence suggests that better distribution may contribute to economic growth.

Recent world trends have led some rich country analysts to predict gloomy futures with collapsing third world states, anarchy, violence, a wall of disease between rich and poor countries, "terminal poverty", and no prospects for betterment.

Kerala Models: Old and New

Does Kerala offer an alternative to the dismal prospects of the emerging world order? Over recent decades, Kerala's people have carried out significant land reforms, brought about effective public food distribution, and initiated pensions for agricultural labourers, high rates of government employment for formerly low caste communities, and an array of health, educational, and personal welfare achievements that place it close to rich country levels despite Kerala's low per capita income.

After coming to power in 1987, activists of Kerala's progressive movements engaged in intense debates: despite the achievements, was the Kerala model inimical to growth? Could it survive without massive Gulf country remittances? Could production be increased without engendering new forms of inequality? Could environmental concerns be integrated into development? Could development be made more participatory, democratic, sustainable? Out of these debates came a set of programmes called The New Democratic Initiatives, some of which are discussed below:

1. Elected District Councils are intended to decentralize power and development planning. Combined with grants to the panchayats, they hold the promise of increasing local participation,

enthusiasm, and empowerment of ordinary people in Kerala's future. Holding 30% of the district council seats for women was a sign of a partial commitment to democratise the decentralization process itself.

2. The total Literacy campaign brought Kerala to the brink of 100% literacy. The campaign mobilised thousands of students who learned more about the lives of the poorest villagers. It taught thousands to read and write at a basic level. It encouraged people to come forward and display their talents in public so as to raise their self-esteem and self-awareness. And, it stimulated ordinary people to write letters to government officers to demand better roads and health facilities.

3. High-Efficiency Stoves are part of a campaign to reduce Kerala's severe fuel and environmental crises. The Parishad 2-1 stove is popularized through activities of the Kerala People's Science Movement (KSSP), particularly its Integrated Rural Technology Centre. In 1992, a rural household could install a 25% efficient stove in place of the 10% efficient traditional hearth: the costs was Rs 190 plus some household labour. Although more than 200,000 improved stoves have been installed in Kerala, this represents only 9% of the target population. Continuing research and interaction with potential consumers are attributes of the current programme to reinvigorate the campaign for stove installation.

4. The People's Resource Mapping Programme mobilizes villagers to make maps of their resources. The maps are combined with scientific maps to create a basis for local level planning with environmental considerations and discussions of the long-term consequences of resource use as well as short term gains. This programme can be seen as an extension of the literacy campaign: with the emphasis shifted to land literacy. At present, the programme has been tried in 25 panchayats with mixed results. The potential of the program seems great, however, as illustrated in Kalliaserry Panchayat where 2,500 unemployed youth have been organized into a programme to plant dry season vegetables on otherwise unused plots using water table knowledge from the mapping program. Other plans include clearing of major canals to reduce waterlogging, a shrimp farm in a salt water marsh area, and ambitious goals for improving the quality of the schools.

Kerala's New Democratic Initiatives could be the start of a second generation Kerala model. If these initiatives

succeed in mobilizing and empowering people, they will present a genuine alternative to the inequality and exploitation of the emerging world order.

8

02

THE SOCIETY AND POLITICS OF KERALA: THE STEADY STATE ECONOMY

William M. Alexander

Kerala with four nearest population size nations (28-34 million)

	Kerala	Morocco	Columbia	Argentina	Canada
Total Fertility Rate	1.9	4.2	2.8	2.9	1.8
Infant Mortality Rate	16.0	57.0	34.0	25.6	6.8
Life Expectancy	72.3	63.3	69.3	71.3	77.4
Female Enrolment in High Schools	93%	30%	53%	78%	105%
Per Capita Income	\$330	\$1,030	\$1,280	\$2,780	\$21,260

Kerala is least like Canada on per capita income and most like Canada on four life quality measurements

1. The best current data validates the 1978 conclusions of Berkeley health scientist, John Ratcliffe. The Kerala experience refutes the common Keynesian and Marxian thesis "that high levels of social development cannot be achieved in the absence of high rates of economic growth." The Kerala high life quality successes "are consequences of public policies and strategies based not on economic growth considerations but, instead, on equity considerations."

2. Within the ecosystem of the Earth, sustainability is a strategic survival option for human behaviour. Modest consumption of the Earth's resources is the essential behavioral requirement incorporating the necessities for small families. Kerala is our best sustainability model. No other large population on Earth adequately meets the requirements, small families combined with modest consumption.

The Earth Summit in Rio signalled a worldwide recognition that the relationship of humans and Earth resources has been reversed. A shortage of humans and a plenty of Earth resources characterized earlier times. Today we find humans in surplus and a shortage of resources. In common with all useful research on Kerala, accepting the reality of a finite Earth, Earthwatch Expeditions

was compelled to abandon the outdated economic teaching based on the old cornucopia model. This abstract will focus on this most difficult part of our Kerala research, the necessary thought method.

Apparent limits on the amount of Earth resources available for human use has framed a fierce public discourse - ecologic vs. economic. This debate is paralleled by another dialogue internal to ourselves - a contextual self vs. an ecological self. The concept of a contextual self is drawn out of the psychological literature by Robert J. Griffore. Next Griffore locates a particular contextual self, an ecological self within the "ecosophy" of Arne Naess and the "ecopsychology" of Theodore Roszak.

In a human process called maturation, the contextual self grows as it encounters other humans and nature. Starting from the infant self in family, self matures into chosen self-identities commonly defined by their context. The dialogue internal to humans is the current contextual self vs. some larger contextual self (toward which the self is maturing). We have role names for these larger contextual selves; student, mother, soldier, teacher, farmer, writer, economist, statesman, environmentalist, etc.

As the process of maturity continues, the contextual self may find and fit into an ecological self, or more likely, the self may step beyond a current contextual self into an

ecological self. The behaviour of some members of earlier cultures, such as the Bushmen of the Kalahari, suggests the acquisition of an ecological self. In the current day, those who focus their attention and seek definition from the processes of nature, such as Arne Naess and other deep ecologists also speak from an ecological self. That is, they speak as if their contextual self had grown into or merged into an ecological self.

An ecological self does not have to comprehend the whole of the Earth and all of its people. Certainly, the ecological self of the Kalahari Bushmen did not. On the other hand, it did include all the "known" Earth and all the "known" people. This means that knowing the existence of the whole Earth, its atmosphere, its sunlight, and its living things including all humans is, in the here and now, a condition of an ecological self. The current access to this knowledge makes it possible (and for those seeking consistency, necessary) to accelerate from a contextual self to an ecological self, that is, consciously leap into a whole system reality.

We need to explain an ecological self in the more common (and simpler) economic language. First we note in families and then in large groups, that humans share with each other responsibilities as Providers. With few exceptions, each human becomes the Provider of goods or services needed by others. Each Provider offers a supper or a song. Status as the Provider of this supper or that song is often sought by those desiring to supply goods and services. Provider roles are also commonly accepted by convenience. When several humans seek specific roles, other humans offer leadership organizing these roles. Continuing from families into whole communities this process of accepting Provider roles becomes government like, granting and assigning Provider roles. First are the leadership roles and then a multitude of particular skills. Placing a highest value on these Provider roles which control material resources (including human artefacts) characterizes human relationships in high consumption societies.

In order to formalize Provider privileges and responsibilities, many

humans acting together have created governments. Formal government recognition of status as Providers (property titles, corporate charters, business licences, work permits, etc.) is often called ownership in reference to designated properly and processes supplying goods and services. A market is the ordered relationship of the many Providers, small and large, nourished and refereed by governments.

In order to incorporate all the useful services and exchanges which humans perform for each other, the term Provider has been applied. Humans as Providers encompass many services and exchanges excluded from the monetary economic thought systems currently in use. That is, Provider activities include many more human transactions than the mystical economic man. Mother is an important Provider, not always greedy.

This inclusive, holistic perception engages an Earth that is finite. The need to limit the human consumption of the Earth's resources creates a need for a discourse mode unequivocally encompassing the whole of a finite Earth and systemizing sustainable human behaviour. The steady state economics of Herman Daly offers an economic language filling this urgent need.

Steady-state economics is useful for those able to perceive the whole Earth - that is, the whole natural Earth including all the man made environment and all its peoples perceived as they really are, using the most advanced methods of scientific observation. The conceptual self becomes an ecological self (simultaneously individual and corporate) in the 21st century, a human environment growing in exciting ways, qualitatively but not quantitatively.

Kerala is currently encompassed within conditions which will define the whole Earth in the year 2050, short on Earth resources and long on humans. The high resource efficiency in producing good life quality currently demonstrated in Kerala shows that human equity, a level playing field, is the key to human survival through the 21st century.

KERALA'S DEVELOPMENT EXPERIENCE: AN OVERVIEW IN HISTORICAL PERSPECTIVE

V.P.Raghavan

Introduction

Kerala's development experience has often been referred to as a unique example of achieving high quality of life despite poor growth performance. The performance of Kerala economy over the last few decades, in terms of human resources development and quality of life has been highly remarkable.

Despite high quality of life and welfare indicators, Kerala lags behind in industrialisation and face massive unemployment. The Kerala model disproves the taken for granted postulates of development economics and present a new paradigm of 'growth less development'. We can see a distinctive pattern of high literacy with low economic profile; low population growth with high rate of unemployment, high level of social consumption with low per capita income and remarkable progress in education and health with low achievements in industrialisation. How can one account for the above paradoxical situation?

Ecology

Kerala is the south-western tip of the Indian peninsula, guarded by the Western Ghats on the east and Arabian Sea on the west. The moderate tropical climate with plenty of rainfall provides a healthy physical environment to the habitat of the state. The distinct human settlement pattern of Kerala also contributed to the better hygiene and health conditions of the people. Unlike in other parts of India, the grouped village system is absent in Kerala.

History

The system of non-formal education that had been prevailing in all the three parts of Kerala State, viz., Travancore, Cochin and Malabar, in the past has to be considered as the real beginning of the literacy success. Centres of spiritual learning, attached to temples and local institutions, were also established for imparting spiritual education in all

parts of the state. Apart from that, private teachers called 'Asans' used to teach the local students at their own homes to make them literate. These systems later developed into an institutional setup known as 'kudippallikoodams' (home schools). Besides, the Christian missionaries, who arrived in Kerala coast in the beginning of the 19th century also established educational institutions, which also contributed to the great achievement in literacy. Early rulers of Travancore and Cochin had also made liberal assistance for the development of educational institutions in the State.

The agrarian economy of Travancore witnessed some basic structural changes during the 19th century, beginning with the Government Regulation in 1818 encouraging the conversion of wasteland for agricultural uses. Government lands were then allotted to all those who were prepared to cultivate. The Pandaravaka Pattom Proclamation of 1865 conferred full ownership rights on the tenant cultivators of 'sircar land' subject to the payment of land revenue. The Royal Proclamation of 1867 prohibited the eviction of tenants who were paying their dues regularly. In 1896 the *Kudiyan Regulation* was promulgated. The agrarian reforms introduced by the early rulers of the princely states of Kerala had, in fact, formed a propellant to the radical land reform measures implemented by the later popular governments in Kerala after independence.

Economy

The changing scenarios of Kerala's economic performance are to be seen in a sharp contrast to that of the nation's economy. In the period 1950-51 to 1990-91, the per capita income in Kerala at constant prices has risen from Rs.378 to Rs.1706 as against the national level increase from Rs.466 to Rs.2199. This clearly indicates that in per capita income growth Kerala's performance is poor.

Investment in human resources

Kerala's development strategy which favoured higher investment in education and health sectors was primarily responsible for the progress achieved in the areas of social welfare. Kerala has a high profile of education, including higher education. The per capita expenditure on education of the State in 1990-91 is Rs.262 against the national average of Rs.175. The per capita government expenditure on public health in the state in 1990-91 was calculated as Rs.224, while that of India was only Rs.74. The enrolment rate at the primary level in the state is 100%

It is worthwhile to note in this regard that education and health are the two significant sectors of the Kerala economy that flourished with the strong support of the private sector from the very early days. Private sector has played a prominent role in raising the status of the state to the forefront in the field of education and health. For example, more than 60% of the schools and students in the year 1989-90 were in the private sector. The share of the private sector in general higher education is also impressive. More than 75% of the Arts & Science Colleges in Kerala are in the private sector.

Almost a similar situation prevails in the health care system in the State. A survey conducted in 1986 clearly showed that a total of 3565 allopathic medical institutions with 6345 doctors and 50766 beds were held by the private sector. As against this the number of Government run allopathic medical institutions during the year were only 1048 with 2514 doctors and 35344 beds.

Industrial relations

It is necessary to point out that while private institutions or agencies were more enthusiastic about investing in the health and education sectors of the State, the industrial sectors failed to attract adequate private investment

Kerala remained an industrially backward state, despite its technically qualified professionals and skilled and unskilled labour. The reason for this situation can be partly attributed to the militant and recalcitrant trade unionism, which has failed to provide a conducive atmosphere for industrialists to promote their ventures.

It is also noteworthy that the state has a lopsided structure of economic base with a relatively low share of manufacturing sector in State Domestic Product and the disproportionately high share of the tertiary sector. Kerala's attainment of high level of social consumption has been at the cost of investment in growth propelling manufacturing sectors.

The sectoral priorities assigned in the state's five year plans were also not favourable for industrialisation. The priority given to the human resources development sectors in the economy has been relatively higher than that of the national level. In contrast, manufacturing sector has been assigned a low priority.

To conclude, we would attribute Kerala's high quality of life to ecological and historical factors and Kerala's poor economic performance to a reflection of strained industrial relations and distorted development strategy.

EMERGENCE OF CONSUMERISM IN KERALA

8

04

R. Sooryamoorthy

The recent consumption pattern in Kerala exhibits interesting features. The pattern, as clear from the NSSO data for three rounds of 28, 36 and 42 representing the years of 1973-4, 1977-8

and 1986-7, is marked by a significant increase in the level of consumption of both food and non-food commodities. Keralites spend a considerable part of their income for the purchase of consumer

durables. This sort of consumption is now being referred to as consumerism.

Rural Kerala

During the short span of 13 years between 1973-4 and 1986-7, a shift in emphasis of consumption in the case of certain items has taken place. Durable goods consumption, for instance, has recorded a more than thousand percent increase while the increase was 3670 per cent in the case of footwear.

Urban Kerala

The pattern in urban Kerala presents similar characteristics. More obvious are the changes of varying degrees in the consumption of cereals, cereal substitutes, meat, egg, fish, fruits, nuts, beverages, refreshments, clothing, miscellaneous goods and services, and durable goods.

Consumption to Consumerism?

Consumption has gradually varied from essential to non-essential requirements - a practice so typical of developed nations. Consumerism in a sense is consumption which is not necessitated entirely by absolute utility considerations, but predominantly by the aspirations of consumers for a better standard of living and as a means of vertical social mobility.

The Genesis

The all-pervasive pattern of consumerism is also a reflection of the social environment, for prevalence of a pattern largely depends upon social acceptance. Industrialisation, urbanisation, an expanding middle class, growth of consumer goods sector and the impact of advertising have been identified as some of the vital factors responsible for this transformation in Kerala.

Contacts

Exposure to other societies, developed or developing, is one among many ways by which people's habits and activities undergo changes. The Malayalee's migratory habit is well-known; also, Kerala had trade relations with other countries from a very long time which exposed her people to new goods and different cultures.

More often than not, the imports of luxury consumer goods increased out of all proportion to the average income.

Consumption of such things however remained the privilege of a minority who occupied the upper strata of the society.

Transition to open society

The caste-ridden society of Kerala did not permit its members to consume things as they wished. Soon, consumption became the yardstick to gauge one's socio-economic status and people's propensity to consume luxury goods continued to grow when restrictions imposed on consumption disappeared.

Urbanisation

Urban growth provides a highly concentrated and accessible mass consumer market. Concentration of mass markets in urban areas can create new needs in urban dwellers as accessibility of things is a crucial factor in encouraging consumption. Even though the degree of urbanisation in Kerala was low, figures indicate that the town density was very high. The State comes under the group of the most urbanised areas. The composite index of urbanisation in Kerala was +3.24.

Contacts with urban centres, intermittent or otherwise, make people aware of the possibilities of need fulfilment. This is facilitated in Kerala by the small distance to the nearest urban centre on an average 15.3 kms as against 32.2 kms for India.

Gulf migration

Kerala began to experience some changes in its socio-economic milieu due to large scale migration to the Gulf countries, resulting in an unprecedented inflow of money. During the seventies, the annual remittances to the State were calculated to be somewhere between 4000 and 6000 million rupees. As a result of this Kerala society saw the advent of many new trends in the socio-economic activities of its members. A significant proportion of this kind of income was expended on constructing elegant mansions and buying luxuries.

The effect thus was more clearly seen in consumption than in productive investment. The outcome was two-fold. First, due to remittances, migrants' families were able to spend more on consumption goods than before. Secondly, these families served as a reference group for others to emulate. This has turned out to be most conspicuous in the purchase of modern consumer durables, two-in-one, television, VCR/VCR,

superfine clothing and other modern gadgets. As the durables were not so easily available, initially in the domestic market many could not possess them. When such modern goods were made available in Kerala and elsewhere in India, purchase became easier. Accessibility and availability of durables - once the privilege of a thin section of the society - now had a wider spread.

Notwithstanding the virtual absence of major consumer goods industries in Kerala, things manufactured in other parts of India flowed into the State. Progress was witnessed in the industrial output of air conditioners, refrigerators, motor cycles and motor cars. Durable goods production including radios, tape recorders, television receivers, cars, motor cycles and scooters has achieved high growth rates ranging from 18 per cent to 40 percent per year.

The phenomenal growth in the consumer goods industry, however, would not have been possible without sufficient support from the government.

Role of government

As the policies of the state are responsible for the pace of industrial growth, support from the government becomes crucial. The government has initiated steps, in the eighties, towards economic liberalisation policies, which had a bearing on the advancement of consumer durable industries. Again, since

1991, the New Economic Policy furthered the demand for consumer durables and led to an increase in the consumption of such items.

Fastidious advertising

In abetting consumerism in a market economy, the role of advertisements is significant, if not decisive. Advertisements modify current tastes and preferences of the consumers and tailor new needs in them. Since the sixties, particularly during the eighties, India witnessed tremendous growth and development of the media which, in turn, improved the accessibility of information, country wide. The advertising budget of companies has been increasing facilitating the growth of consumerism.

Conclusion

The findings of an empirical study involving 320 sample households in Thiruvananthapuram district reveal that apart from congenial external factors, consumerism is motivated by status aspirations of the consumers. For the middle income group, consumption of durables is a means to social mobility. Their lower income counterparts emulate them so as to enhance their social status.

The power of consumerism is rather incredible; it is almost impossible to contain. And Kerala has earned one more first to its many unique features.

PARAMETERS OF A SELF-RELIANT MODEL OF GROWTH FOR KERALA

Siby K Joseph

The development experience of Kerala so far has been widely acclaimed and has often been suggested as a model for the rest of developing areas to emulate. Yet what puzzles many theoreticians of development is that Kerala's remarkable success in the creation of infrastructural facilities and improvement in quality of life has been accomplished despite a low per capita income. The challenge for Kerala is to sustain this pattern of development which

is now under considerable stress and strain. Unemployment has been increasing year after year and has reached a breaking point. The dependence of the state on the other states for food grains, machinery and consumer goods is another matter of serious concern. With liberalization of the economy becoming a reality the prospects of these problems abating look bleak.

A self-reliant model banking on the material and human resources of the state

has been proposed as an alternative. The paper seeks to lay down the parameters of a self-reliant model on the assumption that self-reliance is not only a strategy for sustainability and enhancing employment prospects but also a powerful means of resisting exploitation as shown to us by Gandhi.

The paper seeks to throw some light on the different shades of opinion related to self-reliance in the context of Kerala. While some analysts argue that there are structural constraints on the operation of self-reliance in Kerala given the federal structure and dependence of the state on the Centre, others say that Kerala has certain unique features which provide sufficient space for the operation of self-reliance. Those who hold the latter view, however take normative positions against consumerism, social extravagance and under utilization of local resources which are seen as part of the existing scenario.

The paper identifies some key areas where the self reliant model could possibly be worked out. Key areas like agriculture, coir and rubber based industries, etc., are identified either by necessity or by potential. For a state like Kerala agriculture assumes primary importance. The agricultural sector contributes 37.73% of the total income of the state. Agriculture and allied sectors support more than 50% of the total work force of the state. The pattern of agriculture so far has not been well-balanced. The self-reliant model visualises balanced agricultural development by the optimum utilisation of land and appropriate cropping patterns. By the adaption of co-operative farming methods, the problem of uneconomic holdings and increasing cost of production can be reduced. Reorganization of the traditional industries such as coir and development and diversification of rubber based industries are vital

The computer revolution of the modern age offers great potential for software development. It is estimated that India would face a shortage of about 2,00,000 trained computer personnel by the end of the Eighth plan. Kerala has a surplus manpower which may be trained to suit the growing requirements of computer personnel in India and abroad.

The significant strides made by Kerala in recent decades is used as a resource in the construction of the model. Kerala has made significant achievements in the field of literacy and education. The achievements made are in terms of quantity rather than quality. The educational system should be restructured and reoriented to suit the needs and special features of the state. Emphasis should be laid on inculcating positive attitudes towards life and work, skill development, vocational/technical training, etc. The effective utilisation of foreign exchange contributions of migrant labourers, investment of funds collected through the banks in the state itself, restriction on flow of funds to share markets, etc., are key elements of the self-reliant model.

To realise the objective of the self-reliant model a restructuring of polity and economy is essential. There has to be greater devolution of powers to set right the centralization tendencies in the federation. Decentralisation of economy and setting up of small scale industries is another major step towards self-reliance. Negative attitude towards work, conspicuous consumption, destructive trade unionism etc., need to be changed. The model demands political will, constructive attitude towards life, optimism and communitarian spirit. The model is not aimed at isolationism but creating a congenial atmosphere through qualitative changes in polity, economy and community.

9 PATTERN OF INDUSTRIALISATION: PROBLEMS AND PROSPECTS

INDUSTRIAL STRATEGY FOR KERALA - A PERSPECTIVE

9

01

K.K.Subrahmanian

Studies have already advanced irrefutable evidence to show the relatively poor growth performance of manufacturing and the industrial backwardness of Kerala. The literature on the subject, however, has missed to note another important phenomenon viz., the cyclical movement around the low long-term trend of output-growth. That is to say, along with slow long-term trend there have been short periods of high growth-rate followed by periods of low growth-rate as indicated by the results of the growth-analysis of manufacturing SDP (1980-81 prices) shown below:

growth phases (based on cyclicity)	average annual growth rate(%) in mfg.SDP
1971-72 to 1977-78	2.51
1977-78 to 1982-83	7.00
1982-83 to 1986-87	4.10
1986-87 to 1990-91	11.60
1990-91 to 1993-94	1.40
long-term trend (1971-72 to 1993-94)	3.23

As upswings and downswings of the cycles in output-growth are found co-terminus with periods of different governments in the state certain observations are made as proposition for detailed empirical verification.

First, "growth-cycles" are associated with "political-cycles" in the context of Kerala. Second, industrial growth in any given phase *inter alia* is strongly influenced by the nature of industrial policy of the government. Third, too frequent changes in the parties in power (government) and

the resultant discontinuity in the industrial policy of the state is one of the main reasons for the sluggish long-term growth trend. Fourth, there is a striking contrast in the performance-record of LDF and UDF governments in relation to industrial growth. Fifth, the negative sign of the annual average growth-rate for the period since 1991 signals the ineffectiveness of the current Industrial Policy in achieving its own basic objective "to substantially step up the rate of growth of industry through a higher level of investment." These observations suggest the significance of industrial policy/strategy of the state government in explaining the growth performance.

A quick assessment of the conditions of the major sources of output growth has suggested that the performance crisis is due to the combined effect of (1) inadequate capital accumulation (2) poor labour productivity, and (3) technological stagnation in manufacturing. Here, there is a paradox. Despite its access to some favourable conditions (e.g. potential investible resources in increasing flow of migrants' remittance, availability of a variety of skills in the educated labour force, relatively comfortable physical infra-structure and a large and expanding domestic market for manufactured goods) why did Kerala perform poor in terms of mobilizing capital investment, improving factor productivity, stimulating technological progress and thus raising the rate of output growth? To attribute the poor investment climate due to labour-militancy as the basic reason, is counter-factual and too simplistic. In any case, the key element in the industrial climate itself is the

industrial strategy/policy.

What would be the effect of ongoing economic reforms of the central government on industrial investment and growth in Kerala? Some specific measures like import-liberalisation, tariff-reduction and removal of subsidies may lead to a process of de-industrialisation and the general principle of market forces in resource allocation has the distortionary effect of making a backward state like Kerala weak in the bargain for the location of industrial ventures by the big capital, national and foreign.

Thus viewed, an evaluation of current industrial policy and in that light drawing up a realistic perspective for the design of a modified industrial strategy taking in its fold conditions of sources of growth and the distortionary effects of ongoing central government's economic reforms is of much relevance to deal with low long-term trend and short-term instability (cycles) in output-growth in manufacture.

The strategy envisaged in the current industrial policy "quite simply is to use our own limited budgetary allocation to attract as much investible resources as possible from within the State as well as outside". To achieve this, the Policy has proposed several measures of which the important ones relate to (1) industrial relations, (2) state public sector, and (3) incentives to private sector investment. An evaluation shows that the policy has in its perspective (1) a misguided emphasis of labour militancy in regard to industrial relations, (2) an unbalanced approach with greater stress on privatisation and liquidation rather than reforms and restructuring to deal with the state public sector and (3) an unrealistic approach to attract private investment through larger financial incentives and fiscal concession rather than greater efficiency in the delivery system and business-like treatment by the bureaucracy. In particular, by giving too much emphasis on labour militancy leading to high wage cost (this has a

very weak empirical foundation) as the basic cause of poor investment climate and on that basis enunciating anti-labour measures (e.g. declaring methods of collective bargaining as criminal offenses) the industrial policy fails to gain the confidence and cooperation of the labour and thereby make itself an ineffective policy instrument to achieve its own objective. The ineffectiveness is evident from the fact the annual average number of man days lost due to strikes and lockouts for the three years since 1991 is more than the corresponding figure for the three years prior to 1991 and the fact that there has not been any significant increase in the private sector investment in the State.

It has become clear from the evaluation that the current industrial strategy/policy needs modifications. The design of the modified strategy should be from a perspective based on the assessment of the constraining conditions of the major sources of, and distortionary effect of ongoing economic reforms at the centre, on investment and output growth. The perspective has to have as its core conditions for stimulating private investment, technological progress and productivity improvement. Among others this calls for a labour-friendly approach in industrial relations to ensure the required orientation in the behavioural patterns of the trade unions and in the commitment to work-culture and cooperation of the labour. Given limited scope of luring big capital - national and international - for large industrial investments, the perspective has to give priority for efficiency-based growth of modern small scale industries based on such organizational patterns like ancillari-sation, sub-contracting or space-bound clusters of firms (industrial districts/parks) that can fully utilize the potential comparative advantage in specific raw materials and skills in the state and can reap economies of scope and agglomeration for speed and steady industrial growth.

INDUSTRIAL DEVELOPMENT OF KERALA INFRASTRUCTURAL AND INSTITUTIONAL RESOURCES

K.Vijayachandran

Introduction

Equitable and even development of member states and different regions of the Indian Union was seen as an essential prerequisite for national unity, especially during the initial years of Independence. An all powerful central government and a sort of central economic planning were the natural offshoots of the Indian people's desire for a unified country. But the initial emphasis on planned development soon gave way to more and more market oriented policies. Successive policy shifts after the mid sixties had encouraged the different Indian states to compete among themselves to attract industrial investment. The states were asked to create investor friendly environment by setting up efficient infrastructural and institutional arrangements. The Structural Adjustment Programme (SAP) now on is a continuation of this trend but with one difference that the central government has totally withdrawn its support for building up these basic resources and the states are asked to manage on their own. This drastic policy shift will have serious repercussions in the long run but its impacts will be immediately felt by states like Kerala which had derived only below average benefits even under the earlier development regime. An in depth review of the infrastructural and institutional resources has thus become an urgent necessity if Kerala is to develop her industrial base in the future.

Electric power

Cheap electric power of good quality is the most important infrastructural input needed for industrial development. As part of the planned electrification programme at the national level initiated after Independence Kerala had made tremendous progress in harnessing its cheap hydel resources up to the mid-seventies. But real and imaginary concerns about forests and environment have stood in the way of

further development. During the last fifteen years Kerala's generating capacity increased by hardly 30 percent, while at all India level the increase was about 200 percent. Currently the state is importing nearly a third of its electricity requirement at much higher prices while more than two third of its cheap hydel potential remains untapped. The current reforms at the all India level have destabilized the national power development programme and scarcity conditions are rapidly developing all over the country. The programme tirade on environmental and other grounds had resulted in the near total demoralization of KSEB which was supposed to be the custodian of cost effective power development in the state. The situation today may be summarized as: (a) no worthwhile plans are in the anvil for adding generating capacity (b) imports are becoming more and more uncertain and costly thanks to the reforms (c) environmental fundamentalists are blocking the development of cheap hydel resources and (d) KSEB, the custodian of cost effective power development for the state is in a dormant condition.

Other sources of commercial energy

Kerala does not have coal resources, neither does it have the infrastructure for its import and distribution. Coal was so far in the domain of public policy at the national level but this is rapidly changing. Import of coal utilizing the minor ports and railways needs to be examined as a desirable option in the context of marketisation of the energy economy. Petroleum fuels are likely to be priced much higher in the near future in order to facilitate the entry of foreign capital into petroleum production and refining. Even at the current price levels firewood is seen as a cheaper source of energy in Kerala not only by the traditional industries like tile, brick etc. but also by several small/medium industries in the modern sector. This will put pressures on the

already deteriorating forest resources unless policy interventions are made by the state government.

As far as non-conventional energy is concerned the general public is carried away and even confused by the tall claims made by the peddlers of such energy.

Energy policy was so far the sole prerogative of the central government. But all these are changing and unless initiatives are taken by the level of the state government in formulating and implementing an appropriate energy policy, industrialisation will turn out to be a next to impossible task.

Rail transport

In terms of route length the progress of Kerala in the rail sector after Independence was only nominal but, this is the case even at the national level. However the role the railways have played in integrating the economic and cultural life of the state can hardly be exaggerated. Doubling of the Kanyakumari-Mangalapuram section and marginal investments needed for integrating with other modes of transport can substantially improve the utility of the existing rail infrastructure in the state. But such possibilities are seldom explored by our policy makers and pursued with the central Government and the railways. The tendency is to make demands that appeal to parochial sentiments and narrow interests at the district or even subdistrict level. The state is yet to develop a comprehensive vision about the railways that is in the best interest of the region as a whole.

Road transport

In Kerala, where hardly 25 percent of passenger buses are in the public sector compared to near 100 percent in the above mentioned states, policy offensives against KSRTC have gathered further momentum in recent times. Stagnation and neglect of KSRTC during the past one and a half decade has already put the public transport system in Kerala several notches below the more developed states. Policy makers in the state fail to see KSRTC as an essential instrument for overall development. Its problems are seen from a very narrow perspective of financial profits, employee productivity and containment of labour. It needs to be recognized that Kerala is a very poorly integrated market even today and inadequate public

transport facilities stand in the way of realizing its full potential. This is true not only with regard to passenger transport but also with regard to goods transport.

Inland Water Transport and coastal shipping

The virtual neglect of the potential for inland water transport (IWT) and coastal shipping using the minor ports is proof for the utter lack of policy perspectives in the transport sector. The state has a boat building industry and had the capability for building any type of vessels. It is futile to leave these potentials entirely to be exploited by the market forces and only a lumpen government can stay away from policy interventions in this respect. But precisely this is what was happening now for several years. Very little initiative was taken by the State Government in pursuing the Central Government for implementing even the long pending Cochin-Quilon national waterway project. Such matters are not even seen as worthwhile issues for mobilizing public opinion by the policy makers.

Communications

Postal and telecommunication facilities in the state had expanded in the past as part of the national programme. But with the new telecom policy the central government plans to withdraw from this sector, throwing it open for global competition. The present setup under the state government is totally inadequate to take any initiative in this vital sector.

Promotional corporations

Kerala Financial Corporation (KFC), Kerala State Small Industries Development Corporation (KSDC) and Kerala State Industrial Development Corporation (KSIDC) are functioning in the state in line with an all India pattern. The first two are for promoting small scale industries; KFC for financing and KSDC for giving technical help, for raw material supplies and marketing support. KSIDC's role is to promote large scale industries by extending financial support, securing licenses, and providing other services. Yet another corporation has been set up recently for developing and providing infrastructural facilities. Performance efficacy of the state promotional corporations has been rapidly declining in the past, industrial

sickness and related problems being the main reason. And now under the new economic regime their revitalization will be a Herculean task.

Departmental agencies

The Department of Industries and Commerce, the District Industries Centres and their taluk offices represent a formidable army of government personnel for promoting private industries. Their continuance in the present form, especially under the changed policy environment, can serve no purpose. Serving the existing industries by helping them to strengthen themselves and survive, rather than promoting tens of thousands of new ones every year, will be a more appropriate task under the changed environment. Associations of small scale industrialists and other bodies could be asked to join hands for transforming these institutions for playing a more useful role. Similar approach is possible in the case of coir and handloom directorates also. The general policy thrust with most of these agencies was to breed small scale capitalists and small scale producers and push them into already saturated markets. This could be changed to the role of a facilitator for the co-operative initiatives and efforts of small producers.

Other public sector companies

Public sector corporations like KELTRON and SILK which were envisaged to serve also as promotional arms of the government in specific sectors. These corporations as well as several other medium scale industries in the public sector can play a very useful role in promoting new industries as well as reviving existing and expanding units. The expertise and resources of central PSUs in the state can also be mobilised for the purpose of promoting private as well as joint sector industries. But ideological blinkers are standing in the way of utilising their expertise and services. They are merely seen as

liabilities and not as assets, as instruments in the hands of the government that can be used for helping the industrialization process.

Local governments

Democratically elected governments at the local level can contribute in a big way to the planning and promotion of industries which use local raw material and other resources and of business addressed to the local market. In the development of local trade, planning of transport, communication and other infrastructure, town and country planning, administration of labour laws and in the enforcement of regulations involvement of local level governments will help in easing out bureaucratic delays and help the industries in general. A consensus need to be evolved as to the specific matters that could be more effectively dealt with at the level of local governments.

Conclusion

Successive governments had come out with instant formulas for promoting industry in the state. However, with the rapidly changing situation the State Government has to equip itself for playing an even more positive role in improving and developing infrastructure. The organisations which were set up for this purpose need to be strengthened and rendered more efficient for promoting private industries if they are not to be rendered totally irrelevant under the changing environment. This does not mean that government institutions have far less to do in promoting industrialization in the changing scenario. On the contrary, efforts at the state level need to be emphasised in the context of the central government withdrawing from several crucial areas. However, the general direction of policy initiatives taken by the Kerala government recently in the opposite direction. This, if not corrected, will prove disastrous for an industrially relatively backward state like Kerala.

GROWTH AND STRUCTURAL CHANGES IN THE MANUFACTURING INDUSTRIES OF KERALA: 1976-'87
(A Comparative Study of Kerala vis-a-vis other South Indian States)

T.G.Arun

Growing literature on industrial growth in India has contributed to clarify some interesting side-lights on the analytics of planning and interventionist policies of the Government on industrial development in the country. There is but an apparent shortcoming. Most of the debates and discussions are carried out in the national context; very few of them have examined the regional dimensions of growth and structural changes. Placed in that context, the findings of our study on the growth performance and structural changes in Kerala vis-a-vis other south Indian States should go some way towards improving our understanding on the regional industrial development in an interregional framework.

It transpired from our analysis of growth rates in value added during 1976-87 that whenever the manufacturing sector at all-India level was more dynamic in terms of growth, the recorded growth rates in the south Indian states were lower than all-India and vice-versa. More importantly, during eighties when there was growth buoyancy at the all-India level the southern states recorded a decline in their growth rate. Such a trend was all the more striking in the case of Kerala. While there was an increase in the growth rate in the sub-period 1981-87 as compared to the earlier sub-period 1976-81 at all-India level, south Indian States in general and Kerala in particular recorded a decline in growth. Overall, the growth rates in Kerala though were marginally different in magnitude, the trend synchronized with the pattern in other south Indian States. By broad industry group also, the trend was similar.

Our attempt at analyzing the trends in productivity growth revealed the following; (a) Kerala recorded a higher growth rate in terms of all indices of productivity as compared to south India and all India during the study period taken as a whole; (b) labour productivity growth in south Indian states in general and particularly in Kerala showed an improvement during the sub-period 1981-87 as compared to the earlier period 1976-81; (c) capital productivity growth on the other hand registered a decline in the growth rate during the second sub-

period in Kerala, other south Indian states and all-India; and (d) while the trend in partial productivity growth remained the same across different regions during the period of analysis, total factor productivity growth showed a different pattern.

The analysis of the changes in industrial structure carried out both in terms of the share of different industrial branches in the total value-added and economic base study concepts (e.g. location quotient and specialization coefficient) suggested that the degree of diversification achieved was below the national average in all the southern States. There were of-course differences across the states in the levels of diversification within south India. Despite marginal inter-state differences in character, industrial structure in all the southern states still remained more concentrated than diversified as compared to the national level though, among themselves, Tamil Nadu has achieved the highest degree diversification and Kerala the lowest. The states of Karnataka and to some extent Andhra Pradesh also recorded a moderate diversification in their industrial structure.

In terms of industrial mix the southern states showed some marked differences with all-India and there were differences among the southern states as well. Thus, some degree of specialization in the state-regions consistent with the resource-endowments is self-evident. In Kerala the overall industrial structure remained still highly concentrated with an industrial mix marked by low shares of engineering and foot-loose industries and disproportionately high shares of traditional agro-based and chemical based industries as compared to other south Indian states and all-India.

The slow growth in value-added by manufacture and continued existence of the concentrated character of the industrial mix in Kerala as against corresponding higher growth rate and progressive structural diversification at all-India and to a lesser degree in other southern States during the eighties constituted the striking features emerging from the comparative analysis

attempted in the study.

The examination of the correlate between growth performance and structural change with the help of Shift-Share analysis provided empirical support to the postulate and further revealed that in a relatively more diversified state like Karnataka, characterized by an industrial mix with fair share of modern engineering and foot-loose industries, the regional factors are currently more important than structural factors in explaining growth variations. A similar trend was observed in Tamil Nadu which has a long history of industrialization. In the case of Andhra Pradesh it was found that the regional factors were getting more important than structural factors over time. In the case of Kerala the structural factors appeared more significant than the regional factors in accounting for the growth differentiation.

Thus the analysis tends to suggest that attempts towards improving the growth performance of regions like Kerala should address to not only region specific factors (like power supply, wages and labour relations) but also to the structural factors, which have implications on inter-industry demand, linkages, agglomeration economies etc. and thereby on the region's growth performance.

To conclude, the major findings emerging from our study of the trends in growth performance and structural changes in the manufacturing sector of Kerala vis-a-vis other south Indian states underlined some lessons on the dynamics of structural changes in relation to regional industrial development in general and in particular, their import on policy initiatives for speeding up industrial development in Kerala.

9

04

AN ENQUIRY INTO THE STRUCTURAL CHANGES IN THE INDUSTRIALISATION OF KERALA

K.P.Mani* and P.Chacko Jose**.

Kerala constitutes only 1.2 percent of the land surface of India, but has to support about 3.8 percent of the total population of the country. This disparity lies at the root of many of her economic problems like unemployment and low per capita income, and the problem cannot be solved by agricultural and allied activities alone, unless it is supplemented by speedy industrialisation in which household traditional, medium and large scale industries will have to play their legitimate roles. Hence, in this paper an enquiry is made into the structural changes in the industrialisation of Kerala.

Methodology

The growth and trends in the pattern of industrialisation were examined with the help of a set of primary parameters such as number of factories, total employment, productive capital, gross output, and value added for which secondary data were collected for the period 1960-90 from official records. Structural changes were

examined with the help of structural ratios. In order to assess the extent of diversification that has taken place in the sectors, industries were placed into three groups, Group A (heavy industries), Group B (traditional industries) and Group C (medium type industries) and Theil's Entropy Indices were computed.

Theil's Entropy Index is defined as proportion of the i^{th} industry in the value of relevant parameter to the total of the relevant parameter.

The value of Entropy index varies from 0 to $\log n$ and this measure is regarded as a direct measure of diversification, when there is perfect specialisation, E take a value zero and when there is perfect diversification, E takes a value $\log n$.

Discussion

During the period 1960-90, the number of working factories increased from 2400 to 11780, marking a four fold increase. The average annual growth rate was 5.64 per cent. On the other hand, industrial

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employment increased only by 0.82 times, the average annual increase being only 2.08 percent. Hence our industrial efforts failed in generating additional employment in proportion to the additional investment. This is further established when we compare the growth rates of different types of industries. Among the groups, maximum growth (10.60 percent) was recorded in the category which employs less than 10 workers on any day during the year and working with the aid of power. Hence we may infer that our industrial strategies till date are not very labour absorbing.

Our industrial base consists of heavy industries, medium type industries and traditional industries and all these three categories are further split into 13 industries. The growth pattern of these industries over the period 1962-90 on the basis of 3 parameters, namely, productive capital (PC), gross output (GO) and value added (VA) shows that the performance of these 13 industries fluctuates without a definite pattern. Also there is an inter-industrial shift of capital followed by value of gross output and value added. For instance, in 1962, in respect of the value added, heavy industries, traditional industries and medium type industries respectively contributed 21 percent and 10 percent (the remaining share came from all other industries which are unclassified) but this pattern shifted to 34.30 percent, 6.41 percent and 9 percent in 1990. One notable feature here is the decline in traditional industries which provided employment to about 10 lakh people in earlier years. This may probably be one of the reasons for the slow growth of industrial employment in Kerala when compared to the growth of working factories in recent years.

In order to reassert the claim that there was an inter-industrial transfer of

investment, the Entropy indices were also computed after classifying the industries into the 3 groups. Inter-temporal analysis of Entropy indices showed that there was a positive shift towards group A compared to other groups and the major share of the shift came from group B. Hence, as established earlier, it is confirmed that there was diversification in the industrial structure of Kerala and the sector which was worst hit is the traditional industries sector.

Structural analysis would be complete only if we assess the behaviour of structural ratios. An inter-period comparison clearly reflected the more or less stagnant nature of our industrial sector. Capital output ratio seems to be comparatively high which is an indication of declining productive efficiency in Kerala. On the other hand, value added to output ratio seems to be low reflecting low technical efficiency.

Policy implications

1. The growth of industrial employment is not in proportion with the growth of working factories and as a consequence of this, the labour absorption capacity of our industrial sector is weak.
2. Even though there is diversification in industrial investment, the pattern of growth is rather irregular or uneven. This reflects a lack of vision and the absence of a perspective in our approach to industrial development.
3. The contribution of the traditional sector sharply declined in recent years.
4. Another striking feature is the continuously rising capital output ratio. A pertinent question is why Kerala industries appear low in productive efficiency compared to other major states. Does it not highlight certain structural bottlenecks in the industrial system of the state?

SMALL SCALE INDUSTRIES IN KERALA: RETROSPECT AND PROSPECT

P. Mohanan Pillai

Industries in general and small industries in particular did not receive as much attention by researchers as it deserved. This may be because unlike in

the case of commercial agriculture, industrial development did not make a visible impact on the economy of Kerala. Hence, according to many sceptics future

development of industry is unlikely to play a major role. This cynicism is very widely shared in academic circles. The reputation that Kerala is a region infected by industrial unrest added to such cynicism.

Coming to Small Scale Sector in particular, two major explanations are offered for its tardy growth in recent years. Firstly, the development of Small Scale industries is possible only in an environment of having a certain number of large scale industries. Kerala, deprived of heavy investment either by central sector or private sector was denied this advantage. Secondly, it is also possible to conceive of 'situations under which the mother industries may come up as a result of the large number of users. This possibility was also precluded because the modern small scale industries like engineering and electronics which supply and use component parts and only a fragile existence in Kerala. This phenomenon is again responsible for the disjuncture of Kerala's growth pattern with that of the All India pattern of industrial growth. May be the historical process of development linked to autonomous export demand without active policy interventions like central investment etc. must have contributed to this outcome.

Small Sector and Strategies for industrial development

The above general observations may not prevent us from appreciating the policies undertaken by the state government in establishing a viable small industry for employment expansion. A long list of incentives and concessions were offered to attract investment from within and outside the region. The state has also set up institutional machinery for the promotion of modern small scale industry. As a general point an environment of every state competing with each other in providing such fiscal incentives reduces its effectiveness as the location influencing factor. In the case of Kerala the implications of these schemes are not being carried out with the same business like spirit as in some industrially advanced states. To what extent these incentives and promotional institutions have been effective and what are the major gaps in their activities are not yet known. Such gaps pose serious challenges to any further meaningful policy investments on the part of the government. This is not to deny the periodic evaluations undertaken by government on the District Industry

Centres, Industrial Estates Programmes in Kerala, the provision for sheds for new entrepreneurs etc. However, such evaluations do not go beyond the conventional government document and therefore does not help formulating appropriate policies. For example, there is no study in the context of Kerala to capture the intricate movements of small enterprises which *inter alia* include the economic and institutional logic underlying the births and deaths of small industries, their success and failures, mergers and survivals, vigour and decay etc. The limited academic exercise on small industry has been on the basis of sample sector of Annual Survey of Industries confirming the wage cost hypothesis already in circulation among the academic circles in Kerala.

The Census Results on Policy Strategies

A recent study using the census results of small scale sector in Kerala made an attempt to review the relative growth and structural change of small industry in Kerala. It underlined the poor performance record as compared to neighbouring states and all India. It has also highlighted some of the major problems such as its relatively small size, low capacity utilisation, low productivity etc. The finding of the study brings out a major point that the poor performance of small sector can not be explained away in terms of some unfavourable regional factors (like high wages and trade union militancy) *per se* but has to be seen in the light of the weakness of size-structure industry-mix and other structural factors and that alternative policy strategies are needed for ensuring efficiency based growth of the small industry in Kerala.

In the context of the nature of structural constraints identified the future policy strategy for Kerala could be to devise or reorganize small firms in such a way as to forge an inter-firm, inter-scale and inter-product inter-dependencies which help in reaping economies of scale through division of labour (specialisation) and in expanding production possibility frontiers through innovations. There are studies showing the success of a specialisation, industrial sub-contracting or commercial sub-contracting in states like Tamilnadu, Karnataka, Gujarat and Punjab. It seems, there are also limited evidence of "success" in efficiency based growth of small industry in Kerala. There may be a case of trying out this possibility by developing space-bound clusters of small

scale industries taking into account the regional specificities of raw materials and skill availability and also taking advantage of economies of scale and agglomeration. This strategy will get over the limitations imposed on small industry by concentrated structure, "tiny" size, and the technological backwardness without being subjected to dependent of unstable relationship. In this regional government, instead of

directly intervening with the usual bureaucratic attitude, will have to play a market friendly role as a facilitator from a distance for ensuring competition services, and local institutions for industrial peace and innovations so that factor productivity is enhanced and growth of employment output and export is maintained on the basis of "collective efficiency" by the modern small scale industry in Kerala.

9

06

INDUSTRIAL BACKWARDNESS IN KERALA - A SURVEY OF ALTERNATIVE HYPOTHESES

S. Muraleedharan

Introduction

There has been a recent proliferation of literature on the industrial backwardness in Kerala. An attempt is made in this paper to survey the various hypotheses in a systematic manner.

The various hypotheses can be broadly grouped into region specific and non-region specific hypotheses. The region specific argument mainly revolves round militant trade unionism, low entrepreneurial skill, environmentalist lobby, power shortage and lack of certain strategic resources. The authors of the non-region specific approach argue that the high-cost militant trade unionism argument is irrelevant. They favour the industrial structure hypothesis, the structure being moulded through Government policy. There is a common line of argument for both groups viz. that bureaucracy and financial institutions are vying with each other to arrest the pace of industrialisation in Kerala. There is a general demand for a more imaginative role of the political leadership, which has to instill an element of confidence among the private entrepreneurs both inside and outside the state.

I. The cost hypotheses:

There are three variants of cost the hypothesis. They are 1) Wage Cost (2) Other costs and (3) Psychic Cost.

(1) Wage cost

There is a general notion that labour in Kerala is dear and thereby manufacturing has become less attractive. Arguments like 'dear labour and strained atmosphere' are the reasons for 'the flight of industries to neighbouring states' have received popularity.

The above argument lacks empirical support as it is an absolute comparison without considering productivity. It was shown that the correlation between wages and labour productivity was positive and statistically significant during 1973-74 to 1980-81 (ALI Sector). Thus high wage cost hypotheses was rejected. It must be cautioned, however, that if industry specific and ownership wise analysis is made high wage cost would emerge as an explanatory factor.

(2) Other Costs

It can be noted in many instances that other costs are more important determinants than the wage cost. In the tile industry, rubber and rubber wood, garment making, electrical machinery and handloom industries raw material cost constitutes more than 50 percent of the total cost. Interest burden is another major cost element both in the private and public enterprises, particularly the latter due to time over run.

(3) *Psychic cost hypothesis*

An entrepreneur may be guided by events in the past while an investment is made. The labour militancy in the past and bureaucratic state can influence investment decisions in Kerala. In other words entrepreneurial decisions are shaped by psychic, personal and social factors along with economic calculations.

II. Capacity utilisation

The utilisation rate of enterprises varies from 20 to 80 per cent in Kerala. Spinning mills, fruit and vegetable processing industry and industrial estates record more than 70 per cent capacity utilization while fish processing industry, small scale washing soap manufacturing and tile industry are utilising half of their capacity. Industrial co-operatives and handloom units have a poor capacity utilisation rate. On an average, it is only just above 50 per cent in the case of public enterprises. It is found that profitability increases with high capacity utilisation.

III. Linkage hypothesis

Industrial structure hypothesis which emphasises inter-industry demand and agglomeration economics was put forward as an alternative to wage cost hypothesis. This is widely discussed in terms of the linkage effects within the region. Government itself is a poor buyer of commodities from the state enterprises. Thus, both forward and backward linkage effects are very weak in Kerala; hence the poor level of industrialisation.

IV. Upgradation of technology

Technology enhances productivity and industrial growth. This is evident in the case of fishing industry. Traditional industries like brick making and coir have failed to adopt modern technology. Technological upgradation is required in spinning mills, soap and other industries in the small scale and informal sectors. Central and profit making state enterprises have better record of technological absorption in terms of TFPG. It is poor in the case of industrial co-

operatives and loss making state enterprises. It is found that the extent of loss increases with technological backwardness.

V. Public policy hypotheses

This draws on the initiatives of the government in injecting dynamism and growth in the Travancore region during the 40s. But this hypothesis is to an extent undermined by political instability. The state took the initiative again in the 70s but it did not improve the situation. The current thinking is that the government should follow an integrated approach for providing incentives and subsidies. The policy should emphasise the sunrise industries. They would use less resources and less energy but would be more skill intensive and technology based. A new entrepreneurial culture within state enterprises too, on professional lines is required.

The decline in central allocation and direct investment in the state has to be redressed.

VI. Other explanations

Other explanations supplement the above. The pressure tactics of the environmentalist lobby, lopsided structural growth, absence of marketing dynamism and an entrepreneurial culture are the major region specific supplementary factors contributing to industrial backwardness. Besides, scholars have also highlighted non-region specific factors such as rising capital-output ratio and declining credit-deposit ratio.

Conclusion

It seems that both region specific and non-region specific factors are responsible for industrial backwardness in Kerala. The negation of high wage cost hypothesis can be accepted at a general level but would continue to have limited relevance in understanding the performance of specific industries. The industrial backwardness cannot be attributed to any single factor. Overcoming the backwardness would require an integrated approach reflecting the complexity of the issue.

TRADITIONAL INDUSTRIES IN KERALA : NEED FOR NEW APPROACHES

Pyaralal Raghavan

Unlike in other regions, the industrial sector in Kerala continues to be dominated by traditional industries. This is highlighted by the low per capita output of the industrial sector in Kerala as compared to the other states. The major traditional industries of Kerala include coir, handloom, cashew, beedi, tile etc. They are termed traditional industries in the sense that they continue to use labour intensive handicraft production techniques.

The experiences of industrial countries show that transformation from traditional to modern industries was an important characteristic of industrial growth. The introduction of machine based production in the modern sector, bringing about constant increases in productivity and inducing pressure for such changes in the traditional industries. The pressures for modernisation also originate from both the raw material and product markets. The only option for traditional industries, in the face of this twin assault, is to modernise their technology, failing which they face extinction. Thus viewed modernisation of traditional industries is inevitable for their survival.

The continued predominance of traditional industries in Kerala is the context of our enquiry. The experience of Kerala and many other less developed regions show that the tendency of capital to centralise the scattered production units and transform the technical basis of production, as was the experience of the industrial nations, is severely restricted. The reasons for this phenomenon are complex but the most important may be identified as existence surplus population. In traditional societies this surplus population is accommodated within the agricultural sector.

However, in the case of Kerala predomination of tree crops in agriculture and spread of wage labour relations limited the labour absorption capacity of land. The traditional industries, that originated with the commercialisation of agriculture, consequently emerged as an important

avenue for absorption of this surplus labour. Hence these industries played the role of the residual sector and became the major source of employment in the Kerala economy (Thomas Isaac, 1993).

This characteristic of the traditional industrial sector employment in Kerala has so far prevented the transformation of the technological base of production. The introduction of new technologies was resisted by the organised working class in these industries. The trade unions were successful in regulating the conditions of work and improving the wage rates. They focused more on eliminating the different layers of middlemen in the production organisation and encouraging direct relations between the employers and workers to facilitate a larger flow of surplus to the workers. The formation of industrial cooperatives was an important organizational reform in the above direction.

The continued use of handicraft technology have prevented any significant improvement in productivity. In the absence of productivity improvement increase in real wages has had negative impact on employment and output of these industries, once the initial slack created by the restrictions on middle man was exhausted. The shift of many traditional industries to the neighbouring states, with lower labour costs and less resistance to technological change, is emerging as a serious threat to continued survival of these industries in Kerala. The resulting increase in demand for available raw materials and increased competition from lower priced better quality output of the other states have become a major hurdle to the further growth of these traditional industries in Kerala. Output and employment levels continue to deteriorate. The wages in the traditional industries have tended to lag behind and are in many cases today significantly lower than that of unskilled primary and tertiary sector workers.

These trends are visible in all segments of the traditional industries. Even the cooperative sector finds it difficult to pay the minimum wage rates

to the workers. Most of them have been registering losses and continue to function with the aid of government subsidies. The increased emphasis on a market under the new economic regime the problems of traditional industries are going to increase manifold. All these factors point to the need for a process of regulated modernisation of the traditional industries in Kerala.

Improving productivity and quality and increasing competitiveness point to the need for induction of new technologies. But care has to be taken that dislocations in employment are kept to the minimum and the gains of the technological change be shared - through such mechanisms as work sharing arrangements, rising the wage rates, reviving the jobs in modernised factories

for the traditional workers etc. A broad social consensus will have to be evolved in this regard. The new strategy requires appropriate technology, realisation of the cooperatives and governmental agencies, product diversification and market reforms. The report on the modernisation of coir industry prepared by the LDF government in 1990 was a bold initiative towards a programme for socially regulated modernisation of one of the most important traditional industries in Kerala.

In this paper we examine these issues in detail with reference to raw material and product markets, technology, wages and organisation of the following traditional industries: coir, cashew, handloom, bamboo and tile.

10 INDUSTRIALISATION: SECTORAL STUDIES

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01

CHANGING DIMENSIONS OF CRISIS IN THE CASHEW PROCESSING INDUSTRY IN KERALA

G.L.Deepa and K.J.Joseph

Industrial sector of Kerala is dominated by crisis-ridden traditional industries like cashew, coir etc, where the major contingent of the workforce is of women. With more than 90 per cent women workers, cashew processing ranks top among the traditional industries in terms of intensity of female labour. The focus of the present study is to analyze the growth performance of this export oriented industry to understand the changing dimensions of the crisis.

Analysis of the growth performance of cashew processing industry has identified three phases. During the first phase (1947-68) there was an increased availability of raw nuts through imports and domestic production. The second phase (1968-82) witnessed an absolute decline in exports on account of the developments in the countries from which India imported raw cashew and changes in the government policies towards imports. Though the domestic production kept on increasing, the observed growth was not large enough to offset the decline in imports. The second phase of the industry is therefore, characterized as a period of crisis manifested in the decline in exports, number of factories, total employment and number of days of work. The industry appeared to have entered the third phase since 1982. This period was marked by a revival in the export performance resulting from the increased raw material availability on account of

liberal imports, increased domestic production and other measures initiated by the government like monopoly procurement. An analysis of the revealed competitive advantage index has shown that India's competitiveness in the world market increased in the first and third phase whereas it declined during the second phase. Surprisingly enough, though there was a revival of the industry during the third phase, the crisis of workers which was set in during the second period continued unabated during the third phase too. This is evident from the fact that the declining trend in total employment and number of person days of work continued through out the third phase. Moreover there appears to have been an industrial restructuring from organized to the unorganised sector leading to increased casualisation.

In the light of our analysis of the performance of the industry and the situation of the workers, it is fair to conclude that governmental intervention had been, at best, only partly successful. While the industry was able to overcome the crisis of the 70s, the crisis in employment has persisted. The state government is yet to give serious consideration to the question of the survival of the industry in the long run. No government schemes to rehabilitate marginalised workers in alternate employment are evidenced.

ROOFING TILE INDUSTRY IN KERALA: ORIGIN, GROWTH AND PROBLEMS

A.V. Arun Kumar

Introduction

Tile industry is one of the earliest industries developed in Kerala. According to experts, it is an industry most suited to the conditions of the state, as it is highly labour intensive, less capital intensive, uses low technology and does not require very highly skilled labour. Kerala has been enjoying a dominant position in India with respect to this industry so much so that it is often referred to as the home of tile industry. At the end of 1992, there were 450 units in the State. As per the latest estimates, the industry provides direct employment to 60,000 people and indirect employment to over 40,000 people in the state. Despite its importance and relevance, the tile industry has been ailing from a host of maladies in recent times, especially after the turn of the sixties. In this paper, an attempt is made to examine the origin, development, extent of diversification, and the problems of the industry.

We used both primary and secondary data in this study. The nature of diversification and the problems of the industry are studied within the specific context of the Kannur region. We used both questionnaire and interview methods for the field study. The paper traces three stages in its growth: (1) the pre-First World War period, (2) the inter war period and (3) the post-World War II period.

Structure and pattern of growth of the industry in Kerala

At the time of the formation of the state, there were 152 units which increased to 337 by 1985. The indices of growth generally considered in the context of the industry are increase in (1) the number of production units, (2) employment, (3) productive capital (4) value of output, (5) value added, and (6) value of input. The result shows that in terms of all the given indices, except employment, the industry has been growing over time. The industry also underwent major technological innovations over

time.

Apart from the above, the growth performance of the industry is considered in terms of efficiency criteria also. The lowest input output-ratio is found in the year 1975. Although there is no clear trend regarding the input-output ratio, the data gives the impression of a general decline in the ratio over time. Input per worker after remaining constant till 1971, seems to have gone up considerably from 1980. A similar trend is observed in the case of output per worker also. The value added per worker appears to have increased considerably from 1975 onwards. Considering the various efficiency indices, we find that the efficiency of the industry has improved over time.

The spatial dimension of growth shows that at the time of the formation of the state the largest number of units (50%) were located in Thrissur, 18 percent in Kollam and 11 percent in Kozhikode. The concentration continues even now, though there has been a marginal decline in the relative importance of the 3 leading districts. This regional concentration could be explained in terms of the availability of raw materials like clay and firewood and the facilities for cheap transport.

Problems of the industry

The problems of the industry range from a hike in the prices of raw materials to change in the consumer attitudes. Till the early sixties the tile industry did not have any problem of demand. But from the mid sixties the industry began to experience severe demand constraints. Demand from local (Kerala), internal (other states in India) and external (foreign) markets declined, mainly due to three reasons: (1) rising prices of tiles, (2) coming up of tile producing units in other states and countries, (3) shift to RCC roofing. The rise in input prices has resulted in a very steep rise in the prices of the tiles. Together with this we have also to consider the price rise in the complementary goods for this kind of roofing. The rise in the price of

tiles and the price of wood have made tile roofing prohibitively costly.

Product diversification

The units reported that since they have diversified production, marketing has not turned out to be a constraint yet. Till 1970s many of the tile units in the state produced almost exclusively solid bricks and roofing tiles (Mangalore pattern) including ridges. During the seventies and eighties they have taken to large scale diversification. We do not have adequate data for examining the extent of diversification. However, the data collected from a few sample units in Kannur district provides useful insight into the extent of such diversification. The result shows extensive product diversification.

Conclusion

In the analysis a few interesting trends could be observed. The growth of employment in the industry has generally lagged behind the growth of output and value added. This indicates that the industry has been going for labour displacing technological innovations over time. The growth of value of output and value added, has generally exceeded the growth of value of input, implying growth of profit over time. Value added per worker, and output per worker as well as input per worker generally increased over time. The over all input ratio recorded a general decline during the last 3 decades. Thus in terms of efficiency indicators, the industry appears to have

fared well.

The industry has traditionally been concentrated in the districts of Thrissur, Kollam and Kozhikode. In 1956 these three districts alone accounted for 85 per cent of the total units. But by 1990, their share declined to 70 per cent. This is an indication of the scarcities felt for basic inputs in the traditional areas and the increasing tendency to spread out to newer ones. The industry has also recorded perceptible growth in terms of the index of product diversification.

Though the tile industry of Kerala had grown significantly and undergone structural changes over time, it has been affected by several maladies in recent years. The cost of production has gone up tremendously during the past several years as a result of the shortages of raw materials as well as the general rise in the prices of all types of products and inputs.

Though demand constraint continues to be a crucial problem for the tile industry of Kerala in general, our sample units do not face demand problems of any permanent nature. The reason is that these units have drastically diversified their production in response to the emerging demand pattern. Two new products which they produce in large quantities at present are hollow bricks, and *hourdi* bricks. These two products enjoy such a high demand that the producers are not able to meet their entire demand with the existing capacity. Thus product diversification is the best strategy for survival and growth.

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PROBLEMS OF CASHEW PROCESSING INDUSTRY IN KERALA

M.N. Deyanandan

Cashew processing has been a traditional industry in Kerala, with nearly 85 percent of the industry concentrated in and around Kollam. By nature, it is a seasonal industry. The importance of the industry stems from two factors: it provides employment to about 1.2 lakh women workers and it earns foreign exchange to the tune of Rs.700

crore annually. Needless to say, the developments in this industry have significant economic and political implications.

For some time cashew industry has been termed as a 'problem industry'. While some problems are inherent, some others are the direct result of interventions by successive governments.

The problems - An overview

A review of the industry since 1940 reveals that its major problems before 1970 (the year in which the public sector Cashew Development Corporation - KSCDC - was formed) were related to the workers strikes (to improve their wages and working conditions), the introduction of minimum wage legislation and its consequences such as diversion of processing to cottages (known as *kudivaruppu*), migration of the industry to the neighbouring states and large - scale unemployment of local workers. However, the problems during the 1970's and 1980's were related more to the shortage of raw nuts, government intervention in the procurement and pricing of nuts, the refusal of private processors to open factories and lift the nuts procured by Government agency and the take over of factories by the Government.

Although the stated objectives of monopoly procurement (which has been in force since 1977 except for the period 1983 to 1987 and in 1993) are to ensure fair price to the growers and to secure equitable distribution of nuts among the factories, the real purpose is to ensure uninterrupted supply of nuts to the KSCDC.

An analysis of the government intervention in the industry shows that while the Left Democratic Front (LDF) government wanted to bring more private factories under the public-sector and continue monopoly procurement, the United Democratic Front (UDF) government wanted restoration of the factories to private processors and re-establishment of free trade in nuts.

It is unfortunate that the differing perceptions of the successive LDF and UDF governments regarding the problems of the industry and their solution have been the source of uncertainty and crisis in the industry in recent years.

The crucial question is whether monopoly procurement should be continued to ensure the working of the KSCDC (which has been in the red for the past 15 years with accumulated losses exceeding Rs.120 crores.) Its factories worked for only 12 days in 1993 due to financial crisis. Apart from economic considerations, however, the fate of 55,000 workers is also a decisive factor.

The criticisms against monopoly procurement like the loss of business, secrecy and restriction on the freedom of the processors, are true. The contention that monopoly procurement will retard exports is without evidence. The

allegation that it will encourage smuggling of nuts is also not true. In fact, this possibility is higher in the period of free trade. The other defects like inefficient and inadequate facilities with the procurement agencies and the low quality of nuts can easily be remedied.

In spite of its drawbacks, the monopoly procurement scheme in force since 1977 has helped stabilise the orderly flow of nuts to the processing units in the state. The KSCDC officials and small processors in the private-sector favour monopoly procurement. Moreover, studies have confirmed that the farmers in the whole country got higher prices for their produce ever since the monopoly procurement was introduced in Kerala.

Findings of a study on the working of the KSCDC vis-a-vis private sector units are relevant in this context. It shows that the recurring losses of the KSCDC can be attributed to the shortage of raw nuts and its higher cost, higher processing cost, lower sales revenue, higher interest cost and inefficient and corrupt management.

Availability and cost of raw nuts

The KSCDC could not procure adequate quantity of nuts in any of the years under study (1979-80 to 1987-88). However, its share in the raw nuts procured during the period of free trade constituted only about 50 percent of its share during the period of monopoly procurement. Its raw nut cost was also lower during the latter period. This leads to the conclusion that monopoly procurement had a favourable effect on the working of the KSCDC.

Processing cost

Compared to the private sector units, the Corporation had a higher processing cost per bag. Higher labour cost due to payment of wages at the prescribed rate, disproportionate engagement of shellers and peelers, and general inefficiency of workers are major causes.

Sales revenue

The KSCDC had a comparatively lower sales revenue per bag, which may be attributed to the low quality of nuts, defects in processing, lack of an effective sales policy and inefficient and corrupt officials. Reports of the CAG are replete with instances of sale of

kernels below market rates and short realisation of revenue.

Interest cost

Interest cost of the Corporation was about three times that of the private sector units, which shows its over dependence on borrowings. Absence of internally generated funds and faulty policies pursued by government are contributing factors. A case in point is the loss of Rs.16 crore incurred in 1977 when the Corporation ran 90 private units under government instructions. The government gave a loan of Rs.18 crore to tide over the crisis, but its interest ate up the entire profits generated in the next five years.

Lack of professional management

Inefficient, corrupt and unprofessional management is also responsible for the poor performance of the KSCDC. The Corporation had the dubious distinction of being managed by eight different Managing Directors during the period 1980-90. However, cashew workers still consider the KSCDC as a model employer. It remains a fact that despite the existence of trade unions and labour laws, the workers' interests are not well protected in the private sector. Therefore, the continued functioning of

the KSCDC is considered necessary for maintaining reasonable levels of living of the cashew workers in Kerala. At the same time, it has to be realised that the KSCDC cannot survive for long, given the present state of affairs.

The following suggestions are worth considering for improving the working of the KSCDC.

1. Re-organisation of financial structure

A thorough re-organisation of its financial structure with the government providing adequate equity finance instead of loan.

2. Permanent cashew policy

Government should evolve a permanent cashew policy which will ensure the continuation of monopoly procurement.

3. Professional management

Management of the Corporation should be entrusted to a team of professionals, with the MD given a minimum term of office of five years.

These three pronged strategy appears to be the only way to salvage the cashew industry in Kerala which at present finds itself in doldrums.

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GROWTH OF COIR INDUSTRY IN KERALA AND TAMIL NADU - A COMPARATIVE ANALYSIS

M. Michael Raj

The Coir Industry in India is essentially a cottage industry. Kerala accounts for about 85% of total coir production in the country. The coir industry has multifarious importance to the economy of Kerala. It is of crucial importance as a source of employment and income especially for the weaker sections of the society. The industry has strong links with the agricultural sector as it utilises coconut husk as the basic raw material. The significance of this industry as a source of foreign exchange for the nation cannot be belittled. Exports from India consists of coir yarn and coir products like coir mats, coir

matings, coir rugs and carpets. A major share of these products is from Kerala. But for various reasons the coir industry in Kerala has been in doldrums for the past two decades. The production and employment with industry has tended to decline.

Unlike Kerala, coir Industry in Tamil Nadu is of recent origin. However there has been considerable growth of coir industry in Tamil Nadu. The industry is localised mainly in Kanyakumari, Thanjavur, Salem and south Arcot districts. In Tamil Nadu both white fibre and brown fibre are being produced. In areas where there are no retting

facilities brown fibre is produced by mechanical means. Nevertheless the white fibre extraction from retted husks is popular in the coastal regions of Kanyakumari district. The fully automated factory with 38 power looms established in Kanyakumari district started operation during the year 1978-79. Mechanised fibre extraction centres like Pollachi, Salem, Kalluvetti etc. have been rapidly expanding. The estimated production is 1980-81 was about 20,500 M.T. by the 233 coir units. At present brown fibre is available in plenty in Tamil Nadu 44,500 M.t of brown fibre is produced every year. The Tamil Nadu Industrial Investment corporation (TIIC) is providing financial assistance to local entrepreneurs at concessional rate of interest. However unlike in Kerala the co-operative sector units are not provided any concessions at the cost of the private sector units.

It is interesting to study the pattern of growth of coir industries in Kerala and Tamil Nadu. We analyze both vertical and horizontal growth pattern of coir industry over the period 1975-76 to 1986-87 based on A.S.I. data. The number of coir units in Kerala do not show any substantial improvement over the period from 1975-76 to 1986-87 whereas in Tamil Nadu it increased from 42 to 146.

The index of output at current prices in Kerala increased from 100 in 1975-76 to 242.66 in 1986-87. On the other hand, the index of Tamil Nadu increased from 100 in 1975-76 to 530.71 in 1986-87. The indices of output in real terms (1970-71 prices) shows a declining trend in Kerala while for Tamil Nadu the indices show an upward trend. The growth rate of Tamil Nadu was 18.09 while the growth rate of Kerala was only 7.15 per cent per annum. Similarly the indices of value added terms show considerable improvement in Tamil Nadu. The growth rate of value added in Tamil Nadu was 16.87 while the same for Kerala was only 5.68 per cent per annum.

The index of employment shows that there was staggering decline in the number of workers in Kerala. The index declined from 100 in 1975-76 to 62.06 in 1986-87. On the contrary in Tamil Nadu, the index increased from 100 in 1975-76 to 260.10 in 1986-87. The growth rate of gross profit in Tamil Nadu was 16.42 per cent while the same for Kerala was only 4.80 per cent per annum. Thus it would appear that the decline in the relative profitability and the determinants thereof are the major factors which account for the stagnation and deceleration in the growth of coir industry in Kerala.

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TOURISM AND NATURAL RESOURCES

S.V. Sudheer

It is of common knowledge that tourism industry can significantly contribute to development. In spite of the various efforts of the promotional agencies, India has succeeded in claiming only a meagre share of the world tourist market.

The case is not different with Kerala as the share of the state in the national tourist traffic is less than 5 percent. Kerala is considered to be a state having immense tourist potential viewed from the angle of natural advantages. It has an appealing climate, exotic characteristics of a unique culture, history and natural beauty. Within the reach of few hours of travel, Kerala can provide a wide spectrum of ecological settings from mountain top to

beaches. These natural factors have substantial difference with man made attractions which are more or less artificial in nature. Development of artificial attractions would involve heavy financial, infrastructural and scientific commitments which may not be economically feasible today. In addition, we may not be able to compete with developed nations/states in providing such artificially created attractions. Therefore, the appropriate tourism development strategy for Kerala is one which focuses on natural resource factors which are available in plenty. To make out supply factors effective and useful, the tastes of the tourists visiting Kerala should be blended with the tourist

resources that are available in the State's repertoire. Thus a thorough knowledge of the demand by tourists in Kerala is required for any scientific planning of the industry.

The objective of the present paper is to bring out the importance of natural resources factors available in Kerala, in

relation to tourism development. The factors demanded by tourists visiting Kerala and the corresponding factors supplied to satisfy their needs are arrived through scientific analysis. The areas of high potential for the development of tourism in Kerala are also brought out.

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06

GROWTH CONSTRAINTS AND DEVELOPMENT POTENTIAL OF INDUSTRIAL CO-OPERATIVES IN KERALA

K.V.Velayudhan

Industrial Revolution of the 18th century brought in its wake basic changes in technology, production and productivity. Despite its positive contribution towards the growth of manufacturing industry and the manifold increase in the wealth of nations, the industrial revolution evoked sharp criticism from different quarters for its impact on society. Industrialisation not only created new classes and strata but also led to concentration of wealth in the hands of a few, the owners of the means of production. At the same time, the conditions of work and levels of living of the working population deteriorated steadily for long period of time in general and industrial workers in particular.

The plight of workers in the new system evoked sympathetic response in the writings of several reformers like Saint-Simon, Charles Fourier, Sismondi and Robert Owen. They led to the establishment of the first co-operative society in England by the Rochdale Pioneers in 1844. Ever since the establishment of the society the message of co-operation has spread to almost all the countries of the world.

Though the co-operatives thus germinated in the industrial sector in the Western countries, their beginnings in India were in the agricultural sector. During the last decades of the 19th century, the cultivators in the Deccan region reacted against the money lenders, who levied usurious rates of interest and it led to widespread riots. The Government was forced to think of an alternative form of organisation for the relief of the farmers; they found the alternative in co-operatives. In

consequence, co-operatives were started as a rehabilitation measure for the poverty stricken farming community. This form of organisation soon got acceptance from various other sections of the population and spread to different states of India. During the early decades of the 20th century, co-operatives emerged in Kerala also. During the past eight decades, their strength has grown. Consequently, about 60 per cent of the people of the State is by now associated with one or the other form of co-operatives. Among these the co-operatives in the service sector, especially, co-operative banks, have forged ahead of others. The performance of the co-operatives in the producing sectors, especially, in modern small scale manufacturing, appears to be much less significant.

Statement of the problem

Industrial co-operatives in the modern small scale sector, have to play an important role in the process of industrialisation in Kerala. Almost all the previous studies on industrial co-operatives in Kerala were confined to the traditional industries and virtually no serious attempt has so far been made to go into the problems of modern Industrial Co-operatives. The present study is an attempt in this direction. The specific objectives of the study are the following.

Objectives of the study

1. To analyze the efficiency of industrial co-operatives in terms of growth,

productivity and capacity utilization.

2. To analyze the level of worker's involvement in the industrial co-operatives.

Scope of the study and method of analysis

The scope of the present study is confined to the modern small scale industrial co-operatives. A micro analysis of industrial co-operatives is undertaken. Growth, productivity, capacity utilisation and worker's commitment to the units are analyzed.

Major findings

The performance of the industrial co-operative was analyzed with the help of primary data collected personally through interviews with structured schedules, of all the industrial co-operatives identified.

The analysis reveals that the ideals of co-operatives are not being realised in the modern small scale sector. Their performance in terms of growth, productivity and capacity utilisation leaves much to be desired. The analysis further indicates that the dismal performance of the individual units should not be interpreted to be the failure of co-operative principles but to be the results of the faulty steps followed by the persons in position of control and authority. These co-operatives were formed without consi-

dering the ability of the members, their technical know how, and their experience to contribute to production. The management, elected bodies of the co-operatives, did not have adequate representation of the workers. Further, in terms of managerial capacity and education, the expertise was weak. Thus, the problems behind the non-success of the co-operatives in the modern small scale sector of Kerala arose primarily due to defects in the formation and design of the functioning of co-operatives. Loopholes in the co-operative rules must have helped to overlook these aspects of registration of the units concerned. In principle, the co-operative is a sound and desirable democratic form of organisation; however in practice, the ideology and principles have been given a go-by. The co-operatives seem to have degenerated into a form of organisation in which the exploitative character of capitalist enterprise persists. The legal framework that has been provided for the co-operatives in Kerala provides freedom for all to start industrial co-operatives and offers wide scope for the abuse of the fundamental tenets of co-operation. Further, the lacunae in the legal framework and the administrative system have enabled political and other interest groups to penetrate into the co-operatives for partisan gains. While legally the co-operatives assume the requirements of the organisational form; but in practice they too partake of the exploitative characteristics of private capitalist firms.

12 SELECTED ISSUES IN AGRICULTURAL PERFORMANCE

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CONSTRAINTS TO KERALA'S AGRICULTURAL DEVELOPMENT, OR WHAT AILS KERALA'S AGRICULTURE ?

K.N. Shyamasundaran Nair

Notwithstanding the conducive biophysical resource endowments (high rainfall, year round sunshine, responsive soil), inheritance of a basically sustainable land use cropping system, a good headstart (land and crop productivity), apparently favourable institutional changes (land reforms, strong grass root rural cooperative movement) and high literacy, Kerala's agricultural development faltered during the quarter century of green revolution when the nation made significant strides in this sector of economic development. Most of the indicators show that not only agricultural production is stagnant, in some cases, even declining trends are setting in. (Rubber, milk and marine fisheries are some of the few exceptions.) It is argued in this paper that lack of appreciation, often tantamount to a refusal to understand, some of the biophysical and socio economic features unique to Kerala and their implications for the formulation of policies and interventions in technology development, economic support and political initiatives that foster agriculture, has been primarily responsible for the situation to which the state's agriculture has come to pass. Given this mind-set, the state relied on many national mainstream policies, strategies and programmes, most of which turned out to be irrelevant and ineffective, and at times even counter-productive to sustain its agriculture.

Being located in the tropics, Kerala receives high incidence of sunlight, has warm temperature and high rainfall, all congenial for high biological activity and biomass production. Together with the undulating topography arising from geological formations, these

natural endowments generate a variety of distinct environmental conditions (valleys, slopes and hills; high-humid tropics of the coast to cool temperate of the mountains) conducive for a variety of crop species requiring contrasting agronomic requirements within a small spatial entity. The implications of these variegated climatic and physiographic endowments are: farms are endowed with multiple microenvironments enabling to grow a variety of crops and products, but constitutes a system highly exacting in management and demanding in a variety of support and services; rigid cropping patterns limiting the choice to within groups and not across groups; and predominance of perennial crops. These conditions, especially the latter, renders Kerala's agriculture less amenable to the dynamics of the market conditions and responsive to the vagaries of economic policies. Though it generates a relatively high value per unit of land (whether as mono crops or inter crops) and is capable of supporting a higher reward for labour input, these crops have low labour absorbing potential and are less amenable to mechanisation (to improve efficiency and reduce human drudgery).

Kerala's agricultural products are dependent on markets external to Kerala (within and without the country). Further, some of them constitute the basic raw materials (coconut, cashew and rubber) for processing industries. All these create monopsonic conditions in the market. Hence commodity prices are highly sensitive to the dynamics (natural or contrived changes in quantity demanded and price) of the market (national and foreign as well). Farm products of Kerala

12 SELECTED ISSUES IN AGRICULTURAL PERFORMANCE

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01

CONSTRAINTS TO KERALA'S AGRICULTURAL DEVELOPMENT, OR WHAT AILS KERALA'S AGRICULTURE ?

K.N. Shyamasundaran Nair

Notwithstanding the conducive biophysical resource endowments (high rainfall, year round sunshine, responsive soil), inheritance of a basically sustainable land use cropping system, a good headstart (land and crop productivity), apparently favourable institutional changes (land reforms, strong grass root rural cooperative movement) and high literacy, Kerala's agricultural development faltered during the quarter century of green revolution when the nation made significant strides in this sector of economic development. Most of the indicators show that not only agricultural production is stagnant, in some cases, even declining trends are setting in. (Rubber, milk and marine fisheries are some of the few exceptions.) It is argued in this paper that lack of appreciation, often tantamount to a refusal to understand, some of the biophysical and socio economic features unique to Kerala and their implications for the formulation of policies and interventions in technology development, economic support and political initiatives that foster agriculture, has been primarily responsible for the situation to which the state's agriculture has come to pass. Given this mind-set, the state relied on many national mainstream policies, strategies and programmes, most of which turned out to be irrelevant and ineffective, and at times even counter-productive to sustain its agriculture.

Being located in the tropics, Kerala receives high incidence of sunlight, has warm temperature and high rainfall, all congenial for high biological activity and biomass production. Together with the undulating topography arising from geological formations, these

natural endowments generate a variety of distinct environmental conditions (valleys, slopes and hills; high-humid tropics of the coast to cool temperate of the mountains) conducive for a variety of crop species requiring contrasting agronomic requirements within a small spatial entity. The implications of these variegated climatic and physiographic endowments are: farms are endowed with multiple microenvironments enabling to grow a variety of crops and products, but constitutes a system highly exacting in management and demanding in a variety of support and services; rigid cropping patterns limiting the choice to within groups and not across groups; and predominance of perennial crops. These conditions, especially the latter, renders Kerala's agriculture less amenable to the dynamics of the market conditions and responsive to the vagaries of economic policies. Though it generates a relatively high value per unit of land (whether as mono crops or inter crops) and is capable of supporting a higher reward for labour input, these crops have low labour absorbing potential and are less amenable to mechanisation (to improve efficiency and reduce human drudgery).

Kerala's agricultural products are dependent on markets external to Kerala (within and without the country). Further, some of them constitute the basic raw materials (coconut, cashew and rubber) for processing industries. All these create monopsonic conditions in the market. Hence commodity prices are highly sensitive to the dynamics (natural or contrived changes in quantity demanded and price) of the market (national and foreign as well). Farm products of Kerala

are subjected to wide fluctuations in price. Therefore, the usual panaceas (cooperative marketing, regulated markets) are of no avail to have stable predictable price vital to production planning and investment. Further, the external control of the markets denies Kerala the benefits of surplus in agriculture (profits from export trade, value addition through processing, and the surpluses from plantation sector) for reinvestment and development of infrastructure including research. Although most of these crop products are significant to the economy of Kerala, they are not that critical in the national context (mainly foreign exchange earners and raw materials for industries whose significance is further reduced under globalisation and liberalised import regimes). With the result, many administrative and political decisions which are crucial to the sustainability of a production system, are often taken to subserve the interest of other actors, and over which Kerala farmers have very little influence. The political and administrative support needed to stabilise the price regime and the market is inaccessible to Kerala's agriculture (unlike the wheat and rice farmers in other states). Inadequate support for research, reinvestment for rejuvenation and infrastructure development are other neglected areas which are, however, very critical in sustaining Kerala's agricultural productivity. What price stability and investment support can do is amply demonstrated in the success story of rubber.

Sustainable productivity increases in Kerala's agriculture depends upon the increased use of labour intensive technologies given the small size of land holdings. The inadequacies of land reforms to vest land to actual tillers; the work ethics imbibed through the prevailing socio-economic values; the growing inflexibility in the labour market due to enfeudatorisation prevents the adoption of labour intensive technologies which are employment generating and productivity increase.

Finally, it is reasoned that given the socio-political context, the fundamental socio economic environment (price instability, low investment in research and development, land ownership, work ethics) relevant to sustainable agricultural development, is likely to continue in the immediate future (the next decade) at least, and the hopes and expectations of agriculture becoming the growth engine and source of employment, are more than likely to be belied. In the

interim, the most likely scenario could be a further shift towards less labour requiring crops (as manifested in the so-called conversion of paddy lands) and high value and high skilled small scale farm enterprises such as flower production. No significant productivity increases need be expected. In the long run, except under the monocropped plantations, land will be retained more as an asset (value appreciation) and source of security (especially old age) and invested and managed more as residential gardens (irrespective of returns) rather than farms (for income and employment).

1. The emphasis and huge investment, on irrigation under a normal rainfall regime of 3000 mm spread over 7-8 months, with total ignorance of the need for providing drainage and preventing waterlogging for congenial crop production.

2. Near waterlogged conditions for most parts of the year in the valleys where two crops of rice are grown are seen juxtaposed with dry hill tops where cashew and rubber which withstand 6-7 months of dry period. Within a short span of 100 km, the land rises from 5 metres below sea level of the high rainfall tropics preferred by rice and fish, to soaring heights of 2500 metres of the cool temperature conducive for the production of tea and cardamom.

3. In valleys moisture loving and tolerant crops such as rice, and with drainage support banana, arecanut, coconut, etc., and on the uplands drought tolerant cashew and rubber, and not vice versa.

4. For land scarce countries modernisation of agriculture means increasing income per unit of land which is obtained through the application of labour intensive technologies and not through mechanisation.

5. As reflected in the predominance of agricultural labour over cultivators (2:1), skewed distribution of operational holdings (marginal holdings account for 91% holdings but only 46% of the land with average size less than 0.20 ha), communities castigated as scheduled castes who constitute the bulk of the agricultural labour operate only 0.6% of the holdings and 0.2% of the cultivated.

6. The upper socio-economic groups of the community including higher castes who own bulk of the land seldom work on the land; low participation of family labour in farming; the reluctance of the schooled youth irrespective of the socio-economic

strata to which they belong, to work on the farm more for physiological reasons rather than psychological and social reasons.

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02

AGRICULTURAL DEVELOPMENT IN KERALA: SOME ISSUES

D.Narayana

An Overview

Crop production in the state of Kerala is marked by its own specificities. The state has a high density of population and low land-man ratio. The share of food crops in the total area under cultivation is also one of the lowest. This small state consisting of many agro-climatic zones, conducive for growing spices and other cash crops, has a fairly high proportion of area under cash crops, many of which are perennial crops with their own gestation lags and time structure of production.

Over the last century the state has become chronically deficit in food. The responses have been many and varied. Reclamation of low lying areas on the one hand and conversion of the forest cover on the other have played important roles at specific times and places. Import of rice had also been resorted to. But the chronic food shortage during the Second World War and the spiralling food prices led to two distinct developments in the state. Some degree of self sufficiency in food production became one of the goals of state policy and massive resources were deployed in rice-centred irrigation projects. Over the decades the state has set up one of the efficient public distribution systems (PDS) in the country.

The post independence period witnessed India traversing an inward looking growth path. Within the environment two cash crops, namely, rubber and coconut, came to acquire importance. Imports were systematically brought down/restricted and the domestic production was allowed to take advantage of the protected market. In addition, various production and price support measures were introduced. The other cash crops being basically export oriented ones responded to the vagaries of the world market.

Kerala has a long history of

agricultural research. The gains of an earlier period in rice production were not insignificant. Kerala was also one of the states to make early gains by introducing high yielding varieties. But the early gains could not be sustained and by the late seventies there was a Green Revolution taking place elsewhere in India. The poor gains with the HYVs, the time and cost overruns with the irrigation projects and the spectacular developments in the livestock sector virtually sealed the fate of the rice sector in the state. The PDS came to depend entirely on imports of rice on state account from outside further depressing the rice sector. But the relatively cloistered environments for coconut and rubber attracted massive areas from the food crops. Thus, by the time the irrigation projects planned for rice cultivation were slowly coming into fruition the whole premise of rice cultivation itself had changed.

The relatively protected environment for both rubber and coconut within India has attracted other states into the cultivation of these crops. While coconut cultivation in the other southern states has made considerable progress it is still at a low key for rubber. These developments together with the liberalisation of the early nineties have put considerable pressure on the profitability of both the crops in the relatively higher money wage rate regime of Kerala. The counteracting force of higher yield has not been witnessed in the case of coconut, but rubber has shown these tendencies.

There are two other factors which had influenced the development of agriculture in Kerala. The struggle for land reforms has a long history in Kerala. By the late sixties Kerala had one of the most comprehensive land reform legislations enacted in India. This together with the low land-man ratio had given rise to extremely small size of

operational/ownership holdings. Kerala is known the world over for its high level of social development. This has come about with the spectacular developments in the health, education and infrastructure sectors. In fact, the sectors which had shown significant growth in employment are these social sectors and trade and transport. Such employment has necessitated the movement of people through the educational channel and locational spreading over a wide area. Land reforms, large scale crop shift away from food crops and the locationally spread out employment in social and service sectors have given rise to multiple sources of income. Crop production for many has become a part-time occupation. Thus, the agricultural development in Kerala has given rise to a complex structure, with many interconnections, responding to diverse forces.

The Studies on Agriculture

In contrast to the extremely complex structures that have come to develop in Kerala with regard to its agriculture, the studies have a narrow focus. Most of the studies are on individual crops and they study specific dimensions. They have gone on to study trends in area, production, yield, and prices. Very little has been said on inter-connections, or inherent production structure. They have remained largely empirical statistical. To illustrate, while there are detailed studies on the trends in production and yield of rice in Kerala on the one hand and the coverage of PDS and purchase pattern across consumption classes on the other the simple question as to the impact of the large-scale import of rice on PDS account on the open market price of rice has neither been asked nor answered. The studies on the allied livestock sector have highlighted the aspect of its growth on the base of a small food crop sector. But the studies on the food crop sector have not gone into the issue of the impact of the spectacular growth of the livestock sector and the demand emanating from it on food crops. Similarly, while fragmentation of holdings and multiple sources of income have become a dominant characteristic of the economy there does not exist a single study dealing with this issue. Without such studies how can one ever evaluate the various price/income stabilisation and production

support programmes? In a situation of multiple sources of income any talk of stabilisation of income from any single crop becomes meaningless.

The Issues

Many lessons can be drawn from the developmental experience of Kerala during the last forty years. First of all, it is a case of a small, chronically food deficit state striving to attain some degree of food security by embarking on institutional reforms on the one hand and investment on medium/large irrigation projects on the other. Basically the approach has been one of conditioning the institutional and physical environment. Although technology (HYVs) and price environments were not neglected by the policy makers, they were not in the forefront. The spectacular developments on the technology front elsewhere - Green Revolution - came to impinge on the price environment turning upside down the whole premise of the food production strategy of the state. What to make of the large public investments that have been made over the years?

The response at the micro level has been to shift area over to crops which have a protected market environment. This again has come under pressure - in the case of coconut - from producers from other states, who have had the advantage of larger scale of production, better control of the physical environment and lower money wages. The technology of production being comparable yield rates cannot be higher in Kerala and the sector would be under pressure. The way out would be to go in for inter-mixed cropping. This is where the extremely small size and the multiple sources of income of the landowners can become the adverse factors. What is the way out of such a situation? One of the institutional forms - tenancy - has been foreclosed. An institutional innovation tried in the case of rice - group farming - has not shown much of a success. Where do we go from here?

Rubber and livestock seem to be showing the way. Both the sectors have witnessed remarkable progress on the technology front and yields have gone up many fold. Although there are detailed analytical studies of livestock development in Kerala similar studies on rubber are lacking. Without such studies what lessons can we draw?

ANALYSIS OF AGRICULTURAL GROWTH IN KERALA**Lelithabhai Sathian***

It has been debated whether Kerala's agricultural performance is facing a longrun stagnation since the mid-seventies or is it only the downswing phase of a production cycle in agriculture characterised by tree crops. In this paper we have made an attempt to re-examine these view points on the agricultural performance of Kerala. With the data that are now available for the second half of 1980s, we have undertaken a detailed statistical analysis of the trends in area, yield, and output at disaggregated levels for major crops and broad regions* for the period 1962/63 to 1990/91. Our exercise tends to confirm the hypothesis of cyclical agricultural growth pattern in the state determined by the nature of its perennial and tree crops.

The analysis of the movements in growth or swings in trend reveals a cyclical pattern of growth in the state agricultural production. The deceleration in agricultural production for the state as a whole started in 1972/73, and recovery in 1982/83. The period I in the analysis is from 1962/63 to 1972/73, period II is from 1972/73 to 1982/83 and period III is from 1982/83 to 1990/91. The study has used annual average growth rates, for analyzing the growth performance.

Growth performance at state level

The state agricultural output increased at the rate of 2.11 per cent, during 1962/63 to 1990/91. Prior to the early seventies agricultural production experienced a high rate of growth of 4.08 per cent. Period II was marked by a deceleration in agriculture with a negative growth rate of one percent, in production. Period III showed a recovery in the growth of output, at the rate of 3.53 percent. It is seen that yield growth was more important in the food

crops production, while it was area growth in the case of non-food crop production. The recovery in production growth experienced in period III was only due to the high growth rate of non-food production (5.61%) even as food production (G.R. = -2.51%) exerted a depressive impact on total agriculture.

A clear shift in the cropping pattern in favour of non-food crops is indicated in the growth performance of area. Area under non-food crops increased from 48.66 percent of total cropped area in 1962/63 to 70.42 per cent in 1990/91. Outstanding performance of non-food crops during period III was initiated by the growth of area under the crops.

Yield growth rate of total agriculture was highest during the period of recovery (3.02%). The rates of growth in production, area and yield achieved by non-food crops has more than compensated for the poor growth performance of food crops in period III.

The area effect was highly contributive to the growth of total output in the entire period, and cropping pattern effect and the effect of simultaneous change in cropping pattern and yield interacted positively. Fluctuation in food production was higher (C.V. = 17.01%) than non-food crops production (C.V. = 14.03%) and total production (C.V. = 12.63%).

KIE region experienced relatively high growth in area (1.06%), production (2.76%) and yield (1.73%) during the entire period. Thrissur also experienced the same rate of growth in yield (1.73%). MPKWKK also realised 1.06 per cent growth in area and 2.36 percent growth in production. However, yield growth rate attained was low (1.27%). Variation in production also was high in KIE region (C.V. = 16.90%). Yield instability during the entire period was more in the case of Thrissur.

In the regions of Thrissur, KIE and

* Thiruvananthapuram and Thrissur districts have not been affected by the formation of new districts and are taken as two regions. The QPA group includes Kollam, Pathanamthitta and Alappuzha districts. KIE group combines Kottayam, Ernakulam and Idukki districts. The MPKWKK group includes Malappuram, Palakkad, Kozhikode, Wynad, Kannoor and Kasargode districts.

Thiruvananthapuram, the contribution of area effect was very high in output growth compared to yield effect, while yield effect was more in QPA and MPKWKK Groups. Considerable effect of cropping pattern on output change also was identified in all regions except QPA Group in period I. Period II witnessed deceleration in agriculture in all the regions, mainly due to decline in cropped area. In the third phase, all regions experienced growth in production at a rate of about 2 percent per annum, mainly through increase in yield, and MPKWKK region recorded the highest rate of growth in output (4.44%).

Highest growth in food crops' production (2.08%) and yield (3.3%) was attained in Thiruvananthapuram and the lowest was in Thrissur (0.35% and 1.48%, respectively), from 1962/63 to 1990/91. In period III Food production declined in all regions because of a sharp decline in area.

Production and area under non-food crops registered a positive growth rate in the whole period, in all regions. Production growth rate was highest in KIE region (3.08%) and the least in QPA (1.61%). The low growth rates of yield need to be explained with due attention to some other factors like bearing period of perennial and tree crops, replanting practices followed, etc., which were not brought into our analysis here.

In period III production grew more than 5 percent in all regions except Thrissur. The highest growth rate of area (3.65%) was experienced by MPKWKK Group, and production (9.19%) and yield (6.28%) by Thiruvananthapuram.

The region-wise analysis points out that there is a remarkable similarity across regions in terms of area change and yield growth of food and non-food crops. However, Thiruvananthapuram deviated from the performance of the other regions, in terms of growth in the case of non-food crops.

Crop-wise growth rates

Decline in area under paddy in the state resulted in poor production in spite of positive response of yield. Period III showed sharp decline in

production, and regionally QPA performed better. Area under tapioca declined, while yield was increasing in all regions. Attraction of high valued and high yielding non-food crops which are profitable to farmers and change in the consumption pattern of the people would have caused the shift in cropping pattern.

Area under coconut has influenced production considerably. The pattern of change in area under coconut was followed by production in all the sub-periods. MPKWKK and Thrissur regions experienced tremendous rates of growth in area (5.45% and 4.5% respectively), and Thiruvananthapuram in production (10.16%) and yield (7.49%) in period III.

Area, production and yield of rubber in Kerala experienced high growth rates during the entire period. Growth rate of area increased from 3.58 per cent per annum in period I to 6.16 percent in period III and had a positive influence on production. Thiruvananthapuram experienced high rate of growth in area and KIE in output in the entire period. In spite of high yield (12.63%) attained in period III, Thrissur registered a sharp decline in area.

Conclusions

From the analysis of agricultural performance in Kerala at state and regional levels one could see that there is a recovery from a decline since the early 1980s. Total agriculture showed growth in production and yield due to a shift in cropping pattern in favour of non-food crops.

Earlier studies attempted to identify factors underlying the trends and patterns of agricultural growth in Kerala in terms of economic, technological, institutional and environmental factors. However, these studies do not bring forth the manner in which these factors interact with each other and influence the performance of agriculture. In a state where there is considerable variations in the micro environment in which agriculture is carried out, insight into the process of interaction can be gained only by undertaking micro level case studies.

THE IMPACT OF INFORMAL LEASING ON LAND MARKET

S. Harikumar

Introduction

Studies on land leasing reflect two contrasting views. According to one view, tenants are the weaker party and terms of trade and conditions of the lease market are dictated by the stronger party, viz., the landlord. Here land lease is seen as a source of exploitation. This exploitation is very strong where the land market is interlocked with other factoral markets. Some others view land leasing as a semi-feudal institution which inhibits agricultural modernisation. One extreme view is that the leaser-leasee relationship leads to a situation where the better off farmers lease in land to augment their farm income through economies of large scale production. This happens more particularly when the penetration of new technology in agriculture is very high. And this relationship is perfectly compatible with capitalist relations.

The land lease market is highly intricate and dynamic in nature. It can take different forms at different stages. When land leasing reappears in a concealed way, that too, in a state where tenancy is illegal, the relationship takes a different shape. This paper attempts to analyze some of the dimensions of this new kind of leasing and its implications on land lease market, based on a study conducted in Kuttanad. It is argued that this trend signifies the inadequacies and shortfalls in the implementation of land reforms. It also suggests that while land reforms have brought fundamental changes in the agrarian structure of the state, they have not been successful in bringing about radical redistribution of land among landless agricultural workers. Instead, the beneficiaries of land reforms have been largely the intermediary tenants who are no longer pure agricultural households.

Historical background

The traditional agrarian structure in Kuttanad was one which evolved over a long time and was established by the 19th

century. A complex division of labour developed very early based on the caste system and differential rights and duties in relation to labour. This enabled the privileged strata of the society to extract surplus produced by the actual cultivators.

The system of land relations had been altered by land reforms. The land reforms provided conferment of ownership rights on leased-in land to tenants and gave the landless hutment dwellers not only fixity of tenure but the right to purchase ten cents of land at a nominal price. The legislation also put a ceiling on land holdings with some exemptions.

The large scale owner cultivators were affected by the land reforms only to the extent that a ceiling was imposed on their holdings. The peasant proprietors were not affected, but rented land owning class was completely eliminated. The tenants who were mostly upper caste Hindus and Syrian Christians became owners of their leased in lands. The actual cultivators, mostly people belonging to the Pulaya and other depressed communities, were by and large kept off the benefits of land reforms except for the fact that they were given ownership rights over their homesteads. This is not to say that a few of the agricultural labourers of Kuttanad had benefited from the distribution of surplus land.

Paddy cultivation in Kuttanad shows signs of stagnation in terms of production, productivity and area under cultivation. The terms of trade have been unfavourable to the farmers, especially to paddy cultivators after the mid-seventies. The large farmers may have been able to withstand the adverse situation because of their greater staying power. On the contrary, the middle and small peasants are severely affected by this. The incidence of unemployment and underemployment is very high in the region and life of this class of people is characterised by very low levels of employment and consequent poverty and starvation. With this background we analyze the emergence of informal land leasing and its impact on

land relations of Kuttanad.

Characteristics of Lessor and Lease Households

Ownership and Operated holdings: Our study reveals that nearly 60 percent of the farmers are small farmers and possess nearly 23 percent of the land and large farmers 56 percent. Of the 400 sample households, nearly 10 percent leased out land. Of the total holdings, nearly 41 percent are leased out. Of this 42 percent is leased out by the medium farmers and the remaining by the large farmers. None of the small farmers leased out the land. The pattern of land market revealed that nearly 26 percent of the households entering into the land lease market leased in land and 87 percent of them were small farmers and the remaining were medium farmers and that too farmers with land holdings less than 7.5 acres.

Terms and conditions of land leasing

Land is leased out to a leasee for a strictly short period, say, for one crop. After one crop the land owner takes back

the land and will give to a new leasee or he cultivates himself less intensively.

There is only fixed rent tenancy in the region. The payment is made in kind or cash.

The terms and conditions of this type of tenancy in Kuttanad show that the relation between the landlord and tenants is not one of dominance and dependence. There is freedom to enter the land lease market. Comparison of pre and post land reforms period shows that the participation of tenants in manual operations during pre-land reforms period is relatively high. Exploitation was very high. There is no security of tenure. In both situations, rent as a proportion of total produce is very high.

The impact of land leasing

The most significant trend in paddy cultivation in Kuttanad is that tenancy is reappearing in a concealed form. This may be seen as a reversal of an earlier institutional arrangement of farming. This form of subsistence farming signifies a stagnation in agriculture.

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05

SUSTAINABLE LANDUSE AND PADDY CULTIVATION : MACRO REALITIES AND MICRO TENDENCIES

N.C. Narayanan

The paper highlights the need to conserve paddylands and protect the wetland ecosystem of the valleys in the midland and moderate highland terrains of Kerala. A survey of the literature to bring out the salient features of the historical evolution of landuse dynamics, with an emphasis on paddy cultivation at the state level is attempted. It is observed that the area under paddy either remained stagnant (in the colonial period) or declined sharply (as the post mid-seventies) barring some years from early fifties till mid-seventies. The observations suggest that institutional factors are as responsible as the economic factors like prices and labour costs in shaping the landuse pattern at the macro level.

Being basically an agrarian economy, the state encouraged cultivation of commercial crops which was produced for the external market. Due to this,

the area under commercial crops in the state increased steadily during the whole period of analysis. Import of food grains kept the price of rice relative stable except during World War II and the latter part of sixties. The increasing cost of cultivation without the commensurate increase in prices resulted in the decline in profitability of paddy cultivation. Supply of rice through PDS also ensured availability of the grain at fair prices which prompted the farmers to earmark more and more areas under commercial crops.

More remunerative prices of competing crops also played a vital role.

Traditional institutional structure of paddy was one where the respective roles of every community was fixed. The cultivation was done on a non-commercial basis. The social changes in Kerala, brought about particularly with the spread of education, induced a tendency

for all sections of the society to move away from traditional agriculture. The increased possibilities of occupational mobility after 1970's also added to this. The fragmentation of land made holding size uneconomic. The enhanced remittances which came into the economy increased the land value due to speculation in real estate. All these factors cumulated in a situation where traditional agriculture, became an unprofitable option.

Along with these macro insights of the process of change, the reasons for the changes in paddy cultivation at the micro level were assessed by making a village level study of a specific region, Madakkathara in Central Kerala. A generalised landform map was prepared with a background of the soil and water availability parameters and the desirable landuse in each unit, conformable with the landform ecological peculiarities of these units were worked out. It was seen that the most desirable landuse in the valley fills is paddy cultivation since it conserves the essential wetland nature of the unit. The physical changes of the paddy growing area in Madakkathara was studied using the Survey of India toposheets and aerial photographs which revealed the phenomenal decline from 1100 ha in 1910 to 330 ha in 1990. Originally paddy was grown in the valleys and intervening side slopes and this was seen shrinking to the valleys. The changes in the first phase lasting up to 1967 was seen to be an ecologically desirable change since it reduced paddy cultivation in the slopes which generated soil erosion. A single crop paddy was being cultivated and the land was being followed for the rest of the year. But

after seventies the waterfaciled valleys growing paddy was being converted to dryland which have serious environmental consequences.

A survey of the paddy cultivating households in the study area revealed that the most serious problem facing paddy cultivation was availability of water. The availability of water is considerably reduced due to deforestation and erosion in uplands and consequent silting and reduction in water holding capacity of the streams in the valleys. The irrigation and drainage systems are in a state of neglect and need urgent repair since they are clogged due to improper maintenance.

The socio-economic survey revealed that cultivation of paddy have ceased to be the main income of the paddy growing households. Availability of alternative employment opportunities, occupational mobility and changing attitudes particularly due to spread of education is keeping people away from traditional agriculture. Inherent nature of the soil makes it less responsive to chemical fertilisers which coupled with lack of availability of organic manures has led to a situation of low yields and returns. The phenomenon of conversions impose unidirectional externalities on the cultivating farmer which leads to more conversions. The extensive fragmentation of holdings has brought a situation where paddy has become a subsistence cultivation from which increasing number of people are shifting.

The paper also briefly evaluate the earlier paddy boosting programmes and discusses the problems relating to operationalising the conceived strategies to enhance paddy production.

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INSTITUTIONAL CREDIT FOR AGRICULTURE IN KERALA A DISAGGREGATED ANALYSIS

S. Sunanda*

Adequate supply of institutional credit is a necessary but not a sufficient condition for agricultural development. The main institutional agencies which provide credit for agriculture are Government, Co-operatives and Commercial Banks. Among the Indian states, Kerala has the highest per hectare credit

availability of agricultural credit of all the institutional agencies. But despite the increasing trend in credit support for the various agricultural and allied activities, the result in terms of production and productivity in Kerala is not commensurate with the investment, except in the case of rubber.

There is, in fact, an upward trends in the disbursement of agriculture credit compared to a slow growth in agriculture performance in the state especially after 1974-75. On the other hand, the growing importance of the role of agricultural credit as a stimulant for agricultural production is widely recognised. Yet studies on the agricultural credit performance of the state are lacking.

A survey of history of the development of banking in Kerala showed that the possible factors which favoured the development of banking activities in Kerala were the large scale sub-division of holding due to the changing property right regulations, the large scale reclamation of land, commercialisation of agriculture and the sporadic development of agro-processing and trading activities backed by sound transport facilities. In the fifties itself the banking sector in Kerala gave much importance to agriculture and its allied activities. With nationalisation improved techniques, new methods and multifarious novel schemes have been adopted in the development of credit, particularly agricultural credit. Through comprehensive branch expansion programmes and introduction of lead bank scheme and service area approach, the banking infrastructure was well developed both in urban and rural areas. Both in terms of per capita deposits and per capita credit, Kerala is better placed compared to the all-India position.

An analysis of the growth rate of total institutional agricultural credit shows that the quantum of credit disbursed by them has increased manifold during the period of analysis in the state as a whole (1961-62 to 1985-86) and also in the districts/group of districts (1964-65 to 1985-86). This may be due to the increase in the number of marginal and small land holders whose demand for agricultural credit will be higher. The increase may also be due to increase in area under non-food crops, and the implementation of the 'Kerala Chitties Act' in August 25, 1975, which led to the reduction of Kuries and there by to an increase in the need for institutional credit. The data show accelerated growth rates in credit expansion especially in the second period, that is, since 1974-75. From the inter-institutional comparison, it is observed that commercial banks are performing better than co-operative institutions. However, co-operatives still dominate in agricultural credit in almost all places in Kerala, except Thiruvananthapuram. In the inter-district analysis we found that Thiruvananthapuram is performing better as far

as the disbursement of any type of agricultural credit is concerned, be it co-operative or commercial bank. This may be mainly because of the opening up of a large number of new branches all over the district, the increase in the number of operational holdings and also the increase in the area under non-food crops. In the term-wise analysis, it is revealed that in the state as a whole and across districts, short-term loans accounts for a high proportionate share in the total credit. Finally in the use-wise analysis, it can be seen that total non-agricultural credit of PACSS has recorded the highest growth rate during this period. This is mainly because of the increase in the short-term non-agricultural loans in the districts. It may be observed that this increase in short-term non-agricultural loans in the state and in almost all the districts/group of districts may be one of the reasons behind the increased number of agro-processing industries, especially rubber processing. The share of short-term agricultural loans has decreased tremendously over the period of analysis. Recovery performance of total agricultural credit shows that there is more than 50 per cent recovery across the districts for all the institutions during the period 1987-89. Among the institutions the recovery position of PACSS is the best, followed by Primary Agricultural Development Banks (PADBs). Their performance is relatively better than that of the commercial bank, mainly because for co-operative societies staff are employed for collection of dues, which is absent in commercial banks.

The analysis of size-class variations in the agricultural credit disbursement shows that during the two year, 1980-81 and 1985-86, the highest share of direct agricultural credit by commercial banks and co-operatives is for the marginal and small farmers (i.e., weaker sections). The commercial banks and PADBs per hectare credit is also high for small and marginal farmers. But it is less in the case of PACSS. Though the commercial banks are serving the marginal and small farmers in a greater proportion, in quantitative terms they are much below the PACs and PADBs. By 1985-86 the situation has improved especially in the number of small farmers served by commercial banks and also the marginal and small farmers served by PACS. At the same time the percentage of medium and large farmers served by the PACSS is more than their actual number. So the same farmers must be taking loans from different banks. Our analysis of inter-district

variations in agricultural credit showed that only in Ernakulam and Thrissur, the two historically well developed banking districts, the co-operative credit per hectare and commercial credit per hectare were above the state average in 1974-75 and 1985-86. At the same time Palakkat's position in co-operative and commercial bank credit availability per hectare is declining over the years even though it is they most important rice producing district. Similarly in the northern districts of Kerala, the co-operative credit per hectare is very low compared to other districts. It was also observed that while the inter-district disparity of commercial banks agricultural credit per hectare decreased between the end periods 1974-75 and 1985-86, the co-operative banks agricultural credit per hectare disparity across the districts increased over the period of analysis.

From the principal component analysis we found that the inter-district variation in the commercial bank agricultural credit per hectare could be explained by the variability in the banking and land holding variables. But when we examined the extent of their correlation we found that only the banking variable is significantly correlated with commercial bank agricultural credit. This implies that the districts which are developed in banking variables are the districts getting more agricultural credit and vice versa. But even this variable was not correlated with commercial bank agricultural credit per hectare in 1985-86. At the same time the inter-district variation in the co-operative agricultural credit per hectare for the period 1974-75 can be explained by the variation in the banking, agriculture, stock and land holding variables. But in 1985-86 only banking and land holding variables have a similar pattern of variance or have co-variance along with co-operative agriculture credit per hectare. However, only banking and agricultural variables have significant correlation with co-operative agricultural credit per hectare in 1974-75. In 1985-86 only banking variables and co-operative credit per hectare are significantly correlated. It implies that in 1974-75, the co-

operatives while lending agricultural credit, took into consideration the areas where credit is more needed for agricultural (food crops) purposes. But by 1985-86 the co-operative banks were giving agricultural credit to those places which are more developed as far as banking variables are concerned.

Conclusions

The result of the study showed that though agricultural growth is stagnant in the second period, the agricultural credit disbursed by all the institutions has shown significant growth. The reasons for this mismatch could be: (1) due to the shift in the advances from agricultural purposes to non-agricultural purposes in a larger proportion; (2) the decrease in the share of short-term agricultural loans leading to insufficiency of credit for directly productive or current agricultural purposes; (3) despite a greater proportion of institutional credit being advanced for weaker sections (small and marginal farmers), the proportion of holders out of the total holders, served by commercial and Primary Agricultural Development Banks is very low. Therefore, a great number of small and marginal farmers would still be facing paucity of credit, which will indirectly affect the agricultural performance; (4) the decrease in the position of Palghat which is one of the most important rice producing districts in the state, in the per hectare availability of agricultural credit, must have also affected the agricultural performance; and (5) the insignificant correlation between agricultural credit per hectare and agricultural variables in 1985-86, can also be a reason for the mismatch between rising agricultural credit and declining agricultural performance.

In some cases agricultural credit is going to districts which are comparatively less developed in agricultural variables, but developed in banking variables. Hence, to some extent the credit is going for non-agricultural purposes, to achieve the targets set by the Reserve Bank of India, i.e., possible misutilisation of agricultural credit.

14 FINANCIAL SECTOR

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01

FINANCIAL CONSTRAINTS TO KERALA'S ECONOMIC DEVELOPMENT

I.S. Gulati, N.K. Narayana

The average annual growth rate in Kerala has lowered around a very modest rate of 3 percent during the forty years of 1950-91. What is more the growth has not been steady, with growth ranging from 1.56 percent and 5.5 percent. It is also noteworthy that the rate of growth of the State's economy has been continuously less than the national average, resulting in the widening gap between the State's percapita income and national percapita income.

There are several factors behind the growth profile of the State. The low rate of growth of income itself has created a vicious circle of sorts; with low income generation, leading to lower savings and hence low levels of investment and so on. In addition, the spending pattern followed by the State Government in the past has resulted in a substantial decline in the budgetary savings over time, culminating in huge negative budgetary savings in recent years. Even though this spending pattern had some very positive gains to claim in the areas of education and health, it has not only meant relatively lower spending on physical infrastructure in the State but also created a situation in which those achievements in regard to social infrastructure are in real peril for want of adequate budgetary allocations, caused largely by the negative budgetary savings.

The constraint in State's finances has affected the State's outlays under its Five Year Plans. During the Fifties and Sixties, Kerala's percapita plan outlay was close to or even higher than the all State's average. From the Fifth plan onwards, however, Kerala has been falling behind. For the Eighth Plan,

covering the period 1992-97, the percapita plan outlay of Kerala falls short of all States' average by almost 12 percent which is a substantial gap. The State's inability to improve upon its budgetary savings is the foremost reason for such a low level of its percapita plan outlay.

A State Government's ability to generate Budgetary savings critically depends on the current revenues it can lay hands on and the current account expenditures it incurs. If its revenues exceed the Government's current expenditures it has a surplus that can be ploughed into capital outlays. On the other hand, if the Government incurs deficits, it has to mobilise receipts on capital account, in other words borrow, to cover the deficit before it can think of incurring capital outlays.

The revenue budget of Kerala remained in the red for most part of the past 20 years since 1975-76, which brings to light the inherent weakness of the State's economy. Its magnitude has grown manifold during the Seventh Five Year Plan period and in the years subsequent to that. This was due not to low level of or poor growth in revenue receipts, but to a higher level of growth in revenue expenditure.

Large revenue deficits year after year in the State's budget has forced the State to follow the unhealthy practice of diverting the funds borrowed for investment purposes to meet its revenue expenditures. For 1994-95, the estimated revenue deficit in the State budget is of the order of Rs.833 crores. The ratio of revenue deficit to total revenue expenditure rose from 5 percent in 1985-

86 to 16.5 percent in 1944-95. Heavy dependence on borrowed funds at high cost to meet the revenue expenditures, apart from largely restricting the prospect of higher percapita plan investment, casts a heavy burden on the State's fisc in the form of mounting debt servicing liability.

Major share of the revenue expenditure is of a recurring nature such as salary and other establishment expenditures especially on social services. As a result the budget of the State is more vulnerable to increase in cost of living. Of the total estimated revenue expenditure of Rs. 5053 crores during 1994-95 over 70 percent is on such sectors which do not yield any return to the State Government. Of this Rs. 750 crores is for interest payment alone.

Revenue receipts of a State Government comprise of two parts, (1) own revenues and (2) revenue transfers from Central Government. Kerala's rank of quite high among the States in terms of the level of own tax revenues raised and their annual growth. However the level and growth in non-tax revenues have been dismal because of the poor performance of the State's public sector enterprises. The total investment made by the State Government in its public sector enterprises as on 31-3-93 amounted to Rs. 513 crores. The dividend received by the State Government in 1990-91 was Rs. 2.38 crores representing only 0.50 percent of the investment made by the State Government.

As regards Central revenue transfers the State has been receiving a relatively raw deal. This is particularly so in regard to the Finance Commission transfers. To a very great extent the financial difficulties faced by the State Government is due to the higher expenditures on education and health which of course enabled the State to achieve some of the national goals ahead of time. To put it differently, the problem faced by the State is one of success induced problem. Even though the Planning Commission and the successive Finance Commissions have taken note of the success achieved by the State in these areas, there is inadequate recognition of the fiscal problems of the State by these bodies, particularly the latter.

While Finance Commissions attempt to push up expenditure on social services in those States that are lagging behind in education and health by allotting additional funds for upgrading these services, there was no such attempt to peg up investment in economic services in

a state like Kerala which had made enormous outlays on social services at the cost naturally of economic services. What is more they have turned a blind eye to the second generation problems like the mounting educated unemployment generated by the success of the social services sectors in Kerala. The recent Finance Commissions, even failed to provide expenditure requirements based on what was actually spent on some of the sectors in the preceding years. The relative decline in Kerala's percapita plan outlays perhaps points towards this omission.

The sluggish growth in the State's economy is due partly to the inadequate flow of investment funds from the institutional agencies. The dwindling share of Kerala in the funds disbursed by All India Financial Institutions coupled with the declining credit-deposit ratio of bank finance together have dampened the process of development in the State. Kerala's share in the funds disbursed by All India Financial Institutions as on 31-3-93 was only 2.2%, only Assam had a lower share than Kerala among the major states. The credit deposit ratio of bank finance which stood at 64.77% as recently as in 1988 has declined to 43.11% as on 31-3-94. A matter of more serious concern is the declining share of the Central sector investment in the State, from 3.24% in 1975 to 1.29% as on 31.3.94. These do have a direct bearing on the weak resource base of the State of Kerala which in turn is a major causative factor for the financial constraints faced by it.

The State faces a sort of blind alley. It cannot cut down the social services, the public won't allow this to happen. But because the State has to incur ever increasing revenue account deficits, the size of its plan outlay goes on declining. The only way out of the sort of 'trap' Kerala faces is (1) for the Finance and Planning Commission to give due recognition to the achievements of the State in social services in the devolution of funds from the Centre sufficient to enable the State to build up its economic infrastructure, and (2) for the Central Government to allocate to Kerala a share of Central and Centrally sponsored private investment reasonably larger than its population share so that the present gap with regard to economic resources in the State is closed at the earliest. Of course the State has to make all efforts to keep its current revenue expenditure in check so that it can divert maximum resources to the improvement of its economic services.

GROWTH AND PERFORMANCE OF REGIONAL RURAL BANKS - A STUDY IN KERALA

C. Krishnan

Availability of banking and credit facilities may not be a sufficient condition for the development of people, but, is certainly an essential condition for their development. According to Joseph A. Schumpeter, "Credit was a phenomenon of development and the banking system a key agent in the process of development".

Non-availability of credit at the right time, rate and quantum was a major problem in Indian villages. Organised institutional credit agencies had hardly played any role during the early years. The rigidity of commercial banks and the domination of the affluent in co-operatives have made institutional credit outside the reach of the rural poor. It was, therefore, considered expedient that new institutions be created to cater to the overall requirements of rural credit. This resulted in the establishment of Regional Rural Banks (RRBs) (on the recommendations of Narisimham committee in 1975).

The commercial banking institution under the name of RRBs (it is also known as "Gramin Banks") appeared on the rural credit scene of India in 1975. The first five Banks commenced business on 2, October 1975. Regional Rural Banks Act was passed in 1976. This was considered as one of the major structural changes in rural banking in India. According to the Regional Rural Banks Act, RRBs are set up mainly, "with a view to develop rural economy by providing for the purpose of development of agriculture, trade, commerce, industry and other productive activities in rural areas, credit and other facilities particularly to the small and marginal farmers, agricultural labourers, small entrepreneurs for matters connected there with and incidental there to". A brief evaluation of the working of RRBs in Kerala is attempted here.

According to the indicators of banking progress, Kerala ranks second among Indian States for prosperous banking. At present, the State has one bank office for every 9,000 people. As in other parts of the country, in Kerala

also the small and marginal farmers are deprived of timely and adequate credit. In establishing RRBs in Kerala, preference was given to the Malabar Region, as this region was economically backward and lacked a strong commercial banking sector.

South Malabar Gramin Bank (SMGB) was the first of the RRBs to be established in the State. It was sponsored by the Canara Bank, and started its operation on the 11th December, 1976, with its headquarters at Malappuram. The area of its operation is confined to Malappuram, Kozhikode and Wynad districts except Manantody Taluk. The second and the last RRB with the name, "North Malabar Gramin bank" (NMGB) started functioning on 12th December 1976, with its headquarters at Kannur, to cover Kannur and Kasargod districts and Manantody Taluk of Wynad district, the sponsoring Bank being the Syndicate Bank.

The important parameters to evaluate the performance of any banking institution are branch expansion, credit expansion, deposit mobilisation, recovery of loan, profitability etc.. Since the RRBs are created to meet certain social objectives, the last of the parameters referred to above, i.e. profitability, has to be given secondary importance.

Branch expansion

Regional Rural Banks in Kerala started functioning initially with 8 branches. A vigorous branch expansion was initiated in order to reach the people and the places of the area of operation. The Bank has a network of 269 branches at present controlling about 35.62 percent of the bank offices in the command area of RRBs. Population group wise distribution of RRB branches in Kerala show that about 46 percent were in rural areas, 53 percent in semi-urban areas and hardly one percent in urban areas. The branch expansion of RRBs was found to have decelerated since 1988.

Credit deployment

Advance portfolio of RRBs differ

from that of commercial banks in many respects. The lending activity is primarily directed towards priority sectors and sections. The quantum of loans advanced rose from Rs.244.02 lakhs in 1977 to Rs.22649.04 lakhs by the end of March 1993. The average loan per branch stood at Rs.84.14 lakhs in March 1993. The advance per account reveals that RRBs in Kerala is a small man's bank. The share of agricultural sector in the total credit was 60 percent in the early eighties. In the subsequent years, the share of this sector has shown a decreasing trend. The structure of agricultural credit showed that more than 80 per cent was in the form of short-term advances. The short-term agricultural loan comprises two loan schemes, viz, Agricultural Crop Loan (ACL) and Agricultural Gold Loan or Jewel Loan (AGL\AJL). Agricultural Gold Loan was found to be used mainly for non-agricultural purposes like paying of old debts, construction of houses, conducting of marriage etc.

The main components under non-agricultural advances are for village and small industries, retail trade and professional and self-employed people. RRBs are playing an important role in implementing most of the Government sponsored schemes.

Deposit mobilisation

Deposit mobilisation determines banks working and viability to a great extent. The concerted efforts of RRBs resulted in an impressive growth in deposits. By March 1993, RRBs in Kerala had mobilised Rs.17111.44 lakhs as deposits. The average deposits per branch was Rs.63.61 lakhs in March 1993. Compared to all-India figures, this achievement is commendable. It was achieved despite the several hurdles. Competition from the network of well organised commercial banks, strong co-operative sector, indigenous bankers and parabanking agencies, the presence of post-offices saving bank scheme, absence of Non-resident External (NRE) accounts etc., are some of the major hurdles in the way of RRBs deposit mobilisation.

The credit-deposit ratio maintained by RRBs in Kerala is highly appreciable.

Recovery of loan

Despite a good record of recovery of RRB loans, in certain cases/purposes (eg. AGL, Retail Trade etc) considerable proportion of the loans outstanding was overdue from the borrowers. This was

more pertinent in the case of NMGB. Though defaults had occurred for genuine reasons, the case study conducted by the researcher showed that most important reason was the negative attitude of the borrowers towards loan repayment. Such an attitude was found mainly due to the politicisation of rural credit mainly by way of loan waivers or assurance to waive loans by various political parties.

Profitability

A disquieting feature in the functioning of RRBs has been their unsatisfactory working results, giving rise to mounting losses over the years. In Kerala RRBs had been functioning on profit upto 1990-91, except for 1977. The situation seems to have deteriorated.

Manpower

The RRBs in Kerala have a workforce trained to the requirements of rural people. Their number rose from 392 in 1977 to 2,634 in 1993. More than 90 per cent of the staff of RRBs in Kerala were trained from different centres.

Conclusion

From the analysis it is clear that RRBs in Kerala with their rapid branch expansion programme have vastly increased the banking facilities, particularly in the rural areas of Malabar Region. The RRBs besides taking banking to the nook and corners of the Malabar Region, have mobilised considerable deposits and also have been able to bring in funds from outside to meet the requirements of the local economy. As a result there is an increase in the flow of credit in its area of operation. The credit-deposit ratio, recovery of loan etc., were also commendable. However, of late, RRBs have turned out to be non-viable. A pertinent question in this context is whether they should be allowed to continue? The Khusro Committee which went into the problem of Agricultural Credit System in India has unequivocally recommended the disbanding of the RRBs as their performance can not be improved because of their built-in non-viability. However, non-viability is not a sufficient ground for doing away with a system specifically developed to meet the financial requirements of the rural down-trodden in the absence of alternative institutional arrangements. What is more pertinent and advisable in this context is to improve the viability of these institutions, rather than disbanding them lock, stock and barrel.

IMPACT OF FINANCIAL INSTITUTIONS IN THE RURAL DEVELOPMENT OF KERALA WITH SPECIAL REFERENCE TO THRISSUR DISTRICT

K.B.Pavithran

The paper attempts to make an empirical evaluation of the lead bank scheme and its impact.

The study covers the working of the following financial institutions in Thrissur district.

- a. Commercial Banks
- b. Primary Agricultural Co-operative Credit Societies
- c. Primary Co-operative Agricultural Development Banks, and
- d. Kerala Financial Corporation.

These are the four major institutions directly financing rural economic activities and coming under the "District Credit Plan" of the Lead Bank Scheme.

Relevant information have also been collected by holding discussions with various officials of the commercial and Co-operative banks, societies, financial and non-financial agencies, the district administration, government bodies and Lead Bank Officers.

The primary data have been collected from the borrowers and non-borrowers.

For the purpose of intensive study, Thrissur district has been selected. A multi-stage systematic random sampling technique was adopted for obtaining the borrowers sample. In the first stage, three blocks of Thrissur district - Pazhayannur, Irinjalakuda and Thalikulam - representing the divergent topographical features of the district have been selected by using stratified random sampling technique, assuming that the data gathered from the three blocks in aggregate would reflect the general picture of the district. The collection of field data was confined to these three blocks in order to make use of the limited resources available.

Out of the total 45 commercial bank sources in the three blocks, 11 were in Pazhayannur, 18 in Irinjalakuda and 16 in Thalikulam block. In the second stage, two bank branches each from private and public sector were selected at random from each of these three blocks. Likewise, out of 25 primary Agricultural

Credit Societies, Pazhayannur, Irinjalakuda and Thalikulam blocks has 8,9 and 8 societies respectively. Since the working of most of the societies is similar in nature, it was decided that a sample of two societies from each block will be sufficient for the study. Regarding the primary Co-operative Agricultural Development Bank, The Cochin Co-operative Agricultural Development Bank is the only one of its kind in Pazhayannur and Thalikulam blocks together and The Mukundapuram-Kodungalloor Co-operative Agricultural Development Bank in Irinjalakuda block. Kerala Financial Corporation, which has a branch office in the Thrissur town has been taken for the study, since the whole district is covered by this office.

In the third stage, the complete list of borrowers, who were assisted by these institutions during the financial year 1983-84 in the selected blocks, was taken from their respective branches selected. There were 741 borrowers in Pazhayannur block, 759 in Irinjalakuda block and 743 in Thalikulam block forming a total of 2243 borrowers. It was decided to select 20 percent of the total borrowers as samples. In all 450 borrowers - 150 from each block - were selected using the method of systematic random sampling.

In order to obtain the view from the people who do not get benefit from the financial institution, it was decided to select a small sample of non-borrowers also. The total number of non-borrowers to be selected was fixed at 50 per block, which came to 150 in total. In selecting the non-borrowers, care was taken to see that they have socio-economic features identical to the borrowers samples in the respective areas.

The field study was conducted during the period from Sep., '86 to March, '87 and the sample borrowers selected for field investigation are those who have availed assistance during the financial year 1983-84.

The following are the major observations emanating from our field enquiry.

Financial institutions have to take

steps to simplify their procedures for giving loans. Delays are to be eliminated or minimised to possible extent.

The cost of borrowing for the lowest income-group was found to be very high, compared to higher income-groups. Therefore, steps should be taken to minimise the cost, at least in the case of the low income-group borrowers.

Lack of proper supervision is an important factor responsible for overdue. It has been observed that even simple notices reminding the borrowers would help the institutions in recovering overdue amounts.

The loan amount should be adequate with reference to the purpose for which it is to be used. An appropriate repayment schedule is to be drawn up by the institutions so as to match the expected returns from the schemes and it should be reasonable with reference to borrowers circumstances.

Necessary training have to be imparted to the Village Extension Officers and Block Development Officers for identification and preparation of IRDP schemes, implementation and follow-up actions. The beneficiaries thus identified should be familiarised with

the various aspects of the schemes.

The Government may enact necessary laws to include the Co-operative Agricultural Development Banks in lending to weaker section by reducing the security norms.

The Government help rendered to the SSI units in the form of margin money, investment subsidy, etc. are not made available to the units at the required time, with the result that the very purpose of these concessions is defeated. The licenses and other documents required by an SSI unit will be made available from a single agency.

The insistence on entrepreneurs to purchase the required machinery invariably from the "Approved List" of suppliers often involve corruption and impose the burden of excessive costs. Therefore, it is suggested that the entrepreneurs should be granted the right of choice, complying the norms of purchase.

The proportion of non-recovery is comparatively high with the rich borrowers. Therefore, even from the point of view, recovery greater weightage may be given to low income borrowers.

RURAL BANKING IN KERALA

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04

Raja Gopala Nair

The traditional function of banks of accepting deposits and granting loans has given way to a more dynamic one. Banks are now required to mobilize savings from all sectors of the community and utilize the same for productive use so as to bring about a rapid increase in national income and living standards of the people.

This report is prepared on the basis of a study conducted on Rural Banking in Kerala. For the purpose of the study, 250 rural bank customers and 25 branch managers selected from six districts were interviewed.

Till 1969, most banks in the country confined their operations to urban and metropolitan centres. But in Kerala, commercial banks started functioning in the rural and semi-urban areas even before nationalisation. The commercial character of the state's

agrarian sector encouraged banks to go into rural areas.

Banking indicators reveal that the number of rural branches of commercial banks in the State increased from 118 in 1969 to 867 in 1980. But in 1987 it declined to 607. There were 716 rural branches of commercial banks in the state in 1992 which represent only 25 per cent of the total number of branches, while it is 58.3 per cent for the country as a whole.

Growth of Rural Bank Deposits

The share of rural to total deposits in Kerala increased from 8.6 per cent in 1969 to 16.9 per cent in 1979 and then gradually declined to 8.6 per cent in 1989. The rural deposits in Kerala grew at a compound growth rate of 19.9 per cent, as against 28.6 per cent

at the all India level during 20 year period from 1969 to 1989.

The growth rate of rural deposits in Kerala is at a slow pace when compared to that at the all-India level. This indicates that the remarkable achievement in the deposit mobilisation by the banks may be due to the contribution from semi-urban and urban branches in the State.

Deployment of Bank credit in rural areas

The share of rural lending to total lending at the national level has showed a substantial increase from 1.5 per cent to 14.5 per cent during the period 1969 to 1991. But in Kerala the share of rural lending to total lending has increased from 4.3 per cent in 1969 to 14.7 per cent in 1980 and then gradually declined to 8.4 per cent in 1991. The rural lending in Kerala grew at a compound growth rate of 22.78 per cent, as against 30.46 per cent at the all India level. All this would indicate that the lending by the commercial banks in rural Kerala is not in pace with the all-India level. Credit deployment by the rural banks is showing a declining trend.

Rural banks are not successful in effectively marketing their products or services in the rural parts of the Kerala. This is, in fact, one of the reasons for the growth of private money

lenders (popularly known or blade companies) in rural areas.

The findings of the study are summed up below.

1. Banking is still a habit of males and there is significant potential for penetrating into the female segment in the rural areas of the state.
2. Personal relationship and contact is lacking between the rural banker and the rural poor.
3. Rural customers prefer to invest in financial assets to physical assets. Chitties and Kuries form the major avenue of financial investment.
4. Delay in sanctioning loans and procedural inconveniences in the rural banks have paved the way for the flourishing business of private money lenders.
5. The beneficiaries of the government sponsored lending schemes (IRDP, etc.) as well as the bank personnel were not satisfied with the role played by the VEO or Grama Sevakan in the implementation of the scheme.
6. The presence of commercial banks in the rural areas of the State has not paved the way for rural industrialisation. The survey also reveals that the banks has not taken sincere steps to encourage cottage and SSIs.
7. NRIs are the best potential customers of the rural banks.

15 CONSUMPTION, STANDARD OF LIVING AND SOCIAL SECURITY

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FOREIGN REMITTANCE, CONSUMPTION AND INCOME

T.N.Krishnan

Kerala has been closely integrated in recent times to the rest of the world through migration of its labour force. The importance of this relationship to the state's economy is the focus of this paper.

Eventhough it is recognised that about half the number of migrants from India to the Middle East are from Kerala, reliable data on annual inflows don't exist. In this paper an attempt is made to derive estimates of remittances through an indirect method within a macro-economic frame work. The pair is divided into two parts. (1) The development of an analytical model for estimating consumption function, and (2) Estimation of consumption function and derivation of values of remittances and calculation of their impact on consumption and income levels in Kerala.

The Consumption Model

We have estimated a simple form of consumption function which is basically determined by the level of current income. Current income should include de facto income flows from outside. No estimates are available for the latter. We therefore use for it a proxy in the consumption function, namely per capita bank deposits.

Consumer expenditure has two parts: (1) arising out of domestic income and (2) attributable to remittances. The three variables we have are (a) mean annual consumer expenditure from consumption surveys, (b) per capita state domestic product and (c) per capita bank deposit.

Estimation of Consumption Function

Using data on domestic product consumption estimates provided in NSS and

data on bank deposits, we have estimated that the marginal propensity to consume is 0.71734 for state domestic income. The implicit marginal propensity to consume out of remittance income works out to 0.68. Savings out of remittances income for future consumption is not found to be a significant factor.

Consumer expenditure for the period 1960-72 is attributed to state domestic income; since then it was determined by remittance incomes also. The average propensity to consume out of state domestic product declined from 0.767 in 1972-73 to 0.73 in 1989-90. About 16% of total consumption would be on the average due to remittances during the period.

Consumption, Remittances and State Domestic Product.

Remittances have varied between 15 and 22 percent of state domestic product during 1972-73 to 1989-90. They reached the peak level of 30 percent in 1978-79. Another peak of 26 per cent was reached in 1986-87. The lowest level during the 1980's was 15 percent in 1989-90. These are estimate made on the basis of figures of state domestic product reported by the Department of Economics and Statistics.

Growth Rates

Real percapita state domestic product remained stagnant during 1972-73 to 1987-88. The growth rate rose to 0.90 percent when remittance income was added to state domestic product. But for the decline in population growth experienced in the 1980's the growth rate in per capita state domestic product would have been zero or even negative. Despite the stagnation in per capita domestic income, per capita consumption registered a

steady annual increase at 1.61 per cent during 1960-61 to 1971-72 and at 1.81 per cent during 1972-73 to 1989-90, thanks to the inflow of remittances. If the rate of growth has been maintained during

the years since 1989-90, Kerala's current per capita consumption in real terms would be about double that of 1960-61.

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PUBLIC INTERVENTION AND POVERTY ALLEVIATION: A STUDY OF THE DECLINING INCIDENCE OF POVERTY IN KERALA

K.P.Kannan

During the first half of the seventies when there was a lively debate on the incidence of poverty in India, the State of Kerala presented a paradoxical picture. On the one hand Kerala had achieved remarkable progress in such human development indicators as education and health but, on the other, remained one of the most poor states as measured by household consumption expenditure. It is by now well known that the achievements in social development was the result of directed states intervention over a long period of time. Such intervention was, in turn, the result of the pressures generated within the Kerala Society through organised movements. This anomaly between high social development and high incidence of poverty seem to have been overcome in the eighties with a sharp reduction in the incidence of poverty despite a slower rate of growth of the economy. This paper addresses the latter phenomenon.

With a view to focus the discussion in a broader perspective, the problem of poverty has been conceptualized, following Dreze and Sen, in terms of its two dimensions. One, the creation of 'entitlement' in the sense of the access of the poor to consume commodities (or commodity bundles) currently and the other, building up of 'capabilities' for a dignified human existence. The first is referred to as 'entitlements' in the sense of "the set of alternative bundles of commodities over which a person can establish command" whereas the record is associated with such elements as the standard of living as well as the broader aspects of the ability to the socially useful and influential. The interaction of entitlements and capabilities result in certain functioning in what people do and what they are: "doings and beings". On the

basis of this conceptualization, we have classified the poverty alleviation programmes in Kerala. Since the achievements in the sphere of building up of capabilities are well known and well documented, we only note them to give an idea of sociocultural development as well as provide a context for our discussion on the decline in the incidence of poverty since the early eighties.

The discussion is organised as follows. A profile of poverty in Kerala in its three dimensions (headcount, poverty gap and its intensity) on the basis of evidence from consumer expenditure surveys, as well as its changing structure. These results based on all India surveys are sought to be tested against the results obtained through a survey on socioeconomic and health conditions in Kerala in 1987. This is followed by a discussion on the context and the possible routes through which poverty could decline. The extremely limited scope for the trickle down process to work and the active role of the public intervention measures are underlined here. While we recognise the important role of public intervention in general, only the state-directed programmes are dealt with in this paper. After a general assessment of important poverty alleviation programmes, a brief case study of the food security programmes such as the Public Distribution System and the supplementary nutrition programmes for children below the age of ten are given. In the concluding part, we make our own assessment of the impact of the various poverty alleviation programmes and their sustainability in the context of the constraints in the development of commodity producing sectors in the Kerala economy. We conclude by noting that social protection of the poor, especially

those* vulnerable among them, is as important as a growth strategy that will ensure adequate employment to the labouring poor.

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SOCIAL POLICY TOWARDS WAGE DETERMINATION: SOME LESSONS FROM THE INDIAN STATES

A.V. Jose*

Wages are critically linked to some of the major objectives of State policy, namely, economic growth, productive employment, higher living standards and equitable distribution of income. There are differences between countries and regions in the manner in which social policy objectives are articulated. These differences, in turn, significantly influence the level and structure of wages in a country or region. We need to delineate the effect of direct and indirect interventions of the government in a labour market. The most widely used instrument of direct intervention. A minimum wage serves as a floor to the wage structure and as a safety-net for the disadvantaged.

Broadly speaking, two types of institutional arrangements have evolved for the purpose of administering minimum wages. First is the Industrial Relations System generally found among the economically advanced countries, under which wages are derived at the national or sectoral levels through collective bargaining. Wage agreements reached in this manner are legally binding and they cater to a substantially large share of the labour force. An alternative system, found to exist mostly among the developing countries is where statutory minimum wages are decided at the national/regional levels or even specific to industries. The government fixes the rates either independently or in consultation with the representatives of employers and workers. In general, the latter group of countries are characterised by less developed labour market institutions and the participation of labour in collective bargaining remains circumscribed on account of a variety of factors. A variant of the two systems, wherein both administered wages as well as collectively bargained wages exist side by side is found in some

developing countries like India.

In developing countries, when minimum wages are administratively set, governments tend to assume a more direct and visible role in the labour markets. No less important, however, is the indirect role of governments when they make use of selected policy instruments at their disposal such as social spending and redistributive transfers. These instruments exert a profound influence over the whole process of wage determination. In any given society there are identifiable links between the minimum supply price of labour and the social consumption of basic needs such as education, health, housing, transport and recreation facilities. The social consumption in turn is critically linked to the scale and coverage of public spending and redistributive transfers within the country. Increased social spending is ostensibly aimed at raising the living standards of the population while redistributive transfers have a more specific objective, i.e. minimising the incidence of poverty. A pertinent point to a note in this respect is that public spending has the potential to reinforce, even surrogate for the minimum wage regulations, by setting a floor to the price of labour.

The success of any attempt to specify and administer wages, be it under the industrial relations system or through the administrative interventions, critically hinges on such complementarity with the social policy instruments. In many developing countries minimum wage setting comes in response to political compulsions, and often they fail to institute complementary measures for supporting a minimum standard of living among the target groups. In such situations there is a risk of market forces driving down wages well below the mandated minimum. This is amply testified by the experience of several developing

countries with a high incidence of poverty along with stagnancy or decline in the real earnings of unskilled workers. Hence, the need for designing appropriate means of action in the light of a careful review of the linkage between social policy and labour market interventions.

I shall illustrate this point from the experience of Indian States on the crisis of the available evidence on wages in the agricultural sector. We shall, however, look into the actual wages paid, rather than the minimum wages stipulated among States, based on the findings of a study prepared for the National Commission on Rural Labour, Government of India in 1991. The study dealt with two aspects of agricultural wages in India. First, the movement of real wages of both male and female agricultural workers among 16 Indian States during 1970s and 1980s. Secondly, the factors underlying regional variation in wages among the States. The main findings were that in most States, some time during the mid 1970s, there took place a reversal of an earlier trend towards stagnancy or even decline of real wages. From 1974/75 onwards, the wages of male agricultural workers seem to have risen in all States. Further, real wages showed a larger increase during the 1980s compared to the 1970s. As for the trend, a notable increase in wages occurred among the following States, namely, Andhra Pradesh, Assam, Bihar, Karnataka, Kerala, Orissa, Punjab, Rajasthan and West Bengal. Between 1970/71 and 1988/89 the highest percentage increase in real wages (male) was noted in Kerala (63 per cent). In Punjab, an earlier trend towards a decline was reversed from 1985/86 onwards and by 1988/89 the wage index was some 11 per cent higher than in 1970/71. Two States, namely, Gujarat and Haryana, showed marginal decline in wages after 1984/85. By and large, the wage indices for women workers conformed to the picture noted for male workers. The study pointed to the presence of large inter-State variations in money wages. During 1988/89, the highest money wage for men was noted in Punjab (Rs.28.9), followed by Kerala (Rs.27.7) and then Haryana (Rs.26.4). On the other hand, the lowest levels were noted in Tamil Nadu (Rs.11.7), Orissa (Rs.11.7) and Karnataka (Rs.13.5). Over the two decades, there was not clear trend towards any decline in wage disparities across the States. More importantly, during that period Kerala maintained a comparatively high level of money wages and also recorded high growth in real wages.

The presence of substantial inter-State variations in wages as well as in the rates of increase in earnings brings us to a more fundamental question as to what explains the persistence of such differentials. An earlier study (Jose 1988) noted a striking association between the absolute level of wages and product per worker in agriculture of Indian States. At best, the absolute productivity level is just one among the factors which go into the determination of wages at the micro level. From the supply side of the market, a more important determinant of wage is the desired level of "subsistence income" for the rural labour households. Here we can identify the main components of a subsistence basket, viz., which are food, clothing, housing and also health care and education. There is, however, no uniformity among States with the size or composition of such subsistence basket. Nonetheless, the region-specific estimates of worker productivity in agriculture provide some crude approximation to the subsistence income of rural labour households. Accordingly, it was also argued (in the earlier study) that a sustained increase of agricultural output, could bring about corresponding increases in agricultural wages. A close similarity in the movement of agricultural output and wages was identified in the context of a number of States.

There were some unique outlying cases which simply did not conform to the above pattern of growth. The notable exceptions were State like Kerala and Tamil Nadu in the south and Punjab and Haryana in the north. In the case of Kerala and Tamil Nadu significant increases in real wages took place without there being any corresponding increase in agricultural output. On the other hand in Punjab and Haryana, real wages stagnated or even slumped in spite of an impressive growth of output during the same period. These outlier cases quite vividly brought out the limitations of any simple framework used to explain inter-State differences in the growth of wages.

A commendable effort to explain the phenomenon of rising real wage in agriculture of Kerala was made by T.N. Krishnan. Rural labour market in Kerala was to Krishnan, an "inter-related market, since the relative dispersion of wages among different occupational categories was minimal and also constant over a period of time. In such a market, an exogenously induced growth in demand for labour within any major sector of the

economy (as has been the case with construction industry on account of a spurt in the flow of remittances from Gulf countries), could eventually bring about a sustained increase in agricultural wages. At this stage, one should also take into account the pervasive influence of political economy factors, linked to the course and consequences of agrarian transition in Kerala. Agrarian reforms in Kerala, especially the tenancy reforms, which were spread over a prolonged period of time, facilitated a transition of the society from traditional modes of production and also unleashed the hitherto dormant social and economic forces within the polity. The development of capitalism and the polarisation of class forces led to the emergence of organisations representing the rural underclass. These organisations, in particular, those of agricultural labourers, campaigned and elicited

significant response towards initiating various protective legislations safeguarding the terms and conditions of employment.

A unique feature of social policy was a pronounced emphasis on redistributive transfers. The transfers which covered a multiplicity of spheres including education, health and housing cumulatively contributed towards raising the social consumption parameters of the State. The relatively better quality of living manifested through enviable standards of health and education as well as through a distinctly different age structure and skill composition of the labour force is too familiar a story to repeat. The point to be emphasised is that social policy and implicitly the redistributive transfers effectively complemented the labour market interventions and that together they conditioned the improved terms of wage employment in Kerala.

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04

FOOD, LAW AND POLITICS

THE ESSENTIAL COMMODITIES ACT AND PDS IN KERALA

Jos Mooij

Most officials are of the opinion that anything to do with food policies and food trade the Essential Commodities Act is a useful instrument to force traders to behave properly. Some of them use even war metaphors: the Essential Commodities Act is a weapon to fight the traders.

In fact, this way of thinking about the Essential Commodities Act, and about private traders has been extant from the very formulation of the Act in 1955. If we look at parliamentary discussions in those days we find many strong claims. Traders were primarily seen as "hoarders [and] blackmarketeers who are playing hell with the lives of millions of people", or as "maneaters [who] are too cunning and always escape through the lacunae of the law". In the history of the Act such claims were always uttered to justify the passing of an exceptionally strict legislation, or the further sharpening of this piece of law.

Yet, despite the strictness of the Act, in reality it is difficult to convict traders. There are several

reasons for this: the witnesses turns hostile, there is political interference to drop the case, or the charge sheet is flawed.

My argument is not that the Essential Commodities Act is, therefore, useless. On the contrary, the Act is indeed very important. It enables government officials to threaten traders effectively. So, although the number of convictions is small, the law functions as a threat which may be used either to enforce law-abiding behaviour, or to extort bribes from traders.

This paper aims to show the role of the Essential Commodities Act. How is it used, and by whom? Why is it such an exceptionally strict piece of law, how does it work in reality, and what role does it play in the implementation of food policy?

The paper consists of four sections. The first section elaborates my approach to the study of law. This is not a conventional one. I will regard law formulation and law implementation as

arenas of struggle and negotiation, rather than as planned, steered, sequential processes. The effects of a certain law can never be assumed; it is always an empirical question in what way people are using laws. In short, law is studied as a resource in interaction rather than as determinant of human behaviour.

The second section, is about the history of the Essential Commodities Act, its original formulation, the various amendments and the struggle around it. The process of law formulation and amendment is conceptualised as an arena, in which a struggle among politicians / legislators and between politicians and traders is fought.

After these two general sections, I move on to Kerala. The third section describes a few cases in Kerala. How is the Essential Commodities Act used by various people, and what role does it

play in the implementation of PDS. These cases show that in various fights - such as political rivalry, or the extortion of bribes - the law is used as a resource by various categories of people.

The fourth section further discusses and analyses these cases. The question here is: why is there such a gap between the intentions of politicians when formulating the law and the strictness of the law on the one hand, the traders' activities and trader-official interaction on the other. This situation can be understood, it is suggested, by looking at the political-economic context in which the law is produced and used. The democratic state-form, the political consciousness of Kerala consumers, and the power of the trading class are all relevant variables that determine the function of the Essential Commodities Act in the overall food policy.

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05

CHANGES IN CONSUMPTION BEHAVIOUR IN KERALA

K.P. Sunny

Consumption demand is considered to be the most important component of aggregate demand. There have been various attempts at both conceptual and empirical levels to explain the differences in consumption patterns and to measure the nature of changes attributed to the causal variables. In this study we analyse the consumption pattern and related issues in Kerala by making use of the National Sample Survey (NSS) rounds on Consumer Expenditure published since 1965-66. We make use of the methodology developed by Ernest Engel for analysing the sensitivity of family budget allocations to family income changes. Estimates obtained from various cross sections of NSS data provide information relating to changes in consumption habits over the last two decades. The study has been carried out for both rural and urban areas of Kerala. The results are compared and analysed with similar all-India figures for getting a broader understanding on the magnitude of the changes that are taking place in Kerala. As against the all-India pattern, in Kerala

one observes a converging of consumption pattern in the rural and urban sectors of the economy.

It may be noted that with every increase in income the proportion of expenditure on food items in both rural and urban areas has decreased correspondingly, while that on non-food items has increased in accordance with the well known Engels Law. Towards the latter period of the study, the consumption pattern in rural Kerala closely followed that in urban Kerala. A closer look at the food expenditure reveals a shift in favour of luxury items such as milk and milk products, meat, egg and fish, etc. In the case of non-food items, there is a gradual increase in the family budget allocation in favour of durable items, foot wear, clothing, etc.

Expenditure elasticities have been estimated for both rural and urban Kerala for nine commodity groups and they have been compared with similar all India estimates. It has been found that in rural Kerala only four commodity groups are necessary items. They are cereal and

substitutes, meat, fish and eggs, sugar, fuel and light. Other five items are found to be either moderate luxury or luxury items. In urban Kerala also we observe more or less similar consumption trends. From a comparison of elasticities at the national level we found that cereal elasticity marginally increased over the years, whereas the elasticity of milk and milk products marginally declined in rural Kerala. The major difference in elasticities is found only in the case of edible oil which became a luxury item over the years. At the same time, sugar which was a luxury item in rural Kerala in the earlier period became a necessary item towards the later years. It is also noted that rural-urban difference in Kerala is fading away over the years.

Towards the last year in our study 1986-87, three items in the rural areas

and four items in the urban areas remained luxury items. A similar analysis extended to all-India estimates exhibits a distinctly different picture. In the year 1965-66, there were six items in the rural areas and seven items in the urban areas of all-India revealed as luxury items. Even in the final year 1986-87 also the same consumption pattern follows in all-India. In contrast, in Kerala, many items treated as luxury items in the earlier period became necessary items of the consumption basket towards the later years as a result of the rural-urban convergence in consumption habits in Kerala. Some of the explanatory variables that are responsible for the unique characteristics of consumption behaviour in Kerala can be identified as the inflow of foreign remittances to the state and the commercialisation of agriculture since the second half of 1975.

17 EMPLOYMENT AND UNEMPLOYMENT

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EMPLOYMENT AND UNEMPLOYMENT IN KERALA - AN ANALYSIS OF RECENT TRENDS

Mridul Eapen

There are two major determinants (besides the demographic factor) of the employment/unemployment situation in Kerala as it has evolved in the seventies and eighties:

One is the extremely sluggish growth of the economy, particularly in the two productive sectors, agriculture and manufacturing, deeply embedded in its pattern of developments; and

Second is the role of sociological factors operating through the modernising influence of education, in shaping people attitudes towards work.

The Kerala model of development has drawn considerable attention being popularly described as a paradox of high social development and economic stagnation. Growth rate of the state domestic product in the eighties, for instance, was 2.2 percent compared to 5.2 percent at the national level. Most of the growth in the SDP was on account of the tertiary sector.

The limitations of this pattern of development have become very evident, manifested most vividly in the severe fiscal crisis in the state which is of an earlier origin and greater intensity compared to most other states. More importantly it has resulted in higher levels of unemployment and a lopsided occupational structure, characterised by a very high share of the tertiary sector. However, it is rather surprising to note that this pattern of development has been very labour intensive since employment elasticity of output is the highest in Kerala, 0.93 percent compared to 0.45 percent for all India.

Unemployment is aggregated by the rapid spread of literacy. Education is

increasingly being perceived as a means of social and economic mobility in Kerala, a means of achieving status in a differentiated society. Its general expansion and the rapid growth in the educated labour has, by raising income/job/status aspirations of the younger work seekers, altered their perceptions on types of work they would be willing to engage in. There is a formal or organised sector in which people are willing to work, the less educated in a narrow range and the educated (matriculates and above) in a good range of jobs but they cannot get them since opportunities are not expanding fast enough and hence there are long queues for such vacancies. However neither are the work seekers willing to work in all types of jobs in the informal sector. Some are clearly of low status since they were historically low caste occupations specifically agricultural labour, and those willing to work in these occupations, (largely the less educated) will do so only at a high wage rate; in some regions labour may not even be available at this wage rate. Hence labour surplus and shortage of labour coexist. However in certain occupations not generally considered of low status, job seekers are willing to work at a low wage which occurs through an informalisation of the activity (given the labour surplus situation). While the educated may also be drawn into such activities in the wake of long waiting periods, there would be a tendency not to report it. Low earnings as sales personnel in shops and other trading establishments, repair shops, in printing presses, restaurants, hotels, other

professional occupations, in private English medium schools, parallel colleges etc. are pointers to this hypothesis. To some extent then, the incidence of unemployment is higher in Kerala, since the younger job seekers are not willing to engage in low productivity, low paying activities perceived to be low in status, not even if the wage rate is high. It is often argued that the high wage rate in Kerala for casual work acts as a constraint on increasing employment; however as noted above, if jobs were created in those occupations perceived to be of an acceptable status, the expected wage would be lower.

The data reveal that there does not appear to be a secular worsening of the employment situation in the state; in fact employment elasticity of output has been fairly high. However, in terms of quality of employment, while visible underemployment declined, most of the increase in employment was in the informal sector, which is becoming very heterogeneous. To some extent it suggests an adjustment via a lower real wage in certain types of occupations which persons are not averse to. In others, such as agricultural labour and construction, real daily wage rates do not seem to have been under pressure. While the former could be due to a "shortage" of such labour (since job seekers are shifting away from agricultural work) besides a high degree of unionisation in this sector, the latter could be propped up by a continuing increase in the demand for

construction labour. The educated appear to prefer some form of self employment and are reluctant to report their involvement in informal activity which would be of a lower status.

Agricultural employment has declined in absolute terms and most of the decline was taken up by the tertiary sector and construction. The continuing increase of the state's working force in the tertiary sector not readily attributable to any impulse generated in the commodity producing sectors, makes the structure vulnerable to external events. Hence the need for a more inward looking development policy not perhaps in tune with the trend towards liberalisation in national policy.

The character of unemployment appears to be changing with a growing preference among the younger job seekers for non agricultural, non manual type of occupations. Hence the problem of unemployment assumes a different dimension in Kerala vis a vis the rest of the country and its solution warrants some special treatment. It has to be woven into a strategy of raising growth in the productive sectors of the economy, while at the same time, taking into consideration social realities regarding status expectations. This would warrant a reorientation of the educational system away from the general to a more technical, skill based one which would also help in changing work attitudes. While agriculture offers limited scope the major burden has to be borne by the secondary sector.

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02

NINE OBSERVATIONS ON EDUCATED UNEMPLOYMENT IN KERALA

Chandan Mukherjee and T.M. Thomas Isaac

There are three sets of factors that have significantly affected the supply of labour, and consequently, the operation of the labour market in Kerala: (a) the demographic transition and changes in the age structure of the population and size of the labour forces; (b) spread of unionization and emergence of extreme forms of closed-shop-floor tactics resulting in severe segmentation of the labour market; (c) expansion of the education system. The focus of scholarly

attention has been largely on the first two factors, particularly, the unionisation. Our concern in this paper is on the impact of expansion of education on the characteristics of the labour supply and the adjustment process given the severity of unemployment. Our observations are mainly drawn from a study of registrants in the employment exchanges of Kerala made on the basis of a large scale survey conducted in 1989 (Mukherjee and Isaac, 1991)

1. The problem of disguised unemployment in traditional labour surplus economies is a well known phenomenon. In such societies there are various modes of sharing the available limited work among the labour force, and institutions that encourage intensification of labour. With modernisation and development of market relations, there takes place a steady erosion of such arrangements. Education is an important modernising influence that alters the job expectations and undermines the traditional value system. As a result, the traditional disguised unemployment becomes increasingly open.

Kerala is a state where traditional institutions and values have been undermined to much larger extent than any other state in India, and it would partly account for the wide difference that exists in open unemployment rate between Kerala and rest of India. In short, in a traditional economy, other things remaining the same, expansion of education tends to increase the open unemployment.

2. There is a definite preference for employment in the formal service sector among the educated. This is clearly discernible in the job preferences expressed by the surveyed registrants. Seventy seven per cent of the registrants from the wage labour class preferred middle level white collar employment. Even as minimal acceptable job only 40 percent of them were willing to do manual work including factory work. Similarly, only 19 per cent of the SC/ST registrants were willing to work in unskilled manual wage employment as a last resort.

As a consequence there has been a shift away from traditional occupations by the new educated generation creating conditions of labour scarcity in selected sectors and periods. The labour deficiency has been met through migrant (temporary) casual workers from the neighbouring state of Tamil Nadu whose open unemployment rate is much lower than that of Kerala. Education that raises the job expectations and the reserve status of jobs results in withdrawal of the educated from many of the traditional manual occupations. It could give rise to a paradox of labour scarcity in selective sectors despite severe macro unemployment.

3. The limited job opportunities for the preferred status tend to prolong the waiting period of educated job seekers and thereby increase their stock. As a first exercise, we considered the waiting period of the registrants to the first salaried job ever obtained. The average

waiting period is about 28 months for males and 25 months for females. The average waiting time varies considerably across the levels of qualification and it declines with the qualification. Vocational training reduces the waiting period. It must also be noted that the above estimates of average waiting period ignoring those who do not have any employment experience will be biased downward. An earlier CDS study had an estimate of about 45 months as the waiting period for those with SSLC qualification. A revised estimate incorporating also the experience of those who never had a job turned out to be nearly four times higher (Mukherjee, 1976)

4. Only a small proportion of the employment exchange registrants, at any time, would be fully unemployed viz, neither employed or studying. But it must be cautioned that the ratio is very sensitive to the definitions of employment or studentship adopted. Only 32 per cent of the registrants fit the description "neither studying nor employed". But it is doubtful if the exclusion of part-time students and part-time employed from the scope of unemployed is meaningful. If they too are considered unemployed the estimate of unemployed among the registrants would rise to 48.5 per cent. We may have yet a third estimate inclusive of the temporary employees, besides part-time students and part-time employed. The estimate of unemployed would rise to 69.4 per cent. If employed registrants drawing below Rs. 500 per month are also added to the estimate the ratio would further rise to 72.2 percent.

5. As a survival strategy, many among the educated unemployed are forced to seek employment in the informal sectors, which are low paying and do not guarantee any security of tenure but are nearer to their perceived reserve job status. Thus we have a paradox of emergence of a new informal labour markets for educated unemployed in an economy characterised by high level of unionisation labour market registers.

Around 42 per cent of the registrants are currently employed either on part-time or full-time basis. But only 18 per cent of the wage/salary employed and 12 per cent of the self employed are satisfied with their present jobs.

6. Spread of Education and strong traditions of affirmative action in education and employment has significantly reduced the inter caste differentials in probability of gaining employment. The estimated proportion of unemployed registrants both among the

females and males do not reveal any difference between forward and backward castes/communities (inclusive of SC/ST). However, significant differences persist regarding the quality of employment. While there exists no significant difference between forward and backward castes/communities with respect to the current activity status of the unemployed, the incidence of unemployment is higher among SC/St.

7. Given the level of education, household income is the dominant influence in determining the employment status. Its influence is further reinforced by the differential achievements in educational qualification which is strongly dependent on economic factors. Unemployment declines with the household income. The relationship is seen to hold good at each level of qualification. To the extent that level of qualification itself is determined by level of income, differences in income reinforce itself through differential achievements in educational qualification.

8. Strong gender differences in job expectations, waiting period and employment persist among educated unemployed. Perhaps, the most striking feature of the unemployment experience of the educated is the persistence of gender differentials across caste, income and education. The gender differentials tends to narrow with the broader definitions of unemployment. It is indicative of the type of employment that most women

registrants receive. Interestingly, the incidence of job seekers is relatively lower among women except for the currently studying group. 92 percent of the neither student or employed group who do not seek employment are women, the majority of whom are married.

9. Given socio-economic level and gender, higher educational qualification raises the probability of getting employment, even if non-commensurate with the qualification. It would, to a extent, help the unemployed to overcome socio-economic handicaps. Consequently, pursuit of higher qualification has become an important adjustment mechanism during the waiting period. We have yet another paradoxical situation: demand for education continues to rise despite growing unemployment among the educated.

Around 30 per cent of the registrants are currently engaged in study in some capacity or other, mostly in the informal education sector. Only around 8 percent of the registrants are engaged in studies for technical diploma/ certificates. The pattern of demand for educational courses may very well be a reflection of the pattern of growth of Kerala economy which has been characterised by pre-eminence of service sector expansion.

The majority of the current student registrants are actively seeking employment. For them the current education is only an interim arrangement while they wait for a job.

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INDUSTRIAL SCENE AND EMPLOYMENT GENERATION IN KERALA

P.K.Abraham

Unemployment is a major problem that affects the Kerala economy. Other types of problems can be traced to this root cause. Without employment there is no dignity for the individual, the economy's resources are under-utilised and hence wasted, while millions of households live without even minimum needs of a decent existence.

Alarming figures

As on 31-10-93 we have 43 lakh job seekers; 10 years ago in 1983, this

figure stood at 23 lakhs. The latest figure would have crossed the 50 lakhs mark. This is for a population of over 300 lakhs. If we eliminate children, students, aged and house-wives from the population to arrive at the available job seekers, we find that a very high proportion of our employable youth is without a job.

Employment in the organised sector is 11.85 lakhs as on March 1993, consisting of 6.46 lakhs in the public sector and 5.39 lakhs in the private sector. In 1983, the corresponding

figures were 10.70 lakhs, 5.50 lakhs and 5.20 lakhs respectively. These figures clearly show that employment generation for the past decade is almost stagnant, particularly in the private sector while the job seekers doubled during this 10 year period.

Of the 11.85 lakhs in the organised sector the industrial sector engages 4 lakhs and have the rest are employed by the Govt. in its various department and in the service sector. In Kerala, the Government is the single biggest employer and it has reached its limit by spending more than 90% of its revenue on salaries and related costs. Any employment generation therefore should take place in other sectors of our economy.

Sectorwise growth

The sectoral share of Net Domestic Product shows that, at constant prices, the primary sector accounts for 39%, the secondary 20% and the tertiary sector 41% during 1993-94. The corresponding share during 80-81 was 39%, 24% and 37%. There is a declining trend in manufacturing sector which should have produced large quantities of capital and consumer goods which in turn would have generated considerable income and employment. The increase in the service sector is largely accounted by Government and public sector services.

The stagnation in the primary sector, the decline in the secondary sector and the marginal increase in the tertiary sector, primarily in non-productive government employment, contributed to the swelling numbers of unemployed persons.

Appropriate development

Large scale employment can be created only by appropriate economic development. The word "appropriate" is important. In the Kerala context, appropriate development would be that which will absorb the enormous quantum of human resources, less capital and appropriate technology.

The growth rate of state income and per capita state income is accounted for not by an increase in the primary or secondary sector but by an increase in income from cash crops, government employment, conspicuous consumption expenditure like civil construction, trade and commerce of speculative nature etc. The only exception is the small scale sector. With an investment of Rs.1009 crore, this sector gives employment to 5.69 lakh persons. The

number of employees in the registered working factories is 4 lakhs, which includes the factories under small scale sector.

Vast potential

Kerala has all the necessary factors for economic development such as suitable climate, long coast line, natural and man made resources, capital, markets, consumption habits, an intelligent and competent workforce and an educated youth. There is vast potential for development in all sectors of economy.

The much publicised Kerala model gave emphasis on Human Resource Development, improving the physical quality of life, social justice, rights of workmen, democratic freedom stretched beyond justiciable limits in all spheres of life. In short, predominantly privileges over duties and charity for all without discipline or corresponding contribution. While this approach has done enormous good to the society, the model failed to enforce the essential discipline and protect the interest of all stakeholders in the development process. There was no political and social will for industrialisation and employment generation in the state. There was no worthwhile investment in this sector either.

Industry neglected

The neglect and underdevelopment of the industrial sector is clear from the miniscule investment made by various agencies. The Central public sector investment made so far in this state amounts to Rs.2000 crores, the small scale sector Rs.1009 crores, and the estimated investment of medium and large scale enterprises including the investment in power and transport sector will be another Rs.1500 to Rs.2000 crores in the last 40 years, making a total of Rs.5000 crores. Where as a single steel mill in one of our neighbouring states would account for over Rs.6,000 crores. Deerubhai Ambani invests more than Rs.5000 crore in Gujarat in a single year; Adithya Birla, invests over Rs.1500 crore in a single gas based fertilizer unit in 18 months, and plans to add another Rs.1500 crores in the subsequent 18 months. Even a Kerala entrepreneur, MRF, plans to invest another 1000 crore in automotive tyre development not in this state but elsewhere. Our investment industry is not even Rs.100 crores per year in recent. No wonder, the state is

industrially backward which constraints employment generation.

Against this background, this paper attempts to identify the causes for this

state of affairs and suggests a model for providing full employment for all in a period of 10 years.

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04

**OCCUPATIONAL STRUCTURE OF LABOUR FORCE WITH SPECIAL
REFERENCE TO THE ROLE OF WOMAN IN THE AGRARIAN ECONOMY OF KUTTANAD**

R.R. Krishnakumari and Alexander George

Kuttanad is a unique rice tract in Kerala where more than 40% of total labour force is involved in agricultural labour. This area has been a topic of discussion on account of its multifarious problems. But little work has been done in the functioning of rural labour market in Kuttanad. Available evidence leads one to conclude that there has been no concomitant increase in labour demand. The average number of full days worked in agricultural operations declined between 1964-65 to 1989-90 for both men and women. In rice alone this accounted 85 to 65 days and 145 to 120 days/year, respectively. As per 1991 census, the total labour strength of Kuttanad is 13.6 lakh of which nearly 40% are agricultural labourers. The problem of unemployment has compelled a high proportion of impoverished rural women to get engaged in agricultural labour. It is estimated that about 75% of the total agricultural labour force are women. In this context an investigation into the extent of labour involvement and status of labour involvement and status of labour involved families deserves special attention. Also, since women are the dominating category in Agricultural sector, their role in the agrarian economy as wage earners is also important. The present study focus on the above points.

Data generated during 1989-90 by a field survey covering 716 households in ward in two panchayats of Kuttanad viz., Champakulam and Kavalam consisted the materials for the study. Information such as family size, educational status, occupational structure, man-woman ratio with respect to labour involvement, land ownership pattern, contribution of wages to family income with special reference to women as economic providers of the family and other socio-economic status of the households are furnished.

A detailed analysis of the data revealed that the extent of labour

involvement was 60% of the total household surveyed. Among the labour involved about 80% are reported as farm labour involved. A more detailed classification of farm labour households on the basis of main source of income revealed that only 20 per cent depend exclusively on agriculture labour. This indicated that the sole dependence on agricultural labour is getting reduced. The reason for such a negative trend is multifaceted. The first and foremost one is that rice cultivation turns out to be non-lucrative enterprise in this area due to increasing cost of inputs including wages to labourers and due to non-remunerative price of produce which tempt the farmer for only optimum labour use. Decreasing employment opportunity due to modern technology adoption is another constraint. The wage rate in cash as well as kind for agricultural labour, as compared to non-agriculture labour, is lower. So a general inclination towards more attractive categories of work specially non-agricultural in nature is gaining prominence in this sector. The recent labour shortage experienced in the locality during peak seasons of cultivation is the indirect effects of such selective job orientation of the labourer aiming maximum profit with minimum effort. Gender based work involvement pattern is quite visible in agricultural as well as non-agricultural work. Examining the inter-household distribution of labour, in families of average size 6, two or three adult members of either sex are involved in agricultural or non-agricultural work. The involvement pattern of man-woman ratio in agriculture and non-agriculture labour is estimated approximately 1:2 and 2:1, respectively. In the farm labour involved families, one or two women/family are found to be engaged in agricultural field work or related activities. Thus women's dependence on

agriculture labour is higher in the area than that of men. In about 70-80 percent of agriculture labour families women are the major contributor to family income. In an agriculture labour family, the average monthly contribution of woman to family income is estimated to Rs.300/- with an average of 8-10 working days and that of a man to Rs.250/- with 4-5 working days. Thus the average contribution of a woman to family income is more than that of a man in agricultural labour dependent families, even though labour are paid a lower wage than men. As already mentioned since about 20% labour families exclusively depend upon agricultural labour, the rest of families resort to other non-agricultural work to earn their living. In general, there is a significant increase in family income after women are drawn into the work force which also raised the standard of living and provided nutritional addition to the family. Stratification of these households on the basis of the main occupation for source of income of the family disclosed that about 45% of families are engaged in rice-cultivation.

They also depend on subsidiary occupations, agricultural or non-agricultural in nature. About 30% of families holding less than 1 ha. resort to agricultural labour also. But 20% of households, mainly landless or land poor, depend purely on agricultural labour. Involvement in two or more occupations simultaneously was the common practice noticed with the labour involved families. Involvement in agriculture related occupation like poultry, animal husbandry and fishery accounted 15% and 20% of those reported to be involved in non-agricultural work. It is also revealed that 40% households in the area are engaged in service, business and industry. Generally, the economy of labour families in this area depend upon multiple occupation both agricultural as well as non-agricultural. The involvement pattern in various occupation indicated that the labour availability is higher in agriculture and related fields. The data reveals that a number of male and female labourers are unemployed in the area. Hence appropriate employment and training policies can be recommended.

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05

SOME SOCIO-ECONOMIC ASPECTS OF EDUCATED UNEMPLOYMENT IN KERALA

E.T.Mathew

By any reckoning educated unemployment is very high in Kerala. While general unemployment is largely overcome through a reasonably rapid growth of the domestic product, educated unemployment is not solved through higher rates of growth alone although it is a necessary condition. The solution to educated unemployment calls for implementation of appropriate educational policies as well.

According to estimates based on National Sample Survey (NSS) data, educated unemployed in Kerala rose from 3.51 lakhs (15.70 percent) to 6.34 lakhs (20.98 percent) between 1983 and 1987-88. During the same period the increase at the all-India level was from 29.92 lakh persons (6.96 percent) to 39.61 lakh persons (7.24 percent).

Both at the state and the national levels, educated unemployment is more acute in the rural sector; the magnitudes

involved, however, have been much higher in both rural and urban sectors in Kerala compared to all-India.

Educated unemployment among both males and females in Kerala has increased substantially between the 38th (1983) and the 43rd (1987-88) rounds of the NSS, the extent of the increase of unemployment among female work seekers being much higher.

Among the causes of educated unemployment, the foremost consists of the phenomenal growth in enrolment at the secondary and university stages of general education. During the three decades from 1960-61 to 1990-91 enrolment at the primary, secondary and university stages increased by 49.8 percent, 352.9 percent and 836.8 per cent respectively. If private registrations are added to the regular stream, the total enrolment at the university stage would be much

higher.

An oversupply of liberal arts and science graduates would not have, however, materialised unless it was facilitated by the liberal policy pursued by the state government over the years in opening arts and science colleges. During the relatively short period of twenty years between 1948 and 1968, as many as 93 arts and science colleges were opened in the state. Another 54 colleges were added during 1969-1992. Not only that there has been an unprecedented proliferation of such colleges, their spatial distribution also has been conducive to the rapid growth of enrolment. Even the most hilly and sparsely populated districts like Wayanad and Idukki have 4 to 5 colleges while the densely populated ones in the plains, like Ernakulam, have up to 24 colleges. Proximity of institutions of higher learning enables guardians to avoid the extra costs of education arising from having to put their wards in hostels. The process of rapid growth of enrolment has been given a further momentum by the heavy subsidisation of university education as exemplified by the extremely low tuition fees.

As a consequence of the growing educated unemployment there has been a steady decline in the real earnings associated with different levels of education. First, there has been a continuous upgradation of minimum educational qualifications prescribed for the various posts. Second, even as prescribed qualifications have remained the same over the years, the excessive output of educated persons has led persons to seek jobs for which they may be overqualified (known as Cascade Model). However, earnings have not declined fast enough to reduce the incentives to acquire still more education.

Pursuit of traditional academic subjects in the hope of achieving higher social status is yet another factor contributing to educated unemployment. The search for higher social status through higher education, however, is not, as often alleged, confined to communities which were denied the facilities for higher education till recently. The tendency is more deep-rooted. Kerala has thus too many 'educated' people but few with requisite skills, knowledge and work experience. The inevitable outcome is the emergence of an unemployable, 'educated class'. It may also be added that in Kerala courses of study in colleges remain unchanged in terms of structure and content for long

periods with the result that it is possible to pass examination, often creditably, without regular attendance or much intellectual effort on the part of the students.

Development economists like Myrdal have attempted to explain educated unemployment in developing countries in terms of the work seeker's preference for white collar jobs and their aversion to manual work. As far as Kerala is concerned, however, what is often mistaken as a bias in favour of white-collar occupations is, in fact a preference for salaried employment, preferably in the public sector. Apart from being financially more attractive, public sector jobs also enjoy an additional attraction, namely, the opportunities for promotion which are almost automatic as they are mostly seniority-based and not strictly performance-related.

NSS data show that the level of self-employment in the rural sector of Kerala is very low compared to the rest of the country. The urban sector presents an entirely different picture. The proportion of self-employed persons in the urban sector increased from 13.0 percent in 1972-73 to 17.9 percent in 1989-90. This may be explained by the phenomenal growth of the tertiary sector of the economy in the wake of the large-scale migration of Keralites to the Gulf countries. Since the NSS data do not provide any information on the composition of the self-employed in terms of levels of education, we are unable to draw any further inferences regarding the impact of the growth of self-employment on educated unemployment. However, as the increase in self-employment educated has been accompanied by a greater increase in educated unemployment, it follows that the increase in self-employment has not been rapid enough to absorb all the educated unemployed and/or that self-employment has been taken greater advantage of by non-matriculantes.

The preference for salaried employment, mostly in government, is also rooted in the tradition of Kerala. Every major community of Kerala has been vying with one another for its 'due share' of Sirkar jobs. Beginning with the Malayali Memorial of 1891, there has been a series of memorials demanding due representation in public service for different communities.

Growing unemployment implies longer waiting periods. As regards waiting time till the first regular job, the following considerations are relevant : (i) Unlike in the developed economies where

intermittent employment and unemployment are a common feature, in Kerala an initial waiting period is followed by a reasonably long period of uninterrupted employment; (ii) Once regular employment of roughly one's choice is obtained, it is most unlikely, under Kerala conditions, that persons would engage in further job search; (iii) The educated unemployed are enabled to wait for varying periods because they have other means of support and few responsibilities, and (iv) Whenever there already exists a large stock of educated work seekers, any addition to it, other things remaining the same, is likely to aggravate the problem of educated unemployment and thereby lengthen the waiting period.

A limited sample survey conducted by the author showed that : (i) as far as general education is concerned, waiting time is high irrespective of the

level of education; however, the waiting time generally declines as one moves up from SSLC to postgraduate levels; and (ii) for persons with vocational or professional training in addition to general educational qualifications, the waiting time is distinctly low. Here too, there is a declining trend as one moves from lower to higher levels.

Finally, though in terms of employment prospects the plight of arts and science graduates in general is very bleak, there are significant differences between arts, science, and commerce graduates. Generally the waiting period is the longest and the starting salary the lowest for arts graduates. Commerce graduates have an edge over arts and science graduates in commercial establishments, while science graduates have better opportunities in scientific institutions.

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06

EMERGING TRENDS IN FEMALE UNEMPLOYMENT IN KERALA: A QUANTITATIVE ANALYSIS

Rachel Kumar

Introduction

It is generally accepted that female labour behaviour is remarkably unique and closely associated with several social and behavioural characteristics. Female employment and unemployment trends are seen as aggregations of individual behaviour governed by more than mere labour market considerations. It is, for example theorized that the distinct age specific labour force behaviour is substantially influenced by the female biological life cycle, so that the typical graph for female labour force participation (especially in developed countries) follows a bimodal trend with a dip in the rates during the ages 25-35. Also, since women have more interrupted careers than men, new entrants and reentrants represent a higher proportion of the female labour force and of female unemployment. Thus, workers under twenty five represent a higher proportion of the female labour force than male.

Female unemployment in Kerala

A feature of unemployment in Kerala that is assuming increased interest has been the large number of women joining the rank of the unemployed. The growth of female unemployment is critical against the backdrop of falling rates of female work force participation. Estimates point out that female unemployment in Kerala is twice that of the national average. According to NSS rates, rural unemployment in 1983 was 31.1 and 10.4, and urban estimates were 29.4 and 12.1 respectively. Survey evidence in 1987 appears to indicate that incidence of female unemployment in Kerala is higher than male - the estimates being 43.6 and 17.8, respectively. The Census estimates of the open unemployed, in contrast, is more conservative. Open unemployment (as a proportion of the working population) was 11.21 for males in 1981 and only 5.46 among female. Interestingly, however, if

the Census category, Seeking and

Available for Work' is included in the unemployed, the levels of unemployment are altered sharply, reducing also the gender differentials in the rates. The 1981 estimates for the 'Open Unemployed and Seeking and Available for Work' was 30.19 for males and females with 28.04 was not far behind.

Table 1

Age specific distribution of
'Unemployed', 1971-1981.

Age Distri- bution	1971		1981	
	M	F	M	F
0-14	3.8	3.7	6.8	7.4
5-19	31.0	33.3	33.5	39.1
20-24	42.5	48.0	33.6	35.1
25-29	12.3	10.81	4.3	12.2
30-39	6.5	2.8	7.1	4.7
40-49	2.1	0.4	2.4	0.8
50-59	0.9	0.2	1.3	0.3
60 +	0.5	0.4	0.7	0.4

Source : Census of India, Kerala, Table B-VII of 1971 and Table B-XXII of 1981 (iii).

Age specific unemployment rates

Another notable trend has been the age specific behaviour of the unemployed in Kerala between 1971 and 1981. This is clearly seen in Table.1

As indicated in the table, the pressure of the unemployed is in the ages less than 30, i.e. 15-19, 20-24, and 25-29. In 1981, 86.4% of the unemployed women and 81.4% of male were in these age groups. In addition, while in 1971 there was a concentration of male and female job seekers in the age group 20-24, in 1981, the highest concentration had shifted to the age group 15-19. Interestingly, there has also been a marginal fall of female work participation rates in the age group 20-24 during this period. The subsequent age bracket (25-29) has, meanwhile, registered an increase in proportion for both sexes. The trends are suggestive of a decline in the minimum age of labour force entry in 1981 from 20-24 to 15-19. It also suggests a shift in the maximum age for re-entry at 25-29. Recent research has pointed to the significance of the reorganization of the biological life cycle among women in Kerala in the observed trends in female labour behaviour. The course of demographic transition has led to the clustering of the main events of a woman's reproductive cycle between the ages 20-25. As a result, labour force entry and reentry behaviour revolves around the domestic commitments that would be dominant during

this period.

The present study

The present study has attempted to quantify the effect of these emergent patterns on aggregate unemployment in the state. For this, four groups were identified within the working age population (15-59). These are males and females below 25 and males and females over 25. Using the methodology elucidated in Kaufman (1980), the contribution of each of these groups to the change in unemployment from 1971-81 were estimated. The contribution of each of the four groups (<25M, <25F, >25M, and >25F) were 19.81%, 21.1%, 27.4%, and 31.5%, respectively. The results indicate that increase in female unemployment totally contributed to 52% of increase in aggregate unemployment. Of this, the largest proportion of unemployment may be attributed to the growth of adult female unemployment during this period. It was also found that if the cut off age used was 30 (so as to include new entrants and reentrants into one group), the contributory proportions would be 35.6%, 38.4%, 31.79%, and -5.87%. The dramatic fall in the proportion of adult females has been due to the removal of the age group 25-29 to be included in the second category. It would seem that this particular age interval, therefore, has had the single most significant influence on aggregate unemployment in Kerala for the past two decades. Youth unemployment (i.e. <25) was responsible for nearly 41% of State growth of unemployment while adult unemployment contributed to nearly 60% of this increase.

Concluding remarks

The data, therefore, does support the general thesis that women are more inclined to re-enter the labour market after completion of their other socio-biological obligations. However, unlike the case of other developed countries, where re-entry begins after children become of school-going age, here the pressure to come back into the active labour force is almost immediate. There is still a lacuna in our understanding as to the motive for this behaviour, whether it be economic compulsion, or the outcome of increased awareness among women in Kerala. However, what is evident is that the understanding of the profile of this group within the labour market is significant in tackling key issues of unemployment in the state.

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18 MIGRATION AND IMMIGRATION

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01

BROAD TRENDS IN MIGRATION TO THE MIDDLE EAST: A NOTE

P.R. Gopinathan Nair

Kerala remains at the vanguard of the states in India contributing to the outflow of workers to countries in the Middle East. Although the process of Keralites going to the Middle East in search of work had begun several decades earlier, the flow became large, regular and increasing only from the beginning of the 1970's consequent upon the hike in oil prices and the large scale investment in all the oil exporting Arab countries.

In this note a broad outline of the magnitude of the migration flows from Kerala on the basis of the available information base is given.

As is well known, outflow of persons for work in the Middle East forms only a part of the emigration process that takes place in Kerala. Outflow of highly educated persons to the USA, Canada and countries in Western Europe for employment and higher studies is also an annual process in Kerala. Most of such people manage to settle in the host countries and in due course attain their citizenship. This is the 'brain drain' type of emigration which India has been experiencing for the last three decades.

The outflow of people to the Gulf countries is of a different type altogether. Even the type of migration is different. While emigration to the West is ordinary of a permanent nature, that to the Middle East is temporary; besides it is circulatory and repetitive. While most migrants going to the West are persons with educational qualifications, the majority of those who seek work in the Middle East are unskilled or semiskilled, less educated aspiring for jobs as manual workers at construction sites, in factories and farms as technicians, in government

offices as white collar workers and in hospitals and schools as para-medical personnel and teachers.

Another significant difference which is usually observed is the predominance of males in the out-migrant population. This is because of the fact that most workers cannot take their families abroad due to want of adequate income and the constraints on women's migration rising from provisions in the Emigration Acts of India.

Still another significant difference which exists between the two types of migration referred to earlier is that while the migrants to the West seldom send their savings home, almost the entire migrant population working in the Middle East transfer their savings to Kerala, largely through regular banking channels.

These characteristics have come in for special notice in the several studies and surveys conducted in Kerala on migration of workers to the Middle East.

However it is not possible to speak with confidence about the magnitudes of outflows and their trends over time.

According to the impression prevalent among researchers and administrators, Kerala has accounted for about 40 to 50 percent of the total outflow of migrants to the Middle East. Emigration clearance data for the country as a whole are available for the years from 1984 onwards. These figures are not however indicative of the magnitude of outflows since there are large numbers who go abroad without emigration clearance. Even the degree of underestimation cannot be guessed because the number exempted from emigration

clearance have been increasing from year to year. The general understanding is that the annual outflows during the period since 1984 from Kerala alone were in the vicinity of one lakh persons or more and that the total number had peaked off by 1984.

The data position regarding return is still worse. Neither Central Government nor the State Government has any mechanism or machinery to record return of migrants after work for varying periods in the Gulf countries. It is known however that return migration was not of a large magnitude till the end of the 1970's and that it was only by the beginning of the 1980's that it began to increase annually. The only direct source of information on return migration to Kerala is the survey conducted by the Directorate of Economics and Statistics, Government of Kerala in 1987. According to this survey, the annual number which remained less than 2000 in 1981, rose rapidly since then and reached the figure of nearly 37,000 in 1986. The annual figures must have increased more rapidly since then as we know that the average period of stay abroad per worker has been continually on the decline in recent years.

However, it does not appear to have been the case that return flows exceeded onward flows in any normal year; in other words, the phenomenon has been one of positive net outflows, in all years except one, namely 1990, the year of the Kuwait-Iraq war. It is reported that of the total number of about 140,000 persons who fled Kuwait and reached India during this period, nearly 80,000 were Keralites.

After the cessation of the war, onward migration has picked up and all the persons who wanted to return to Kuwait had done so by the end of 1992.

There is a strong impression that the education and skill mix of the working population from Kerala in the Middle East had undergone significant changes from the mid-1980's owing to the completion of the Construction phase and beginning of the Operation phase in most countries in the Gulf area. In the place of the unskilled and semi-skilled construction workers who predominated in the earlier years of migration, the proportions of office workers and plant operatives have reportedly gone up. There exists no available information however, to verify this impression since educated categories of persons do not require emigration clearance at all.

In the absence of any dependable source of information on onward or return flows of persons, it is impossible to make any guess at the total stock of persons belonging to Kerala who currently work in countries in the Middle East. The Government of India comes up, however, with some figures, perhaps supplied by the foreign embassies, once in a while. They have stated that in 1991, the total Indian migrant population in the Gulf countries was 19,50,000. Of this total, the proportion of workers is not known.

For the state of Kerala some estimates were produced by the Directorate of Economics and Statistics for the years 1977 (1.35 lakhs), 1980 (1.87 lakhs) and 1987 (3 lakhs.) Since there are reasons to believe that for the years after 1987 also, net migration was positive and that the trend of onward migration has been rising rapidly since 1991, the current understanding is that the total stock of workers from Kerala in countries in the Middle East would be currently of the order of about 7 to 8 lakh persons.

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02

PERCEIVED CHANGE OF IMMIGRANTS IN THE UNITED STATES : A STUDY OF KERALA (ASIAN INDIAN) IMMIGRANT COUPLES IN GREATER CHICAGO

Ramola B. Joseph

Introduction

The Asian Indian are the fastest growing population in the U.S. They make up

almost 7 million people in the US (U.S. Bureau of Census, 1990). These recent arrivals will contribute a significant new dimension to the history of Asian

Americans in the next century. Therefore, the objective of this study is to explore this new population with emphasis on their pattern of acculturation and their levels of life satisfaction in the United States.

Keralites

I have used Asian Indians (Keralites) as a case study for studying immigration, their extent of acculturation into the American society and their experience in the United States. The influx of Kerala immigrants to the United States occurred at a time when the American society could absorb immigrant skills and professional experiences. Other requirements were prescribed in the Immigration Act of 1965 and resulted in the Immigration of upper-middle and middle-class professionals and scholars who came to America to gain intellectual growth, employment and better economic prospects.

The Keralites are a distinct ethnic group not only in this country but in their own country. Even though they comprise only three percent of the population of India, they represent about 85 to 90 percent of the Asian Indian immigrants to the United States. This fact raises the question of why and how did so many people immigrate from this one state alone.

The fact that Kerala Christians dominate the immigration flow is significant for several reasons. First, Kerala has the highest population density in India. This has resulted in the relatively low worker participation rates in the country and the highest unemployment rate. Second, Kerala is the most literate state in the whole of India with a literacy rate of 70 percent for men and 66 percent for women. Third, Kerala's birth rate is a third lower, infant mortality two-thirds less, and life expectancy 14 years longer than the rest of the states in India. These facts indicate that Kerala has a rapid population growth. Given this situation, and the fact there are few laws preventing Keralites (Asian Indians) from leaving their country, Keralites immigrated in large numbers.

Theoretical Framework

This study used three theoretical perspective to examine the general life change and life styles of the Asian Indian (Kerala) immigrants.

Push-pull theory

Push factors contributing to the flow of immigrants were pressure of population on scarce resources, lack of opportunities for advancement, uneven distribution of land, very high unemployment rates among the educated. At the same time the pull factors that attracted Keralites to immigrate was the demand for professional and skilled workers by the U.S. Relatives and friends were instrumental in minimizing the intervening obstacles of immigration.

Assimilation-adaptation model

For Asian Indians (Keralites) the definition of an American lies in a pluralistic model. They postulate an "adhesive" pattern of adaptation, progress in Americanization in many dimensions of life without significantly weakening the intensity of their ethnic attachment. Cultural pluralism for Keralites means that they maintain their basic value orientation brought over from the Indian society, on the one hand, and accept the institutional arrangements of the American society, on the other. In other words, cultural pluralism for Keralites involves a "selective adaptation" pattern. The Keralites Americanize in certain aspects of behavioural dimensions of life (e.g., clothing, food), whereas in other dimensions (attitudes to a marriage and family) they remain Indian. Their acculturation is primarily functional; they learn enough about the new culture to survive, but most retain their old traditional ways.

Social exchange and social equity theories

Having explained the patterns of adaptation of the Keralites in the United States, the primary question to be answered is whether the Kerala couples are satisfied with their life because of the selective mode of adaptation. I chose two theoretical frame works - the social exchange and equity theory - to explain the level of life satisfaction of Kerala immigrant couples. Social exchange theory argues that marriage partners wish to increase their own reward. Partners would consider the relationship most satisfying when rewards outweigh costs. On the other hand, equity theory proposes that if spouses share equally in family matters, their level of satisfaction is greater.

Based on the selective assimilation and exchange and equity theory, I drew a model to examine whether the personal characteristics or interactional aspects of life were more important in determining life satisfaction of Keralite couples in America. The personal characteristic were age, rural/urban place of residence, education, occupation in India, social class, reasons for immigration, order of arrival, length of stay, occupation and income in the US. Beside these objective factors, the interactional factors were use of Malayalam, traditional family attitudes, male dominant decision-making patterns, involvement in children's academic development and marital disagreement.

I also preformed a factor analysis for the dependent variable and extracted three orthogonal factors : marital satisfaction, parental satisfaction and work satisfaction. When the spouses were satisfied in any of these or all three factors, they were to be satisfied with life in the United States.

Methodology

The methodology included structured interview with fifty couples (husbands and wives were interviewed separately) and participant observation of Kerala community in various social, religious, and cultural activities in Greater Chicago area. Thus I used both quantitative and qualitative methods to study the Kerala Community.

Some major conclusions of this study

1. A demographic profile of the sample revealed that the couples on average, were 36 and 39 years old, had an average of two children, had been married an average 8.5 years and had stayed in

United States for an average of 12 years.

2. They were highly educated and well-trained professionals or skilled workers with high incomes and from urban areas.

3. The "selective acculturation-assimilation" model, desire to merge versus desire to retain cultural distinctiveness make the study of recent immigrants a new and vital area in the study of immigration to the U.S.

4. Both husbands and wives tend to reflect traditional values. The wives seem to be undergoing a role expansion process which allows them to develop as individuals without abandoning traditional functions and obligations.

5. Wives do not perceive themselves as living according to the conventional Keralite model in which husbands are deemed superior. This study shows that there is a definite movement towards sharing power between husband and wife. This finding supports an egalitarian model of marital relationship similar to that of the middle class American couples.

6. Kerala families are very tightly knit and due to tradition and customs, Kerala parents exert a greater influence and have a greater impact on the choices and chances of their children than American parents.

7. Kerala women tend to be more satisfied with their lives than men unlike other studies. This is probably because wives follow Indian values within their families and orientation to American values in their occupational lives.

8. The exchange model is the best explanation of relationships for husbands but the equity model is best for wives.

Thus the structure of the Kerala family in America oscillates generally between preservation of traditional culture and adapting to modernity.

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03

MIGRANT CONSTRUCTION WORKERS A CASE STUDY OF TAMIL WORKERS IN KERALA

S. Anand

Introduction

Construction workers are one of the most visible of the poor in India. Almost always they are migrants - usually landless labourers forced out of their

rural homes by poor employment and income and seeking a better livelihood in towns.

This study on the condition of construction workers in Kerala, based on a sample survey of 80 Tamil construction

workers from Reetapuram, Kanyakumari District of Tamilnadu who are working in different parts of Kerala, 11 Tamil 'Contractors' who recruit these workers, and 7 'older migrants'.

'Push & Pull factors' - Macro observations

While examining the 'Push' and 'Pull' factors behind migration, we found a low and perhaps even stagnant per capita availability of employment in both the agricultural and industrial sectors in Kanyakumari District in a period of rising population forced people to look elsewhere for work. At the same time, beginning from the mid 1970's there was a boom in construction activity in Kerala. This arose from the high inflow of remittances from Keralite workers in the Middle East, a large part of which, according to all available evidence, was used for construction of houses as well as channelled into other forms of real estate construction. We also found, that in addition to a greater demand for labour in construction, there has been a differential in the wage rate in Kanyakumari District and the average wage rate in Kerala.

Socio-economic characteristics of migrants

We found that the migrants were (a) predominantly landless, (b) had little education, (c) they no longer worked in their traditional occupations but mainly engaged in various kinds of 'coolie' or general labour, (d) had no experience of working in the construction prior to migration and (e) almost all of them had first migrated when they were still in their teens. The process of recruitment shows that the Tamilian jobber-cum-contractor 'gathered' together youngsters who themselves or their parents sought work in Kerala. 'Advance payments' prior to joining work were also sometimes given

Position of contractors

We observed that using the term 'contractor' is a misnomer as he is essentially, particularly in civil construction, no more than a jobber-cum-contractor-person of limited resources with a team of, on an average, 12 workers, who even in independent charge of construction can handle only small scale activities. In larger constructions he is only a sub-contractor working under a firm based in Kerala or under a Keralite contractor. From our survey of

the jobber-cum-contractors from Reetapuram we substantiated these observations. It is these jobber-cum-contractors who recruit the migrants, pay their wages and supervise their work, sometimes even work along with them.

Survey results

We found that, on the average migrant workers, when they first migrated, found 2.4 days of work more per week in Kerala and received a wage which was 131 percent higher than in Kanyakumari District. We also found that this was not the only reason which compelled migration. The skill aspirations and expected future job mobility of these workers was an important factor in this process, which would not have been available for them as coolie labour in Kanyakumari District. Once again our survey found that migrants usually began as helpers and over time became Masons. Thus 79 percent of our sample migrants claimed to have acquired the skills of a mason, after an average of 4 years of work as helpers, while the older migrants had taken more than 6 years to become masons. In an occupation in which tradition has been one of long and arduous apprenticeship, this has been possible due to two factors: (i) a great demand for labour so much so that even 'Quasi-skilled' workers are able to find employment as fully skilled workers and (ii) a process of deskilling in the construction sector in recent years which now demands lesser skills. The other aspect of mobility is that masons hope to and at times do become contractors or rather jobber-cum-contractors.

Contractor-labour relationship

The Contractor - labourer relations were always strained and full of animosity in spite of the fact that more often than not the jobber-cum-contractor had the same socio-economic background as the workers. Wage accounts were never maintained properly; short payment of wages were common; and workers left their employment quite frequently as a sign of protest against the working conditions and moved elsewhere knowing that in a period of high demand for construction labour work would be found. One interesting feature of the wage relation was that the actual wage to be paid was known to the worker only at the time of settling the accounts, done usually thrice a year. This uncertainty over the wage was one common factor behind workers changing their contractor employer. Thus

our sample migrant workers were with a jobber-cum-contractor for no more than 1.8 years on an average.

Remittance and working conditions

Remittances sent home by the sample migrants indicated that they were no more than 'subsistence' remittances. The estimate of the annual income of these migrants revealed that while income earned was undoubtedly more than what they earned or could hope to earn in Reetapuram, it still left little margin beyond subsistence. The nature of a migrant workers' life in Kerala, frequently on the move with no proper housing, required a large proportion of annual income, 60-61 percent in the case of masons and 77-78 percent in the case of helpers, to be spent to meet daily expenses. This naturally reduces the money available for remittance. They worked, on the average 10 hours a day. Further, none of the legal provisions was given to them.

Another distressing aspect of migrant worker's life in Kerala is that they are completely cut off from the local population and the latter see the former with disdain, as workers who are

docile and willing to work longer hours at lower wages. Not surprisingly, they are not part of the mainstream trade-union movement either. One noteworthy feature of this migration is that it is exclusively male migration which is not unique to Reetapuram but apparently true of all migrant construction workers from Kanyakumari District.

Conclusion

In conclusion one must offer some speculations on the future of these migrants. The past decade has been a boom period for construction in Kerala. But as reports indicate, the process of 'return migration' is taking place and thereby remittances and construction activities are declining in Kerala. This will obviously reduce the demand for Tamil migrant labours. In that eventually, the migrants' only options will be (i) to return to Kanyakumari District and seek work in construction there or revert to 'coolie' labour, (ii) seek to migrate elsewhere in Tamil Nadu or even other states or (iii) stay in Kerala and adjust to lower employment and/or lower wages. In any of these possibilities, the prospect seem dismal.

ETHNICITY, MIGRATION AND CULTURE

18

04

T.A.Menon

Objectives

Migration of human population from one geographic and cultural area to another has acquired new dimensions in the developing countries, particularly during the twentieth century. The present study focuses on one such ethnic group, viz., the Malayalees in the metropolis of Delhi, the capital of India. The objective of the study was, broadly, to assess the causes and consequences of migration of the Malayalees from Kerala to Delhi. The Malayalees in our sample form an ethnic group which is interacting with other ethnic groups in Delhi. What happens to their regional culture as a result of these interactions and exposures to the multi-ethnic situations? How does this ethnic group behave in the

poly-ethnic host society, in terms of their neighbourhood based, work-place base and the larger metropolitan base interactions? What kinds of linkages do they maintain with the places of their origin? These were some of the major research questions raised, analysed and discussed in our study.

Conceptual framework

We have adopted the concepts of ethnicity and ethnic group as defined by Abner Cohen, in our study. According to Cohen, ethnicity refers to a form of interaction between culture groups operating within a common social context. And an ethnic group is "a collectivity of people who share some patterns of normative behaviour and form a part of a

larger population, interacting with people from other collectivities within the frame work of a social system".

Methodology

The population of study consisted of the Malayalees in the Union Territory of Delhi. Though the Malayalees are residing in all areas of Delhi, Karol Bagh is the one locality with the largest concentration of this ethnic group and with several Malayalees/south Indian service and institutions. Karol Bagh was, therefore, selected for intensive study. The sample consisted of 296 Malayalees from this area, drawn on a random sampling basis. In addition to an interview schedule, participant observation was also used for collecting data on various aspects of the problem. Data collected from empirical study was coded and tabulated manually, using variables such as age, marital status, income, education, occupation, and duration of stay in Delhi.

Culture and religion

Our respondents, in general, maintained the regional culture of Kerala in Delhi. However, certain modifications and minor adaptations have also taken place, which were peripheral and situational. Our respondents use their mother tongue inside homes and Hindi and English while interacting with other ethnic groups outside. Children in a majority of families use either Hindi or a combination of Hindi, English, Malayalam and Tamil. The Malayalees in our sample have a favourable attitude towards people belonging to the Dravidian languages of Tamil, Telugu and Karnataka. This affinity, probably, was the result of both the common language group and the geographic and cultural contiguity and similarity between the four southern states.

In the matter of dress, our respondents make a distinction between private and public appearances. While they strictly adhere to the Kerala dress in the former situation, they use modern or cosmopolitan dress in the latter situation. Similarly, there are occasions such as celebration of Kerala festivals when they use the traditional Kerala dress. In the case of the second generation migrants, they have adopted more the north Indian dress, habits, and fashions.

Food and food habits of our respondents remain more or less similar to those in Kerala. However, certain

adaptations have also taken place, which were mainly due to change in climatic conditions rather than in culture. The Malayalees in our sample, for example, eat more wheat during the winter period because they consider that chappati is more "heavy" and "hot". The duration of stay in Delhi does not seem to have influenced the food habits of our sample.

Marriage and family are two major institutions that foster ethnicity. In terms of structure, there were two categories of family in our sample, viz., nuclear and extended. There was no joint family. Though in terms of structure more than 50 per cent of the families were nuclear, in terms of property relations, expenditure and ritual followed in Delhi, a majority were maintaining linkages with native families. Ethnic boundaries are strictly maintained in marriage. An overwhelming majority of 93 percent of the marriages were restricted to one's own religion, caste, and sub-caste. Kinship and ethnicity had also a major role in selecting the spouses of our respondents. Ethnic demarcations are also prominent in the family life of our respondents.

The religious practices of Malayalees in our sample, by and large, reflect the regional culture of Kerala. Malayalees in Delhi have constructed temples of Kerala deities with contributions from persons of this ethnic group in Delhi. They are also a part of the active religious system, for they contribute towards renovation of temples and temple festivals in their native places. There were several associations/organisations formed by Malayalees in Delhi, catering to religious services as well as in recreating the traditional religious festivals of Kerala. The Brahmins in our sample were found to strictly adhere to the traditional ritual and *pujas* of Kerala. All the important festivals of Kerala such as *Onam* and *Vishu* are observed by our respondents in Karol Bagh. Celebrations of such festivals, however, are restricted to symbolic level. Festivals celebrated by the other Indians in Delhi are not observed by Malayalees. As far as the religious practices and festivals are concerned the Malayalees in our sample remain insulated from the multi-ethnic society.

There were several voluntary associations formed by Malayalees in Delhi. Almost all these associations maintain strict ethnic boundaries, and membership is restricted to Malayalees only. Their activities reflect the traditional culture of Kerala.

Conclusion

Kinship and ethnicity are two major factors that influence the process of migration. Apart from a few slight modifications made in certain aspects, the regional culture of Kerala persists among our respondents. The duration of our respondents stay in Delhi has in no way affected this. Interactions and relationships of migrants with other ethnic groups are formal and peripheral.

However, there is no conflict or confrontation between the Malayalees and other ethnic groups in Delhi. The Malayalees in Delhi are part of a social system which has its origin in Kerala. They maintain linkages with native places in several forms. Here again, duration of stay in Delhi has not influenced their relationship with native social systems. The respondents do not have any permanent interest in Delhi and would eventually like to go back to Kerala.

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05

INTERNATIONAL MIGRATION AS A SOCIAL EQUALIZER: SOCIETAL IMPACT OF GULF MIGRATION IN RURAL KERALA

T.V.Sekhar

Introduction

It is believed that international migration is generally restricted to the affluent section in a society as it requires information, contact and substantial financial support. Many have expressed apprehension that this in turn will widen the inequalities existing in a society. The present paper attempts to address this issue in the context of large-scale labour migration from the rural areas of Kerala State (India) to the oil rich Middle-East countries.

The opening up of job markets in the Gulf countries during the seventies in the wake of the oil boom provided an opportunity for large scale emigration of foreign labour to these countries. India is a major supplier of contract labour to the Middle East and Keralites constitute nearly half of them. The unique feature of this labour flow was that it provided an opportunity to persons with little or low educational qualifications to take part in the emigration. In this sense, labour migration to West Asia differs substantially from the migration of the professionals to the Western industrialised nations. Consequently, a majority of the Gulf migrants from Kerala are unskilled and semi-skilled workers. The attractive wages offered, as well as lack of employment opportunities at home are the crucial factors that induced the exodus of labour from the state.

Methodology

The economic impact of labour

migration to the Gulf countries from Kerala has received wide attention. But, even though the impact of male emigration on women left behind has been dealt upon the larger societal impact on sending areas has so far received little attention. In the present paper this neglected aspect has been examined by drawing on inferences arrived at through a sample survey conducted in 1990 in one of Kerala's high migrating 'Gulf' villages - Kadappuram in Chavakkad block of Thrissur district. The analysis is based on data collected from 140 Gulf migrant households and 40 non-migrant households.

Characteristics of the migrants

The study village with nearly 90 percent Muslim population was considered to be very backward before Gulf money changed the scene. Traditionally, people of this village were engaged in fishing and manual labour. In the sample, a majority of the migrants were young, unmarried males with low education and skills at the time of their first emigration. Coming from poor families, many of these persons first went to cities, mainly Bombay, as casual labourers. It is during their stay outside that these people came to know about the opportunities in the Gulf and managed to reach there. Most of these earlier migrants were illegal with no valid documents. Subsequently, the support provided by relatives already working in the Gulf countries helped many others in the village to emigrate. Thus,

Gulf emigration from Kadappuram was triggered by the early migration experience of its inhabitants and the influence of chain migration.

Findings

Substantial economic prosperity can be observed in the village brought on by the inflow of Gulf remittances. The Gulf money permeated into all walks of life and the standard of living of most families improved considerably. The economic transformation resulted in concurrent changes in people's attitudes and expectations, affecting the entire socio-cultural milieu. The changes occurred not only in the migrant families but the community as a whole.

The most visible impact can be seen with regard to housing. A large proportion of remittances was used for the construction of palatial houses and buildings. In fact, most of the thatched and tiled houses in the village gave way to concrete structures. Such behaviour has often been considered as irrational and non-productive, since the money could have been better utilised elsewhere. This may be true from the economic perspective. But this preference-pattern was not entirely unnatural. The satisfaction derived from the possession of such commodities (houses) depended not only on their 'intrinsic utility' but also on their symbolic function within the reference group - the village community. In this situation, the houses displayed the newly acquired wealth of migrant families and had a positional value as symbols of social status and prestige.

The same trend was also noticeable in the consumption behaviour of migrant families. The large inflow of foreign money has led to rise in family consumption, often finding expression in wasteful and unwise extravagance. The consumer behaviour of migrant families has had a demonstrative effect in the village and it was observed that the local populace tried to follow it as the accepted pattern.

The inflow of Gulf money, thus, resulted in a change in the pattern of income distribution in the village. Many poor families became rich overnight. The significant growth of 'nouveau riche' has upset the rural power structure. The position and status enjoyed traditionally by a few landed families are now challenged. Emigration to the Gulf countries provided a rare opportunity for

the economically unfortunate to enhance their position and thereby to revise the socio-economic hierarchy. At the same time, the economic position of non-migrant families does not seem to follow any substantial change. The equalizing effect of Gulf migration can be specially observed in the changed equation in marriage affiliations. Most of the migrants were from the poor and lower middle class families. But their attractive earnings abroad, irrespective of their shortcomings in terms of education, family background and jobs, enabled them to marry into wealthier and respectable families. These alliances bettered their social standing in the community. Thus, the traditional barriers existing among different sections of the society in regard to social interaction have largely broken down in the study village.

The enhanced position of migrant families is also reflected in their contribution to various institutions in order to secure the community's respect. A substantial proportion of the donations were used for religious purposes which served as status-enhancer. The study village, having a predominantly Muslim population, therefore, saw a sharp increase in the number of mosques and *madrassas* (religious schools).

The attempt of the neo-rich to improve their social standing can also be witnessed in their increased participation in local village affairs, including politics. They used their newfound wealth to acquire political clout in the village, even sometimes emerging as local leaders.

Conclusion

The above observations thus clearly indicate that the economic prosperity of migrant households has led to far-reaching social changes. This is more obvious in villages which are having a large concentration of Gulf emigrants. A fact that needs to be mentioned here is that the changes are felt because the migrants showed a preference to settle down in their village on return, rather than moving to urban centres. This is not only because of strong family ties but also a result of their intense desire to gain social recognition in their own community. In conclusion, it can thus be said that, rather than widening the disparities, Gulf emigration has, to a large extent, served as social equalizer in rural areas.

IDENTITY Vs SURVIVAL - THE CASE OF THE JEWISH COMMUNITY IN MATTANCHERY, COCHIN

M.Geetha

In the context of internal and international migration, religious and racial diversification and cultural pluralism in one place, the concept of 'identity' emerges as a means of unveiling the heterogeneity or pluralism in a particular society.

'Identity', in this world of conflicting ideologies and astounding political systems can be acquired through a distinct language or nationality, tracing a common descent or ancestry, strict boundary maintenance, common racial origin, common region, an element of socio-biological phenomenon - and above all through a distinct religion. The elements of 'identity' reveal two major aspects. One involves the concept as an expression of primordiality and the other reflects the utilitarian interest.

The question of 'identity' arises especially in the context of cultural pluralism as in Kerala. Many groups of people, live as distinct collectivities, even for ages, forming a part of the larger population in which they are embedded. The striking feature of these groups is that they all share among themselves specific cultural traits including normative behaviour and also interact with other groups including the one in which they are embedded. Group identification is indeed solidified through intimate social relationships and particularized cultural behaviour internalised by its members.

This paper is an attempt to trace the mechanism of 'identity maintenance' which is the result not only of socio-cultural processes but is also the effect of personal constructs and symbolic interactionist elements on socio-psychological processes of 'identity' development.

'Identity' as in the case of a minority is of interest mainly in the context of cultural pluralism. The case of the 'Jewish Community' in Mattanchery, Cochin thus becomes the focal point of concern and the mechanisms involved in the 'identity maintenance' of this minority becomes a larger concern.

The Jews in Mattanchery whose

population now is a mere 20, form a part of this community which has a total population of 86 in Ernakulam district and 93 in Kerala. The census taken does not even indicate the presence of this minority in Kerala, clubbing it under the category 'others'. With a history of more than two millennia in Kerala, it is of significance to realise that this group has created, maintained and perpetuated a distinct 'identity' without any form of 'assimilation'.

Observations and analysis reveal that deliberate and sometimes unconscious efforts have been made by the community towards 'identity maintenance' even at the cost of survival as a community in Kerala. This 'Jewish identity' can be traced to the combined efforts of many strategies.

The spectrum of 'identity maintenance' of the 'Jewish community' in Mattanchery includes strict adherence to Judaism, lack of belief in conversion, strict endogamy and excommunication, concern for the purity of the lineages, professional restrictions and a binding two millennia of ethno history.

Religion undoubtedly, forms the bedrock of 'Jewish identity' in Mattanchery. The word of God is the common law binding the members of the community. This has yielded a more rigid core culture evident basically through the various Jewish festivals and their celebrations. This religion has strictly followed ancient Rabbinical Laws and the Old Testament. The one outstanding feature to be noted is that no forms of local religious customs or practices have been incorporated into Judaism. For instance, though the community has a system of Zodiacs, they do not believe in Astrology, which is considered superstitious. Moreover no forms of religious cults or God-men emerged, as in the case of other communities in Kerala. Nehemiah Motha, the Jewish saint of the local non-Jews, was raised to the present status not by the Jews themselves but by the non-Jewish population living near the Jew town in Mattanchery.

Like Hinduism and unlike

Christianity and Islam, Judaism believes only in one form of conversion - that for the sake of belief. This being rarely the case, conversion is discouraged thoroughly. The 'paradesi' Jews in Mattanchery consider the 'malabar' Jews mostly the descendants of converts. This cultural proscription when deviated from, was subject to sanctions of excommunication. Though the children of a Jewess are considered to be Jews, according to the Rabbinical Law, when endogamy is violated, sanctions are rigid and another member is lost to the community.

The concern of the 'paradesi' Jews for maintaining the purity of their lineages has moulded yet another mechanism for 'identity maintenance'. This concern resounds in the struggle of the 'paradesi' to fight the 'malabaris' demanding abolition of all forms of discrimination, yielding equal rights. 'Identity maintenance' has been of such prime significance in the community that no forms of orthodox Judaic principles or Rabbinite rulings prevented them from yielding to the calls of the 'malabaris'. The 'paradesi' Jews have accepted the demands for equal rights for the 'malabaris' but they have not yet fully given up strict sub-sect endogamy.

The ethnohistory of the 'Jewish community' in Mattanchery is a chief factor which binds not only the members of 'paradesi' but also binds them with the rest of the Jewish diaspora in Kerala. This history is yet another element of 'Jewish identity'. It proves that this minority had significantly contributed not only to the economic sphere but also to the socio-cultural realm of the plural Kerala society. The 'identity' achieved was despite it's proximity to a Hindu temple and it's

embeddedness in a predominantly Hindu society. The ethnohistory indicates that the 'Jewish identity' was nurtured by a Hindu King and his Hindu subjects, unlike the fate of the rest of Jewish diaspora who were not only discriminated against but also mercilessly butchered.

It is of significance to note that the economic avenues of the Jews of Mattanchery have been for generations such that it would not interfere with their adherence to cultural and religious proscriptions. The observances of High Holy Days would be difficult if they had been involved in activities outside the limits of trade, business etc. Very few Government jobs were sought. The choice of a profession, also thus plays a crucial role in the emergence of 'Jewish identity'.

The Life Cycle Rituals like circumcision, initiation, marriage and death have only minor cultural incorporations from the Keralite society in which the 'Jewish community' lives. The Jewish festivals do not bear any signs of cultural incorporations, as it is celebrated and observed as per strict Rabbinical Laws and proscriptions of the Old Testament.

As more and more Jews migrate to Israel and elsewhere, as the Jews street in Mattanchery is left with merely a handful of Jewish homes studded with 'menora' and 'mezuzah', as only old faces appear, as the 'paradesi' synagogue at the end of the street struggles to get the 'minyan' (a quorum of 10 adult Jewish males) for 'sabbath' prayers, as twilight descends, the survival as a community for the Jews in Mattanchery, Cochin, appears bleak and unpromising but the 'Jewish identity' will be remembered for ever - perhaps as a thing of the past - to pause and wonder.

20 SPATIAL ASPECTS OF DEVELOPMENT

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01

SPATIAL ORGANISATION OF SETTLEMENT SYSTEM IN KERALA

Srikumar Chattopadhyay

One of the most striking features that differentiates Kerala from the rest of India is the spatial pattern of settlement system characterised by dispersed, linear and contiguous stretch of habitation. On the one hand it has nearly obliterated the rural urban distinction and on the other hand, primary and non-primary sectors co-exist side by side. The similar scenario has been reported from other Asian countries also.

It has been argued by various scholars that this configuration is a reflection of spatial adaptation to structural transformation, that is on going in the realm of economy and demography. This paper attempts to high light that consideration of bio-physical environment is perhaps necessary in order to explain this type of settlement system.

Basically, the structure of Kerala's settlement pattern is linear and dispersed. The land form condition does not encourage compact or nucleated settlement except in some places like Palakkad adjacent to Tamil Nadu.

Spatial organisation of settlement system largely depends upon water availability, resource base and site character. Abundance of water and its near uniform distribution provides the ground for dispersed nature of the settlement in Kerala.

Due to overall uniformity of climate and soil, the primary economic activity zones are placed longitudinally. The coastal area is significant for fishing activity and subsistence agriculture of coconut and rice in the adjoining area. Rubber and cashew plantation and tree crops dominate the

midland. The eastern plateaus and mountain are placed under plantation of tea coffee and forests. The valleys all through the state are given to paddy and seasonal crops.

The coastal areas characterised by runnel and ridges host linear settlements along the sand ridge. To enjoy equal opportunity of fishing the settlements are dispersed and linearly placed parallel to the coastline.

The lateritic ridges and intervening valleys are at perpendicular direction with respect to the coastal ridges. The transport lines have developed over these lateritic ridges. The settlements are again linear along these ridges. The valley floors are kept open in order to avoid flood damage and to maintain food production. Historically this pattern is being followed. While primary sector activity like agriculture is dominant in the valleys, the ridges are characterised by secondary and tertiary sector activities. However, in recent years the valleys adjoining to the cities like Thiruvananthapuram are reclaimed to construct settlements.

The landform assemblages and corresponding settlement pattern marked in Kerala are as follows:

1. Coastal plain with runnel and ridge topography exhibits linear settlements along the ridges.
2. Kuttanad and Kole lands of vast alluvium patches having linear and dispersed settlements in the river terraces and levees.
3. Alternate lateritic ridges with intervening valleys host linear settlements along the ridges.
4. Low rolling terrain of Palakkad type accommodate compact, nucleated

settlement pattern.

5. Steep slope and ridges with nucleated settlement in the valleys.

6. Plateau surface with dispersed and nucleated settlements in the mounds and valleys.

The urban centres provides service and amenities are dispersed in nature having reciprocity with the rural area. The main centres, Thiruvananthapuram, Kochi and Kozhikode, being located at equal distance provide uniform facilities to the people in their hinterland and this reduces pressure to a single centre.

Kerala has the second highest population density in India. As the

settlements are distributed there is little congestion except in few pockets of Kochi. The settlements in Kerala has no district core, nor the villages have any marked modality. Along the coastal plain and midland from one end to other end the state appears to be a single garden city or high density village admixed with urban function. Even in 14th century A.D. this picture was noted. Therefore, along with economic and demographic condition it is necessary to consider the environmental factors to explain the spatial organisation of settlement pattern in Kerala.

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02

FUNCTIONAL CHARACTERISTICS AND SOCIO-DEMOGRAPHIC PATTERNS OF TOWNS IN KERALA, 1981-1991

G.K. Moli

Kerala with an urban population of 18.74 percent and a rank of 21 in 1981 has improved its rank to 17th with an urban population of 26.39 percent in 1991. The distribution of towns in the state gives us an insight into the movement of the population. In 1981 there were 106 towns in Kerala and it has increased to 197 towns in 1991 (Census of India, 1991). Growth in the size of towns and change in their structure signify many things but perhaps the most essential feature is its role in bringing about economic development.

The town is a point of specialised activities carrying out tasks which are best performed either at central, accessible places or where a high degree of population concentration is economically necessary. The activities performed by urban centres depend on the need of their tributary areas. In order to understand the urban role in national or regional economy, the functional classification of towns is of vital importance. It may be noted that a given region may be dominated by one special type of functional towns or may be characterised by uneven distribution of towns according to their functional characteristics. Further, within the region, even similar functional towns may differ in other socio-demographic variables, from other functional type of towns.

In the present study, an attempt has been made to classify the towns of Kerala in 1981 and 1991 census periods, using quantitative methods. The 1981 and 1991 census figures have been selected for calculating the critical indices in the functional classification of towns. The towns have been classified according to the indices obtained for four categories of workers namely, cultivators, agricultural labourers, household industry and other workers using Nelson's method. This data is then analyzed in relation to the available socio-demographic characteristics of the towns.

The functional indices based on the four industrial categories in the towns of Kerala in 1981 and 1991 give the following facts.

1. For cultivators, mean and standard deviation values for the year 1981 were 3.49 and 3.77, respectively. There is a very little increase in these two values in the year 1991.
2. Mean and standard deviation for agricultural labourers also register very small increase during the period 1981-1991.
3. The mean and standard deviation values for household industry which were 3.38 and 2.70, respectively, show considerable change.
4. There was a decrease in the value of mean from 82.16 in 1981 to 79.35 in 1991 for other workers.

The functional classification of towns in Kerala based on four industrial categories showed the following results.

The percentage of towns in different levels under cultivators had not shown considerable variation from 1981 to 1991. On the other hand, a large increase in the number of towns was seen under the lowest level in the classification based on agricultural labourers. The same pattern was obtained in the case of household industry and other workers also. While the percentage of towns decreased in all other levels of classification based on these three categories. This may be due to the large increase in the number of towns having no development in correspondence with the increase in population.

The analysis of the above mentioned functional classification of towns with respect to the socio-demographic factors points to the following conclusions.

Agricultural labourers and house

hold industry workers are high in proportion in the towns where female population dominate. This relation get reduced in 1991. Also the high density areas are concentrated by other workers. This is more significant in 1981 than in 1991. Literacy also seemed to be high in towns, where cultivators and agricultural labourers are low and other two categories are high in proportion.

From this analysis it was obtained that density is an important factor in determining the functional structure of the towns of Kerala. One major reason for high density in the urban areas may be due to the movement of people from the underdeveloped rural areas to the urban areas, where more opportunities for employment in the non-primary sector are available. Therefore by providing such facilities in rural areas the rural-urban migration can be reduced, and thereby preventing over urbanisation.

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03

SPATIAL DIMENSIONS OF INDUSTRIALISATION

V.Nagarajan Naidu* and Sanathanan Velluva**.

Despite concerted efforts on the part of the Government, the pace of industrialisation in Kerala has been very slow. In terms of per capita industrial output Kerala is ranked seventh in India. But in value-added and employment, the rank is eleventh. The share of gross investment in the Central sector in the State was only 1.48 percent in 1991 which was lower than that in 1970. The share of manufacturing sector in the State's NDP showed a small increase from 14.96 percent in 1970-71 to 17.34 in 1990-91. Given this scenario and the acute problem of unemployment in the State, rapid industrial development seems to be imperative. It is felt that one needs to look into the possibilities of a region specific development strategy for Kerala for which one needs to understand the intra-regional changes in industrialisation over time with a focus on spatial distribution of industries in the state. This may help us in identifying regions which have gained or lost in industrial development over time and also help us in formulating appropriate policy inter-

vention. In the present study, therefore, an attempt is made to test alternative hypotheses on the regional pattern of industrialisation, viz., 'convergence' and 'polarisation'. For this purpose, total employment in the manufacturing sector is used as an index of industrialisation.

Method of analysis and data source

Three different methods are being used for analyzing spatial shifts. They are for measuring (i) changes in the relative shares, (ii) gains and losses of the region, and (iii) marginal changes in the relative shares over time. The method for measuring changes in the relative share is defined as employment in the manufacturing sector in the i^{th} region, divided by total employment in the manufacturing sector of the economy as a whole.

The gains and losses are computed from the differences between the share of the regions in the terminal year and that of hypothetical share computed from the

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base year distribution.

The last method, that is, marginal changes in the relative shares is used to measure the magnitude of the tendency for dispersal and concentration of the manufacturing sector. Here we are redefining the terms 'concentration' and 'dispersal' by adjusting them to inter-temporal changes. 'Concentration' implies that the regions enjoying a relatively significant position in the base year gain proportional increase from the expansion of the national economy.

Dispersion is said to have occurred in two situations. They are, (i) insignificant region becomes significant over time. An insignificant region can become significant if the marginal share is greater than the average share and (ii) significant regions of the base year are not able to gain from an increase in the employment share equal to their relative share of the base year.

The above methods are employed to analyse the spatial shifts during 1970/71 to 1990/91. The data is taken mainly from secondary sources, viz., the Annual Survey of Industries and other publications of the Directorate of Economics and Statistics, Govt. of Kerala. By the adoption of the three year moving average method, the whole time period is decomposed into seven periods of 1970/71 to 1972/73, 1973/74 to 1975/76, 1976/77 to 1978/79, 1979/80 to 1981/82, 1982/83 to 1984/85, 1985/86 to 1987/88 and 1988/89 to 1990/91.

I. Changes in relative shares

From the period 1970/71 to 1972/73 till 1979/80 to 1981/82 the relative positions of districts remained almost the same. The district Kollam stood first in terms of relative share of labour force in manufacturing sector during this period. The district Ernakulam occupies the second position. During 1982/83 to 1984/85, Ernakulam also catches up with Kollam to share the first category. The position of other districts remains the same. During 1985/86 to 1987/88 the number of districts which shared the second category increased from one in the previous period to three. But during the period 1988/89 to 1990/91 seven out of fourteen districts came in to the second category, and it clearly shows the relative change among the districts. Throughout the period spatial variation in industrialisation declined marginally except in the last period. This indicates another fact that till 1988/89 to 1990/91, the magnitude of decline in

variation was so small that it could not make any perceptible impact on the position or ranks enjoyed by the districts.

II. Gains and losses of regions

1. Kollam, the only significant district in the base year, lost continuously over time. This loss is very heavy compared to gain of many districts.

2. The gain of other districts was at the cost of the loss incurred by Kollam district.

3. Except for the last period, the loss of the significant districts, particularly Kollam was taken up by other significant districts such as Ernakulam, Kannur and Thrissur. This shows that convergence could not have taken place between districts till 1987/88 since the gain of significant region could not be captured by the lesser significant regions like Malappuram, Wyanad and Kasargod.

III. Marginal shifts in relative shares

1. Till the fifth period, that is, from 1982/83 to 1984/85 the manufacturing activity was mainly concentrated in the districts of Ernakulam and Kollam and dispersal to other districts especially to Kannur, Kozhikode, Thrissur, Kottayam and Thiruvananthapuram started from the fifth period.

2. Again till the fifth period, the gain of most of the insignificant regions was not at the cost of significant regions, but of other insignificant regions.

3. Over these periods, Kollam lost heavily to other districts especially after the fourth period. However, the position of significant region like Ernakulam could improve or at least be maintained throughout the period.

4. Though the last period showed evidence of dispersal of industrial activity, certain permanently backward regions such as Idukki, Malappuram, Kozhikode and Waynad could not make any relative improvement during any period.

There has been a movement toward convergence during and from the fifth period onwards. And at the same time, the very backward districts like Malappuram, Wyanad and Kasargod could not improve their position either against other significant or insignificant districts. This draws our attention to an analysis of multi-dimensional factors both natural and man made which could

have an impact on regional disparity in industrial activity. This has serious repercussions at the policy level too.

The present analysis can be a step in that direction.

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04

ENIGMA OF KERALA SPATIAL FORMATIONS: GRAGARA AS AN INVALIDATION/RECOVERY OF THE DESAKOTA HYPOTHESIS

Rex Casinader

Introduction

Issac (1986) used the neologism *gragara*, combining "gra" from *gramam* (rural) and "gara" from *nagara* (urban) to demystify the enigma of mixed rural-urban settlement patterns and mix of agricultural and non-agricultural activities in Kerala spatial formations. At about the same time McGee in examining similar high density mixed rural-urban settlement patterns in Java, Indonesia, termed them *desakota*, a neologism in Bahasa Indonesia, *desa* meaning rural and *kota* urban. The parallels between the two neologisms and the socio-spatial phenomenon they denote are striking. McGee in his more recent writings has expanded and developed the *desakota* hypothesis. He sees the emergence of *desakota* not only in Java but in other regions of high rural population densities in Asia. He also links up *desakota* to urban systems arguing that emerging urbanization in Asia is region-based rather than city-based. Beside drawing people from rural areas to the urban regions, this process of region-based urbanization is utilizing an in-situ population in the rural areas. McGee suggests the term extended metropolitan regions (EMR) for such regions and it is principally within EMRs that he locates *desakota* with an intense mix of agricultural and non-agricultural activities.

Gragara in Kerala does not share all these trends and features that McGee now increasingly associates with *desakota*. This paper is an examination of *gragara* in Kerala and in the process presents a critique of McGee's *desakota* hypothesis in the context of the Kerala experience.

The specificity and uniqueness of Kerala *gragara* in India

The paper examines Census data

(1981 and 1991) on-agricultural economic activity in the rural areas of the lowland and midland districts of Kerala. The analysis reflected rural non-agricultural activity ranging from a low of 36.5 percent to a high of 52.9. This analysis was extended to the rural areas in the Ganga basin, those adjacent to the six Indian largest cities (Bombay, Calcutta, Delhi, Madras, Hyderabad and Bangalore), and to the transport corridor from Gandhinagar/Ahmedabad through Vadodara and Surat to the Bombay-Pune nexus. Non-agricultural activity in these rural areas were found to be significantly less than in the rural areas of the Kerala coastal districts. This analysis implies that *gragara* is unique and specific to Kerala in the Indian context. It is relatively absent in India even in a high rural population density river basin, a transport corridor and peri-urban regions of the mega cities, contradicting what is envisaged in the EMR/*desakota* hypothesis. This suggests that more compelling evidence has to be researched before including the Indian mega-cities and their immediate hinterlands within McGee's EMR/*desakota* hypothesis and characterizing this as an emerging Asian urbanization trend.

Appropriateness of the data

The appropriateness of Census data for this comparative examination of rural non-agricultural activity is discussed. Census data is seen as appropriate because it is recent, in rural-urban classification, and spanning different geographical regions of India using the same definitions of work, urban, rural, etc. But a problem associated with Census data that is of serious concern for this paper is the invisibility of some of the economic activities of women. McGee lists increasing female labour force participation in non-agriculture as an important characteristic of *desakota*. If

Census data is flawed in measuring female labour force participation then its appropriateness to identify *desakota* is under question. By citing NSS data and some labour force studies it is argued that the invisibility of female participation in Census data is largely confined to the agricultural sector. The increased female labour force participation associated with *desakota* by McGee is in the non-agricultural sector, particularly in the organized or wage employed manufacturing sector and to some extent among factory sub-contracted piece rate workers. This being the case the use of Census data is seen as appropriate for this study.

Towards an understanding of the absence of *desakota* in India

Two issues emerge in this comparative examination of the *gragara* situation in Kerala with selected areas elsewhere in India. First, *gragara* is unique to Kerala in the Indian context. Second, the absence or low presence of *desakota* in the rural areas of EMRs, river basins and transport corridors of India, conflicting with what is suggested in McGee's EMR/*desakota* hypothesis.

Two factors are examined in an effort to understand the absence of *desakota* in India. First, is the character of India's post-colonial economic development experience which is significantly different from the East Asian and Southeast Asian experience an explanatory factor. This is discussed unpacking the implicit and increasing premising of the EMR/*desakota* hypothesis by McGee on the East Asian and Southeast Asian experience. The *desakota* hypothesis when first formulated by McGee was based on the Javanese and Taiwanese spatial formations. This had some parallels and significance for *gragara* situation in Kerala. But increasingly *desakota* has been subsumed under the EMR concept. The specificity and significance of the Javanese and Taiwanese experience for *desakota* are now unclear and/or being marginalized in the conceptual focus of the EMR/*desakota* hypothesis.

Second, is the definitional character of what is urban in India, and the Census methodology for classifying areas as urban contributing to the low reflection, if not absence, of *desakota* in the EMRs, transport corridors and river basins of India. Though deficiencies exist, there is relative to other Asian countries a fine graining of census concepts and operations in India. Has this led to the absorption of

desakota areas into "urban" and their disappearance from the rural areas where one looks for *desakota*. The data presented on the six EMRs in India is examined with this in mind. The evidence is mixed but overall it suggests the absence of *desakota* in the EMRs but for a minimal presence in some of the rural regions around Calcutta, Bombay and Bangalore.

Towards making *gragara* in Kerala a little more intelligible

A prologue to the paper is a string of quotations as a representation by a polyphony of voices of the rural-urban ambiguity of Kerala landscape. The temporal scatter of these representations from Ibn Batuta, and others over the last hundred years is seen as historicizing the problematic of Kerala landscape. This suggests an element of historical persistence in *gragara*. It is however, argued that in the context of the colonial economy of Kerala there were processes that worked towards a colonial urban system of a concentration of non-agricultural activity in the port cities. But this trend was, if not reversed, contained because of the political economy of capital-labour conflict in Kerala. The conflict between capital and labour led to capital's use of space to decentralize and downsize the agro-processing industrial units. Capital sought to weaken labour mobilization by dispersing labour to the countryside. Though this objective was not achieved the process contributed to the persistence/emergence of non-agricultural activity in rural areas. Thus the political economy is seen as critical to make *gragara* intelligible.

The paper briefly examines other facilitating factors that may have contributed to the presence/emergence of *gragara* in Kerala. They are dispersed settlement patterns; the historical geography of mobility of people and commodities; population density; minimal spatial differentiation particularly in collective consumption; cultural economic institutions such as forced commerce; and features of the labour process in the agro-processing industries of Kerala.

Conclusion

This paper was an effort to examine the uniqueness of *gragara* in Kerala. While in the specificity of Kerala the political economy of labour-capital conflict was seen as important, it nonetheless raises a critique of the

neglect of the political economy in McGee's work on EMR/desakota. Implicit in this paper's examination of gragara is a project to recover desakota from its incorporation within and appropriation by the EMR concept. This paper is also an

effort at an enriched synthesis and interpretation of studies of Kerala social history and spatial features that may facilitate an understanding of the enigma of the rural-urban ambiguity of Kerala landscape.

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05

UNDERSTANDING SPATIAL DIVIDE IN KERALA: TRENDS, ISSUES AND PERSPECTIVE

T.T. Sreekumar

Urban process in the third world is often characterised as a precocious one when compared with the nature of evolution of urban centres in Europe, particularly during and after the Industrial Revolution. Eurocentrism implied in this perspective has blurred the identification of the actual processes that mould spatial transition in much of the Third World. A new perspective, the contours of which could be broadly defined in terms of the spatial logic of capitalist accumulation at the core and its varied impact on the different regions of the world is an essential analytic prerequisite to formulate a proper understanding of the history of spatial divide in the peripheries of world capitalism. This paper is an attempt to understand the spatial evolution in Kerala (India), by placing it in this broader analytical framework. The paper is divided into three parts.

Part I gives an overview of spatial history in Kerala in the pre-colonial period. Marx had argued in his *Capital*, Vol 1, that the foundation of every division of labour that is well developed and brought about by the exchange of commodities is the separation between town and country. He believed that the whole economic history of society can be summed up in the movement of this antithesis. He also pointed out that in the initial phases of urbanism, it is not the individual who engages in exchange but families and tribes. This gives a clue to the formulation of a working framework within which the question of early and medieval spatial imprint in Kerala can be broadly understood. The nature of exchange relations, social division of labour and the pace and extent of concentration of productive forces and population in spatial units

which could be designated as 'urban', become the key issues in this context. We would argue that the early and medieval spatial evolution in Kerala was not characterised by a high degree of spatial division as rural and urban. The argument that early and medieval Kerala exhibited an indigenous dynamics of urbanisation emanates from the erroneous method of confusing exchange centres and markets in rural areas as 'urban' centres and as evidence for the prevalence of 'urbanism'.

In Part II an attempt is made to understand the role played by the geography of capitalist accumulation in generating urban forms in Kerala in the post medieval period. There is a strong belief among some urban historians that South Indian geography did not undergo any drastic change during the colonial period. They argue that the nature of development of trade during the colonial period did not create any new necessity for new roads or impel the people to change their basic consumption pattern except for a switchover to British clothes. This observation is based on the fact that commodities and carriers of goods, human and animal, and the venues of commodity exchange did not change qualitatively during this period. However, we feel that, at least in the case of Kerala, this view does not hold true. We would argue that the basis of the later patterns of urban process in Kerala originated and firmed up essentially during this period, at the instance of the intrusion of colonial capital. The entire process of spatial change in the 19th century resulted from Kerala's incorporation into the orbit of world capitalism.

Part III is an attempt to demonstrate the trends and patterns of

urbanisation in Kerala in the post colonial period. This part is divided into two sections. In section one we deal with the nature of spatial transition during the period 1951-81. Our analysis shows that the Kerala pattern is distinctly different from the patterns observed in the rest of the country in terms of various indices of urbanisation. It is characterised by a less fluctuating urban growth path, low degree of urbanisation, better spatial dispersion of towns, slow pace of town growth, a low level of concentration of population in large cities, etc. Section two examines the new trends in the spatial divide in Kerala as it emerges from the statistics provided in the 1991 census. We look into the realities of spatial question in Kerala in the last decade to examine whether the pattern has undergone any significant change during this period.

The results of the 1991 census show phenomenal increase in the degree of urbanisation in Kerala in the last decade. From a meagre 18.78 percent in 1981, it has now increased to 26.44 percent, much ahead of the projected figure. The number of towns increased from 106 to 197. Moreover, if one takes a snap shot of the structure of Kerala's urban hierarchy, it would appear that Kerala has moved away from the earlier pattern. This has led some authors to conclude that this tendency reflects the imbalances of population distribution. We question this argument on the ground that what is happening is neither an unprecedented growth of existing class I towns or graduation of class II or class III towns to class I status, but a massive proliferation of medium towns as continuous belts resulting in the formation of urban agglomerations and thereby attaining class I status.

21 THE HEALTH TRANSITION AND HEALTH CARE SYSTEM

21

01

KERALA SHOWS THE WAY TO HEALTH

N.H. Antia

Four and a half decades after Independence there has been marked improvement in the health of the Indian people as shown by the decrease of the IMR from 140 to 91 and increase in the life span from 41 years to 56.4 years between 1951 and 1989. And yet in the same period China has recorded a much greater achievement in the improvement of its health by a less medicalized and more people based socio-economic approach starting from an almost similar baseline. Even their medical approach has been more through preventive and promotive measures and basic decentralized curative services rather than through specialised urban hospital care. Sri Lanka as well as our own state of Kerala have demonstrated that almost similar results can be achieved even under a democratic set up. There and other examples such as Cuba and Nicaragua demonstrate that it is not only the extent of health inputs that matter but also the type, distribution and the manner in which they are utilized. Even more important are the non-medical inputs such as education, status of the women, nutrition, water supply, sanitation and improvement of the environment which are far more amenable to the peoples own, rather than professionalized, medical effort.

That the health status relates to the social development and not merely to per capita income was revealed by a comprehensive study published in 1984 in Thiruvananthapuram by Paniker and Soman, titled "Health Status of Kerala" - *The paradox of Economic Backwardness and Health Development*. This study had demonstrated that the health status of Kerala whose per capita income was lower than the Indian average and about half

that of the most affluent state of the Punjab, was superior to both as judged by criteria such as CBR, CDR and IMR. Unfortunately this study was based chiefly on hospital data, which also demonstrated a high morbidity rate.

Kerala, with a population of 29 million, had hitherto been spared of the commercialisation of health, probably due to its poor economic status. But it has recently seen a major influx of the 'latest' Western medical technology in private hospitals and nursing homes in its cities as a result of the return of doctors from the

TABLE 1

	CBR (per 1000 pop)	CDR	IMR Per 1000 live births	Life Expt. yrs.	Literacy Rate	MMR per 1 lakh live births
India						
1960	43.0	21.0	140	44.0	28 (61)	
1989	30.5	10.2	91	56.4	52 (91)	3.4 (90)
Kerala						
1961	25.0	7.2	66	48	55 (61)	1.3 (90)
1989	19.0	5.9	22	69	91 (91)	
China						
1960	38.9	23.7	165	40.5		
1986	19.0	7.0	34	69.0	69.0	44

Gulf with large financial resources and a taste for the latest and most expensive Western medical technology. This is threatening to distort the concept of health and its care as had happened in the rest of the country.

In order to provide direction to the state for the future development of its health services, KSSP undertook a

well designed study of the health profile of 10,000 households of the state in 1987.

This study had demonstrated that death, birth and disability rates correlate with the socio-economic status even in a state where these figures are now approximating those of affluent countries. Poverty induced diseases like gastroenteritis and ARI still dominate the pattern of illness affecting the younger age group for which appropriate intervention in both the health and non-health sectors still remains the priority besides being far more cost-effective than for the degenerative diseases of the older age group as shown by the bimodal distribution of diseases.

The remarkable achievement of Kerala in health has also been matched by their achievement in the reduction of the crude birth rate from 31.1 in 1971 to 19.8 in 1989. Following a rapid increase in the population between 1941-71 as a result of sharp decline in mortality, there is now a rapid decrease in numbers of the younger age group. In certain pockets the drop in fertility has even reached below the replacement level as is observed in some of the very affluent countries.

A major factor responsible for this remarkable improvement in the health and demographic profile of Kerala is the literacy and education level of the population, especially of the female, which has now reached even the remote and predominantly Muslim and economically backward Malabar districts which were incorporated into the state at its inception in 1956. Kerala is now an egalitarian society with universal literacy. This has not only led to political awareness and consequent implementation of land reforms, but in

the field of health this has resulted in better availability and more appropriate utilization of both public as well as private health services of all systems; also the increase in the age of marriage to 22 as compared with 18 or less for India, as a whole and better use of available nutrition, water resource, sanitation and general cleanliness. Other factors like a more even distribution of population with a network of good roads which enables better access to all services including health have also played a role.

Kerala stands out as a beacon in health not only for India but the rest of the world. It demonstrates the overriding importance of non-medical factors and of the peoples active involvement in their own health even within limitation of severe economic constraints. The key factor of education of the female and her status in society is also clearly demonstrated. And yet Kerala has much to learn from the rest of India and from the affluent Western countries in charting out its future development in health as also in other fields. The appropriation of peoples health by the medical profession and the health industry and converting illness into a lucrative business in an area where consumer resistance is at its lowest, now poses a new threat to the health of the people while diverting scarce resources from nutrition to doctors and medicines. This is revealed by the example of the USA which spends over \$3000 per capita as compared to less than \$10 in Kerala. It is also demonstrated not only in our own cities but also in our villages where, expenditure of the poorest two decides who spend almost 80% of their income on food is now being diverted to tonics and injections.

21

02

PATTERN OF FAMILY MEDICAL EXPENDITURE - A MICRO LEVEL ANALYSIS

T.P. Kunhikannan* and K.P. Aravindan**.

The development experience of Kerala's health sector shows the positive achievements of the state in providing a good physical quality of life despite its relative economic backwardness. The experience of Kerala has been widely

recognised as an example of achieving reduced infant mortality rate despite low income levels. Thus Kerala is always noticed as an example of achieving "good health at low cost". Kerala has already achieved what India has targeted for 2000

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AD. Yet, macro level studies on the health sector of Kerala highlights certain inherent problems like high morbidity, gross under-utilisation of governmental institutions, over whelming influence of the private sector, increased family medical expenditure, etc. These factors make the public health care system in the state appear to be inadequate and insufficient to meet the demand, but for sufficiently developed infrastructural facilities.

Regarding health expenditure, the available data pertains mainly to the public expenditure on health; but a major portion of the health expenditure however, occur in the private sector, and this has not been properly quantified. To obtain the total family and percapita expenditure on health and its proportion to the State Domestic Product, one has to calculate the private family expenditure combined with state's expenditure on free medical facilities. The present paper is the result of a modest attempt to estimate the family's private health expenditure at the micro level.

The quantum and pattern of family medical expenditure were studied in a locality chosen randomly in Kozhikode district of Kerala. 52 households with 310 persons in a semi-urban setting were prospectively surveyed for a period of four weeks in November, 1991 by weekly interviews.

The morbidity rate was 98.4/1000 per two weeks. annual family medical expenditure was Rs.1121.25 and percapita medical expenditure was Rs. 188.11. This is higher than most other reports from India for general population. The household medical expenditure was 4.7 percent of reported expenditure and 6.3 percent of total reported income. The percapita medical expenditure showed a gradient from lower to upper socio-economic groups and was higher in the private sector as compared to the government sector; and also higher for the allopathic system as compared to ayurveda and homoeopathy.

It is seen that 63.9 percent sought treatment in the private sector indicating the fairly major role played by the private sector in the health care delivery system in Kerala. What is striking in that though our study area, unlike most rural areas, is in broad proximity to government health institutions including two medical colleges (allopathic and homoeo) only 31.7 percent of the people have approached the government health institutions for treatment.

The cost of treatment per person

affected by morbidity seems to be much higher in the private sector 90.70 as compared to the government sector (Rs.48.60). The fact that this does not deter people from going to the private sector is probably indicative of some inherent deficiencies in the government hospitals.

A majority of the people (54.4%) preferred the allopathic system with a significant minority (26.3%) opting for homoeopathic and still lesser (19.2%) for ayurvedic. The cost of treatment per person affected by morbidity shows considerable variations among the three systems. It is the highest for allopathy (Rs.100.70) and the lowest for homeopathy (Rs.44.70), ayurveda coming in between (Rs.62.90).

It indicates that household and percapita medical expenditure in Kerala are very high as compared to all-India figures. The bulk of family expenditure on health comprised of cost of drugs (74.1%) followed by consultation fees (15.1%). The cost of medicine was found to be the highest for allopathic system followed by ayurvedic and homoeopathic.

If we assume that the overall spending in the medical sector by households in the state as a whole are similar to what is indicated by our sample, the total projected household medical expenditure in the State works out to Rs. 550 crores. Direct household and percapita medical expenditure are nearly thrice the government expenditure on health, ie., Rs.290 crores and Rs.98, respectively, in 1991. The household expenditure in our projection may indeed be an under estimate because the morbidity rate in our survey appears to be lower than that of other studies. (eg. Health ad Development in Rural Kerala, KSSP, 1991.)

The overall percapita expenditure on drugs is obtained as Rs. 10.72. From this the annual household direct expenditure for buying medicines from the market for the state as a whole can be projected to Rs.411 crores, which will come to 142 percent of the state's budget estimates on health sector in 1991. The lion share of the money goes to the drug manufacturers of the allopathic pharmaceutical sector.

The data generated has helped us to find out per family and percapita medical expenditure under different systems both in the government and private sectors. The results of the study on demographic profile, socio-economic status, morbidity, pattern of medical expenditure, etc. were compared with other studies and reports. The comparison

was mainly made with the results of the Rural Health Survey conducted by the KSSP. The revealing fact is that though the morbidity rate obtained is less than that of the KSSP study, direct medical expenditure per household and per person are comparatively high in the selected locality.

Even the existing high percapita medical expenditure is beyond the reach of the common people. Further attempts like the introduction of user charges and privatisation of the government sector are likely to have adverse impact on the people of the state, particularly the poorer sections.

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INTEGRATED CHILD DEVELOPMENT SERVICES IN KERALA : PROSPECTS AND PERSPECTIVES

C. Norma Xavier

The Integrated Child Development Services (ICDS) scheme as the largest single programme of child development in the country, translates into action the emphasis given in the national policy for children to the integrated delivery of early childhood services and services for expectant and nursing mothers.

ICDS in Kerala was started with one project in Malappuram district (Vengara) as early as in 1977-78. As per the 1990 records, there are 78 ICDS projects in Kerala. Altogether, there are 6275 Anganwadi centres, of which 5732 are implementing nutrition component of ICDS during 1989.

ICDS today covers more than 30 per cent of the Community Development Blocks and urban projects in India. According to the monitoring report of the Department of Women and Child Development (1986), the coverage of pre-school and pregnant and lactating women for supplementary nutrition under ICDS was reported to be more than 87.78 lakhs and 16.87 lakhs, respectively.

Various studies and surveys conducted all over India on ICDS showed that the scheme has made tremendous impact on the health status, malnutrition, infant mortality, child mortality and morbidity, anaemia and other preventable diseases.

A study entitled "The attitude of rural women towards supplementary nutrition and other services in ICDS implemented in Kerala" was designed and conducted by the Department of Home Science, College of Agriculture in 1990 with the following objective to assess and analyse the present rate of participation of the beneficiaries,

namely, women and children in the different components of ICDS programme in selected districts of Kerala.

Findings

Out of 415 women surveyed, 220 were regular participants in ICDS programme and 195 were irregular participants. The women represented three major groups of beneficiaries, viz., pregnant women, lactating women (100) and mothers of pre-school children and infants (204).

A majority of the women surveyed were young, moderately educated and belonging to the low income group. Agriculture was their major occupation and more than 50 per cent of the families did not have basic facilities like electricity, drinking water and latrines. The women had very little involvement with social organisations but their exposure to popular media like newspaper and radio were quite satisfactory.

Compared to irregular participants, the regular participants had positive views about the Anganwadi centre. Awareness about the six components of ICDS was also better among regular participants. Of the various ICDS components offered, supplementary nutrition component was rated as the most popular followed by pre-school education and immunisation by the two groups. The remaining 3 components were comparatively less popular.

Among the 6 ICDS components, referral service and health and nutrition failed to create required awareness among the women irrespective of their rate of participation in the programme.

Earlier participation in ICDS

programme by members of the family was a major factor influencing the rate of participation of the respondents.

Participation level was higher among young and educated women with greater exposure to media. Women with small families and greater opportunity for socialisation and who had more understanding family heads were more regular in participation.

Economic status of the family and employment status of the respondents did not influence their participation in the ICDS programme.

Women who were regular in participation had a better view about the organisational aspects of ICDS at the Anganwadi centre level and they had more favourable view about the supplementary foods distributed.

However, in the case of regular and irregular participants the ICDS food supplements were mainly a substitute to home meal and not a supplement.

The supplementary nutrition component were better utilised by the regular participants in the rest period during pregnancy and after delivery compared to irregular participants.

Compared to irregular participants, higher percentage of regular participants had utilised the immunisation facility. For this they were persuaded by Anganwadi and primary health centre functionaries. However, iron and folic acid supplements were received regularly by both the groups, irrespective of their participation level. The health check up and referral service facilities were not well exploited by these two groups. Availability of these facilities in other local agencies were also responsible for this. Unlike these components, pre-school education component was better utilised by regular participants.

Among the various systems of food distribution, "on the spot" feeding was the common as well as the most preferred system by the regular participants.

Full ration of the food distributed was not consumed by all the regular participants especially the child beneficiaries. The excess food taken home was well utilised by the beneficiaries as well as by the family members.

All the regular participants surveyed agreed on the present time fixed for serving the food at the centre and majority of the beneficiaries did not combine the trip to the centre with other domestic responsibilities.

Anganwadi centre, nearer to the household was accepted as suitable with adequate space and clean surroundings by 65.91 per cent of regular participants surveyed. Majority of the regular participants were satisfied with the space and cleanliness of the Anganwadi centre.

Heavy work load at the household level, unacceptability of food served, non-availability of the Anganwadi centre in the neighbourhood, eating pattern followed in the Anganwadi centre, distance of the Anganwadi centre from the house of the respondent, space adequacy, cleanliness of premises of the Anganwadi were found to be major factors influencing the participation level of beneficiaries.

Among the irregular participants, the familiarity of the supplementary food, eating pattern, non-co-operation of family members and religious restrictions were found to be influencing the participation negatively.

Knowledge, attitude and adoption are the three important phenomena, which might directly or indirectly influence people's participation in any programme.

So the knowledge, attitude and adoption of the respondents were assessed. The respondents had a "favourable" attitude towards the services rendered through the ICDS.

But when individual statement scores were analyzed, more than 45 per cent of the respondents had a "negative" or "undecided attitude" towards the programme. It is also noted that even among the regular participants the attitude is not completely positive.

The knowledge towards the various aspects of ICDS were assessed. Higher percentage (69.09 percent) of regular participants had a positive reaction to various statements when compared to irregular participants (65.64). It was further revealed that the respondents had knowledge about supplementary nutrition and immunization. Whereas their knowledge was poor in areas of personal hygiene, environmental sanitation, importance of pre-school education and scientific infant feeding practices. This reveals that greater emphasis is to be placed on Health and Nutrition education component of ICDS.

HEALTH CARE METAMORPHOSIS DURING THE LAST FIFTY YEARS IN SOUTH INDIA

P.K.R. Warriar

Health Care and patient care are not synonymous, though complimentary to each other. In the forties and early fifties health care and curative medicine were administered by two independent government departments, each with separate personnel budget allotment and personnel. This was a colonial vestige, albeit with built in capitalist efficiency. The average per capita expenditure per annum in the Madras presidency was less than five rupees.

Rise of private sector

In early fifties preventive and curative medicines were brought together as the "Minimum Comprehensive Health Delivery Scheme", under the "Community Project." Preventive medicine became the casualty, a lion's share of budget allotment being appropriated by curative medicine. To cater to the needs of the affluent, private sector, still in its infancy, started making inroads into therapeutic sector.

- a. Was this fortuitous?
- b. Or did the nascent monopoly capital formation in the drug industry, native and foreign, engender it?
- c. Did it escalate therapeutic cost, out of proportion to curative and even ameliorative results?

Increasing Institutionalisation

In the sixties and seventies a trend towards increasing institutionalisation of investigative and therapeutic procedures was discernable, with consequent leap in cost.

The felt need for more and more sophisticated gadgetry was becoming

increasingly evident. The private sector outstripped the public sector, the latter being very much more resourceful. There was an inevitable increase in cost taking treatment out of reach of the common ailing public. The beneficiaries were mainly foreign manufacturers. Private sector, with an eye on profit was a close second.

Centres of excellence

The eighties heralded the era of "centres of excellence". Their number which was only a handful in early eighties has now proliferated to nearly a hundred in South India, about ten being in the public sector itself. The capital outlay for each runs into several crores of Rupees - The average cost per patient is fifty thousand or more. This service can be used only by a small minority.

Conclusion

- a. An attempt was made here to point out the enormous increase in the cost of curative medicine during the last fifty years.
- b. This is not a natural phenomenon, but is the result of the class policies and collaborationist role of the ruling classes.
- c. Sophisticated modern therapeutic measures discovered as a result of breath taking scientific advances are denied to the common man.
- d. Simple treatment for common ailments that afflict the vast masses is largely left uncared for.
- e. Life saving measures, like coronary care, can be had only at a very high price.

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01

RETURN ON INVESTMENT IN GENERAL HIGHER EDUCATION IN KERALA

P.V.Bhaskaran Nair

Introduction

A good deal of money is invested on general higher education at the degree, post-graduate and doctorate levels. However, the benefits which these investments bring to the individual and the society have not been fully analysed. In this study, cost-benefit technique is used to assess the economic justification of investment on general higher education. The method of working out the internal rate of return using the estimated present value of the benefits and costs is applied in the analysis.

Objective

This paper is an attempt to compute internal rates of return (I.R.R.) on investment in general higher education (both private and social) at the post-graduate (M.A./M.Com. and M.Sc.) and doctorate (Arts and Humanities and Science) levels.

Review of Literature

Almost all studies have revealed that primary education yielded the highest rate of return followed by higher secondary education. The returns at the level of higher education are comparatively low. The private rates of return are found to be higher than the social rates in all the studies. The review shows that not many studies have attempted to estimate rates of return at the post-graduate and Ph.D levels in particular as attempted in this study.

Data and their source

This study is based mainly on the primary data collected by the investigator by means of pretested questionnaires. Private cost of education

at M.A./M.Com./M.Sc. and doctorate levels in the University has been estimated using primary data collected from students who completed these courses in the University Departments. The public cost consisting of fellowship/scholarship, other public support and institutional cost has been computed using secondary data. Social cost forms all costs that are incurred in connection with the education of an individual (i.e. all private and public costs).

The various costs per student during 1st, 2nd and the total duration of two years M.A./M.Com. and M.Sc. courses have been estimated department-wise and faculty-wise. Similarly, department-wise and faculty-wise estimates of costs per scholar during 1st to 5th year and the total cost during the entire five year period of research for Ph.D. have been worked out. The overall average total private cost and social cost during each year of the different courses estimated are the streams of costs (C_t).

For estimating the benefits of post-graduate and doctorates, a sample of 1,411 people consisting of those who passed out from the University Departments of Calicut and Kerala with M.A./M.Com./M.Sc. and Ph.D. degree in Arts and Humanities and Science and employed in different organisations is taken. Using the observed data on annual earnings collected by the author, age-education-earning profiles have been constructed first. These are then improved by adjusting the annual earnings for unemployment factor based on the waiting period to secure employment. From these adjusted age-education-earning profiles of graduates and post-graduates, the profile of age-earning differentials, i.e. the additional earnings as a result of post-graduate education, has been worked out. This has been adjusted for

alpha coefficient. Similarly, from the age-earning profile of post-graduates and doctorates adjusted for unemployment factor, another profile of age-education differentials i.e. the additional earnings as a result of research for Ph.D. has been obtained and this has also been adjusted for alpha factor. These adjusted earning differentials are used as expected benefit streams (E_t).

The internal rates of returns are computed using the cost streams (C_t) and the benefit streams (E_t) mentioned earlier.

Method of Estimating Internal Rate of Return (I.R.R.)

The I.R.R. is the rate at which the discounted present value of all future expected earnings is equal to the discounted present value of the costs of the project.

In the present study, it is found on the basis of the data collected by the investigator that the benefits of education start at the age of 21 in the case of graduates, 23 in the case of post-graduates and 28 in the case of doctorate. Most of the graduates and post-graduates are found to earn up to the age of 55 and doctorates up to the age of 60.

The private rate of return is estimated on the basis of private cost incurred by an individual and the benefits realized by him, as estimated by the earning differentials. The social rate of return is worked out on the basis of social costs (private and public) and the quantifiable social benefits. The private rate of returns is useful for decision-making at the individual level, and the social rate of return is helpful for planning investment in education at large.

Estimate of I.R.R.

The estimated internal rates of return (private and social) show the following.

a. Comparatively lower private rates of return for the doctorates which may be attributed to the relatively high cost of research and the lack of additional earnings of the Ph.D. degree-holders commensurate with their qualifications. Among the post-graduates, the rate of return for non-teachers with M.A./M.Com.

degree is the lowest. This may be due to the fact that most of them are found working in jobs requiring only S.S.L.C. or graduation.

b. The social rates of return are found to be much less than the private rates of return in all cases. This may be because post-graduate education and research are considerably subsidised by Government and social costs are much higher than the social benefits. The comparatively poorer social rates for doctorates may be on account of the exorbitant public cost of research including institutional cost especially in the Science faculty.

c. In the absence of estimates of any opportunity cost, it is customary to compare the rate of return with the rate of interest though it varied over a wide range. At present the interest rate is 10% on fixed deposits over three years in the nationalised banks. As against this, the I.R.R. on investment on higher education estimated in this study is comparatively higher (12-16 percent) except in the case of post-graduate taking up non-teaching profession and doctorates (5-9 percent).

The comparison reveals that investment on general higher education at the M.A./M.Com. (in the case of those who enter non-teaching profession) and Ph.D. levels is not fully justifiable from the economic point of view. But it may be noted that the above estimates are based on monetary income alone and ignore intangible benefits which cannot be expressed in monetary terms. As a result, the estimates are likely to be biased downwards. Therefore, by and large, the results justify investment in post-graduate education and research from the point of view of individuals.

d. A comparison of the social rates of return (1-7 percent) with the interest rate indicates that the former are much lower than the latter. One can, therefore, justify investment on general higher education from the social point of view only if indirect spill-over benefits to the society as a result of higher education are also taken into consideration. Further, for the development of the country, innovations in agriculture, industries, science and technology etc., are essential. Without higher education and research, innovations are not possible. From this point of view, public investment on higher education and research seems to be justifiable.

WOMEN'S EDUCATION AND SOCIAL CHANGE IN KERALA

Hepzi Joy

The status of women in Kerala has been described as higher and different from the women in the rest of India. Several reasons have been ascribed for this situation in which the opportunity for education has been cited as the most significant. Women's education in turn contributed a great deal to the social change in Kerala.

The objectives of this paper are to trace the history of women's education in Kerala from 1819 to 1947 and to make a critical analysis of the impact of education of women in the society of Kerala.

At the dawn of the 19th century social prejudice against female education was widespread. This was probably the greatest obstacle to the education of women. This prejudice was strongly rooted in the socio-economic and religious conditions such as child marriage, caste system, purdah system, dowry system, devadasi system, seclusion of women, lack of girls' schools and women teachers, and absence of suitable curriculum. According to Mateer (1883, pp.208-209), a European missionary at that time, "The denial of education to females springs to a great extent from the fear that they would misuse such advantages and become unfit for obedience and humble labour". But there was a small section of girls, who could receive education. They were the devadasis, the daughters of Nair 'tarawads' and the Syrian Christian girls. Their period of learning was from five to seven years of age. But the girls stopped attending schools after the 'tali' tying ceremony. It was against this background that the missionaries launched a new venture of providing education irrespective of caste or sex.

The first quarter of the 19th century was very favourable for the work of the protestant missionaries. John Munro who was appointed as Resident and gained absolute control over Travancore and Cochin was an ardent supporter of missionary activities.

Several missionary societies worked in Kerala for the cause of education. But the credit of being the pioneers in the field of women's education goes to the

three protestant missionary societies the London Missionary Society (LMS), the Church Missionary Society (CMS), and the Basel Evangelical Missionary Society.

Evangelisation for Christ was the only aim of these missionary societies and for that they wanted to educate the women also. Moreover, the missionaries realised that education was one of the means to raise the women folk from their low status in society.

The first school for girls was established by Johanna Mead in 1819 in Nagercoil. In North Travancore the first school for girls was started in Kottayam by Ametia Baker in 1820. The first girls' school of the BEMS was established by Julia Gundert in 1839 in Thalassery. The missionaries opened schools along with churches. They established different kinds of institutions for the development of education; Girls schools, Boarding schools, Bazaar schools, Day schools, Caste girls' schools, English girls' schools, Village schools, Evening schools, Vernacular schools, Anglo-vernacular schools, Parochial schools, Training schools and colleges were some of them.

The missionaries showed particular interest in the development of education of women irrespective of caste or creed. They opened schools for christian and non christian boys and girls. Some of the missionary societies introduced compulsory education among the children of their congregations. Free food, boarding and clothes provided at the school was been a blessing to the poor girls.

The missionaries imparted vocational education along with general education. The first printing press in Kerala was the printing press of the LMS missionaries. This press helped them to publish articles on various topics which helped in diffusion of knowledge and creation of a new social order in the Kerala society. The missionaries were the pioneers in opening libraries and reading rooms in Travancore which were effective means of non-formal education.

The activities of the missionaries helped to change the attitude of the

people towards girls' education. Initially when the missionaries started their work in the field of women's education, prejudice of the people was very great. But after half a century, girls' education came to be greatly valued by the people and the rulers, and in 1864, the Travancore Government itself started the first government girls' school.

If one compares the statistics of women's education at the beginning of the 19th century with that of 1947, it is clear that there was a tremendous increase in the number of schools and scholars. In the year 1946-47 there were 2,54,717 pupils (1,44,670 boys and 1,10,047 girls) in Cochin and 10,91,766 pupils (6,3,399 boys and 4,68,36 girls) in Travancore. In 1947, the rate of literacy for males in Kerala was 58.1 and for females 36.0. Vocational education given to girls helped them to get employment and thereby economic independence.

It was the educated in various communities who were in the fore front of social reform movements. Education helped to loosen the strong hold of caste and many a superstitious practices disappeared.

A result of spread of education was the rise in the age of marriage. The birth and death rates also decreased. Some girls continued their studies even after marriage. In some places, young ladies refused to marry. Intercaste marriage became common. Widows got freedom to remarry. Above all, the life style of widows began to change. Women got freedom to dress decently, i.e. freedom to wear jackets and upper clothes. The right to own properties and houses enhanced the status of lower classes including their women. Education played an important role in shaping the recent political history of Kerala and the participation of women in political affairs.

In examining the impact of educational activities of the missionaries on various aspects of life, it may be concluded that women's education was the most important fundamental factor which reshaped and modernized the life of women and society in Kerala. It was mainly education which enhanced her social status and economic position and helped her involvement in the political affairs. As a result of it, Kerala women progressed to a higher level of human dignity and honour from a stage of dependency, insecurity, and slavery.

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DIALECTICS OF THE GROWTH OF EDUCATION IN KERALA: A STUDY OF THE CONTRADICTIONARY FORCES IN THE PROCESS

John M. Itty

The history of education in Kerala for the purpose of this study may be divided into three stages - the periods of Missionary initiative, Communal take-over and Commercial approach. Missionary education that aimed mainly at the emancipation of the underprivileged, caused the awakening of communalism. In the second stage, growth of education under the auspices of major religious communities, while achieving the original purpose of serving their community, subsequently came into clash with the class interests of its leadership. Convergence of the class interests of the state and the Communal Educational Agencies (CEAs) now prepare the launching of the third stage, that of commercialisation of education which is bound to prevent the empowerment of the

underprivileged which is the basic role of education. Understanding the dialectics of this historical process becomes necessary in searching the right course of action.

Missionary Initiative ((1817-1894))

Modern education initiated and promoted by the Missionaries had two distinct features. Firstly, leaving apart the occasional gifts of land and money from the rulers of Travancore; the Missionaries spent their own funds for running schools. Secondly, they established schools not to serve their own community, which they didn't at least during the early stages, but, to serve the people in general, especially the underprivileged sections of the caste-

ridden feudal society. This helped the socio-economic emancipation of the lower castes and the out-castes. Christians with the benefit of education emerged as the middle class and established their hold over the monetised economy, and the Ezhavas also improved their position gradually. This helped the redistribution of land in favour of them to the disadvantage of Nairs and Namboodiris; contributing to further socio-economic transformation.

However, these healthy developments produced certain counter forces towards the end of the century - the awakening of communal feeling among all sections. The underprivileged realised that their emancipation is possible through consolidated and collective action on caste/religious lines. The empowerment of these groups made the elites insecure; forcing them also to organise on caste lines. The result was social tension as manifested through the rise of socio-religious movements like Malayali Memorial and the Counter Memorial by the end of the century and the formation of the Nair Service Society (NSS) and Sree Narayana Dharma Paripalana Yogam (SNDPY) in the beginning of the 20th century. The emergence of the communal interests immensely influenced the political process that followed.

The Communal take-over (1900-1970)

Realising the role of education in socio-economic transformation and the loss and gain of each community in that process, by the end of the 19th century, CEAs entered the field. Non-protestant churches that opposed Missionary education entered the field. By the beginning of the 20th century, this trend intensified with the formation of NSS and SNDPY. Soon, the Churches, NSS and SNDPY competed with each other for dominance and, as a result, schools and colleges under CEAs increase in number tremendously. The Muslims entered the field only very late and accounts for the relative backwardness of the community.

Unlike the Missionaries, each CEA did set up institutions for the benefit of the particular community. Collective prestige and power of the community was another objective. However, like the Missionaries, CEAs also mobilised their own resources. In fact, they mobilised adequate funds from their members. Ability of resource mobilisation and competitive drive of CEAs helped the expansion of their educational enterprise. As a result, education became more accessible to the people everywhere.

The turn of the 20th century marked not only the beginning of activities of CEAs, but also the democratisation process in the state. Ever since the formation of Sri Moolam Assembly in 1904 the political process became active. Each community intervened in the political process for communal gains. In fact, the first democratic government in Travancore under the leadership of Pattam Thanu Pillai, T.M.Varghese and C.Kesavan was a coalition of Nairs, Christians and Ezhavas. Even when these communities competed with each other for power and privilege, they were found co-operating to share the spoils. The result was liberal grant-in-aid to private schools. By intervening in the political process, they could appropriate vast areas of very valuable land from the state. The land belonging to NSS colleges at Changanachery and Thiruvananthapuram, SN College, Kollam and Mar Ivanios, Thiruvananthapuram are testimonies to this. Thus, by the middle of the 20th century CEAs learnt the art of appropriating government property and funds to expand their activities and to build up assets. Direct payment to school teachers in 1959 and the distribution of a large number of junior colleges in 1964 to these agencies speeded up this process.

The disproportionate expansion of education was destined to conflict with the original intentions of CEAs. Admissions to students belonging to all communities became the cause and consequences of the growth and expansion of education. There are many institutions where students belonging to the owning community constitute a minority. This, along with the reservation policy of the state made many of the institutions not catering to members of the owning community. On the other side, as demand for education, increased, these agencies had to face the temptation of selling admission and jobs to the highest bidders. Once they failed to reserve the benefits to one's own community, admitting students by accepting donation became legitimate and the experiment proved to be highly profitable by the end of sixties.

Commercial approach (from 1970)

By the seventies, supply of educated persons exceeded the demand and consequently, competition for jobs increased. Increased supply of SC candidates provoked other communities who felt that their institution negating their original purpose. As education

became free and accessible to all, a large number of financially poor belonging to all communities also made advantage. This also disturbed the elites of all communities. When the educational facilities dispensed by the CEAs turned to the disadvantage of the leaders, their communal consciousness gave way for class consciousness.

The inflow of foreign remittance since the seventies and the development of market forces influenced the leadership of CEAs to seek changes in the pattern of education. The budgetary burden on education prompted the state to seek similar changes. As a result, the ideas of selective dispensation of education in the name of quality improvement and commercial viability got legitimacy. The experiment with unaided private schools initiated by CEAs proved to be a success in terms of commercial profitability. In the light of these, the idea of self-financing institutions at all levels has become a catchy slogan and guideline for future policy.

An alternative approach

The preparation to make education self-financing and elitist is bound to undermine the course of our socio-

economic progress with serious implications. The arguments of budgetary burden of the state and the ability of CEAs to raise resources in support of the proposal are mischievous and mistaken. Attempts to reduce the budgetary burden of the state can be sought without resorting to marketisation of education. The success of resource mobilisation is based more on the resourcefulness of society than on any special gift of CEAs. What enabled CEAs to do this is the license they got for the purpose from the state. Alternative type of organisation, if given the same license, also can mobilise resources. It may be noted that sizeable portion of the assets built up by CEAs over the years came from the appropriation of the larger public and the state.

In the context of the proposed Panchayatiraj administration, all the new institutions and courses may be entrusted with some form of people's co-operatives which will have the advantage of private initiative and can mobilise resources; and the assets built up will remain with the people. The management of these institutions and the dispensation of services will be free from communal and class interests; and democratisation and decentralisation of education will become real.

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04

BACKWARDNESS OF MUSLIM EDUCATION IN MALABAR - A HISTORICAL SURVEY

K.T.Mohammed Ali

The Muslims of Malabar, popularly known as the Mappilas constitute about 43 per cent of the population of Malabar. But compared to the other communities they are very backward in education. In 1961 the literacy rate of Malabar was 45.4 percent as compared to the state average of 55.1 percent. While 62 percent of the children aged 5 to 14 were reported to be in the school in Kerala, the percentage in Malabar was only 51.3. Only 6.3 percent of the 15 to 29 age group as against the state average of 11.6 percent were in higher educational institutions. While the situation has greatly improved during the last thirty years, the disparity continues. The Muslim community has been a major contributor to the relatively poor educational statistics in Malabar.

This paper seeks to examine the factors responsible for the backwardness of Muslims in Western education and the repercussions of this on socio-economic life of the community.

Though Western education began to spread in malabar during the first half of the nineteenth century, Muslims had opposed secular education from the very beginning. There was uncompromising opposition towards the British rulers who were perceived as oppressing the Mappilas. It was this opposition that developed in them a deep hatred towards the English language and Western education even though the British Government made several efforts to educate the Mappilas.

During the 19th century, the Mappilas broke into rebellions again and

again against the oppression of the Janmis and their supporters, the British officials. It was the fanatical activities of certain aggrieved Mappilas that gave the impression that Muslims were in general fanatical. Innes, who studied this aspect of the Mappila character has remarked that "the general reputation which they have acquired for turbulence and fanaticism, perhaps they hardly deserve".

The lack of a proper understanding of religion coupled with superstitious beliefs was another reason for their hatred of the English language and Western education. They were apprehensive that the activities of the Christian missionaries would weaken the faith of the young boys and girls in their religion and also open the way for the propagation of Christianity among them. Therefore, they could not reconcile themselves to the "new education" particularly as provision was made for teaching their religion in schools. In the beginning, nothing was done by the government to modify or adjust the new system to their susceptibilities and to meet their requirements. The orthodox *Ulamas* (theologians) who wielded great influence with the Muslim population put every kind of obstacle in the way of the education of the Muslim masses. Modern education was declared anathema. Education of Muslim girls was interdicted and they carried deleterious propaganda against secular education. They wanted to have no truck with Western culture or government. English language was dubbed as the language of hell and Western education was considered a passport to hell.

Despite the opposition of the Mappilas to the study of English language and Western education, the British Government tried different methods to educate them. The British assumed that the solution of what they termed the Mappila problem "lay in secular education on the Western Pattern". The government tried to achieve this through a series of educational measures. The official recognition of the Mappilas as a "backward class" for educational purpose, the separation of vernacular schools from the mosque freeing them from the influence of the Mullahs, and placing them under local boards and bringing them under grant-in-aid scheme, the provision for religious instruction for Muslim pupils within schools hours and appointment of instructors for the purpose, the introduction of a special Mappila scholarship scheme, the running of special night schools for the Mappila adults, were some of the significant

measures adopted by the government.

Following the Rebellion of 1921, the Government resolved to concentrate more on Mappila education and took several measures for their uplift. The leaders of the community also realised that traditional opposition to the Government and refusal to avail of modern education had placed the Mappila in an impossible situation. The objective condition of the community called for social reforms through modern educational activities. The educated Muslim leaders like K.M.Seethi Sahib were of the view that special schools were required for the uplift of the community and for safeguarding the cultural integrity of Muslims. Under their inspiring leadership, several voluntary agencies were formed which established numerous primary and secondary schools in different parts of Malabar. This dispelled the apprehension of a cultural threat posed by modern education and in due course, this brought about a salutary change in the attitude of the Mappilas towards secular education. This gave an impetus to the Mappila higher education too. The founding of the Farook College was a singularly important event in the Muslim educational progress.

The acceptance of the state programme of universal secular education at the lower level by the community in the 1950's was made possible by the silent and magnificent services rendered by voluntary agencies. The dynamic activities of voluntary agencies were a pace-setter for the community in educational advancement. Thus a gradual movement of Muslims into a higher education had begun which led to large scale admissions of Muslim students to colleges.

While the situation has greatly improved over the last two decades, the Mappilas (Muslims) still remain backward in education. The under representation of Muslims in government jobs in spite of reservation quota and the alarming backlog of unfilled vacancies in the reservation quota over the years would reveal the glaring backwardness of the Muslims even among the so-called backward communities. The phenomenal under-representation of Muslims in professional colleges and in IAS and IPS cadre would reveal, further, the plight of the community. They started late. The Hindus and Christians, who had adopted a more open and positive approach from the very beginning have not been on a stand-still as the Muslims strove to catch up. Thus they left the Muslims far behind educationally and economically.

24 PERSONALITY CHARACTERISTICS OF STUDENTS AND TEACHING METHODS

24

01

RECONSTRUCTIONISTIC AND HERMENEUTIC APPROACHES TO EDUCATIONAL HISTORY WITH SPECIAL REFERENCE TO KERALA

N.Vedamani Manuel

Educational documentation projects Kerala as the most advanced state in literacy and in several other aspects of formal education. But the problems which accompany an irrelevant, disguised and anti-developmental education can also be seen most clearly in Kerala. The cruelty of heavily loaded miseducation, the grinding of children in inferior models of English education right from LKG, the regular procession of children into two (or even three) systems of formal and verbal education from early morning till late evening could be seen in Kerala as nowhere else.

Distorted history

It is argued in this paper that much of the educational and social malady which besets us now is due to the wrong ways in which our potentially rich cultural history has been recorded, studied and used. We have turned a blind eye to several positive aspects like the intellect drawn from productive work, folk-elite bridges, unity drawn out of cultural dialectical transactions of contradictory forces etc. False elitism, dysfunctionism, apologetics and eulogistics for the winners in conflicts (often using dubious methods) pass off as true and respectable history. Many people believe that Sanskrit is the only original source from which all Indian culture emanated and that *Brahmins* were the only bearers of culture in traditional Indian society. There are 'antithesists' who believe that reversed discrimination against *Brahmins* and politically distributed 'doles' to the traditionally disadvantaged groups - without caring to reconstruct their

positive culture and link it to modernity - can lead the country into Utopia. The Sanskritic unifocal theory of intellect and knowledge in today's context enthrones NCERT to be the sole source and mediator-in-chief of educational knowledge in the whole country.

Hermeneutic approach to history

Apologists are not wanting, even among the intelligent sections, who think that history is compilation of facts of the past and that certain bodies like NCERT are competent to identify the true facts and codify them into texts which can then be used as modern *smritis* in all the schools. There are also several groups which would like to rewrite history according to their own fancies. Dynamic, pluralistic, conflict-recognising and conflict-resolving approaches get very little emphasis. Even our myths and legends contain historical truths embedded in some form. Unbiased and critical scholars should try to decode the true messages hidden behind the surface symbols. (This is the *hermeneutic* approach. *Hermes* is the messenger of the Greek gods). Students and researchers in higher education should be trained in it. Even young minds should be trained to see multiple points of view, keeping their minds open, tolerant and critical. Kerala history is full of such symbolically coded materials and non-formal Keralite intellectual and social transactions handle plural signals with ease. But the formal system of education in Kerala drills in uniform and often wrong history.

Some aspects of cultural history, like the *upanishadic* message and *sangam*

transactions, are straight and positive. But even here, there is a tendency to recite the positive message as proof of our ancient glory and use it as a cover for present weaknesses. Drawing the implications of this message for the present and future is a reconstruction-istic approach (Brameld).

Failure to do this, and teaching of frozen, partial history as a finished product contributes to distortions in other subjects also. For example, science and mathematics are taught not as processes or as inquiry, but through the rhetoric of conclusion and as inert product.

The stand taken in this paper is that *Sanskrit*, *Centamil* and many of our other great cultural products were made out of a creative, constructive and cooperative process. In the rest of this paper, some aspects of the cultural history of education (using early Tamil sources with Kerala contributing much in the process) are presented with reconstructionistic parallels from USSR, Hungary etc.

Sangam classics

The Tamil *Sangam* is presented as displaying a dialectic of genuine meritocracy and equality of opportunity. The *Sangam pulavar* (poets/scholars) were drawn from both sexes and from all castes (hunters, tillers, carpenters, potters, traders, minstrels, princes, Brahmins etc.). The *pulavar* as well as artistes in music (*panar*) and dance drama (*kuttar*, *viraliyar* etc.) were wandering constantly between the king's court/scholastic circles and the common folk in the five-fold land. *Cilappadikaram*, called *muttamil-kaviyam* (representing interdisciplinary transaction of literature, music and dance-drama) is also a masterpiece of the dialectic of the folk and the classical. A wide variety of formal and nonformal teacher classes - Jain, Buddhist, secular and Brahmanic have been referred to in *Sangam* literature.

Tolkappiyam, a scholastic work presented at *Atavankodu* (at the border between Kerala and present Tamil Nadu), is another masterpiece bridging work culture, folk culture and intellectual culture. Its technique of dividing geographical regions into five; analyzing the physical, biological, intellectual and cultural products of each region; matching each region and its products with a specific love theme (with inscapes matching landscapes) and then matching this graded love-song (*Akam*) based

education with public life (*puram*) expositions is perhaps unique as a creative model of non-formal education. It is comparable to the Athenian model of military movement preparation through the music and dance learnt in the gymnasium - yet open to everyone - without Athenian elitism. A model of integrated education combining *homofaber*, *homo ludens* and *homo sapiens* (homo in the generic sense), with possibility of animated intellectual education is available.

The role of the folk priests and priestesses (*velan*, *calini* etc.), the confident assertion of the drummer groups like *paraiyar* and *tudiyar* and later all communities asserting their ethnoscience find interesting modern bridges through the folk lyrics and songs collected by Dr. Vishnu Namputhiri (e.g. *Pulluvan pattu*, *Malayar pattu*).

A number of non-formal and formal educational centres such as *mandil* (village common), *parambu*, *kalam*, *ka* (*kavu*) *turutti*, *ambalam*, *kottam*, *koyil*, *palli*, *avai* (*sabha*) have been identified which could illuminate Kerala place names research.

Non-formal methods

Besides formal methods of education like lecture, discussion, debate, question-answer, and various types of scholastic works (ranging from folk to classical genres), non-formal methods of education using folk songs, girls' play songs, folk dance forms, various situations and festivals were available. There is evidence that these resources were educationally exploited by *Ilango* to develop political and ethical values and by the *Bhakti* school to develop religious values for the common people and the elite with intellect coming as an intervening variable. This kind of reconstructing of desired values and bridging the folk and elite traditions seems to have been done in recent times in a systematic way in the socialist countries particularly in U.S.S.R. and in Hungary. Kabalevsky has used Lenin's diction *Iskustva Prenadlezhit Narodny* (Art belongs to the people) to bridge classical music with the folk.

Time to wake up

While some product-orientation schools, *Sanskrit* on all-India plane and classical Tamil by present Tamil preservation groups assert ownership of the cultural products, Kerala which has been one of the most important processing centres in the making of *Centamil* as well

as Sanskrit prefers low profile and makes no claims to the products. On the same lines even now Kerala has been found quite ready to throw away its own educational innovations (from the polytechnical education type of work experience of the late 1950s to the locally initiated text-book innovations

of the mid 1980s) in favour of central prescriptions. But when the baby is also thrown out with the wash-water, or when the wash-water alone is carefully preserved and circulated, it is time to wake up, 'look before and after' and work for 'what should be.'

24

02

GROUP DIFFERENCES IN CERTAIN PERSONALITY VARIABLES OF COLLEGE STUDENTS

T.C.Ayishabi

The personality of an individual is founded on the hereditary endowment, which is shaped by environmental experiences in and outside the home. It is thus possible to control the environmental forces to ensure the development of a desired personality pattern or to change a pattern that is likely to lead to poor personal and social adjustments.

The present attempt is to have a comprehensive study by including different personal, familial, socio-cultural and institutional variables as the criteria to notice their influence on the different adjustment, temperamental, motivational, and emotional aspects of personality, exhibited as the differences among the equivalent groups.

The study is undertaken with reference to students who are in the late adolescence (average age 18+). As the sample studied has completed their formative years, the study seems to be specifically significant in noticing whether the probable influence of the criteria on shaping the personality is still persisting or has withered away during the course of reaching maturity.

Variables of the study

The study has been designed with eight personality variables as the dependent variables and ten others as the criterion variables to differentiate the groups. They are listed below:

I. Dependent Variables Adjustment aspect

1. Personal Adjustment
2. Social Adjustment

Temperamental aspect

3. Introversion

Motivational aspects

4. Achievement Motivation
5. Self-concept

Emotional aspects

6. General Anxiety
7. Manifest Anxiety
8. Examination Anxiety

II. Criterion Variables Personal Variables

1. Sex
2. Intelligence

Familial variables

3. Birth Order
4. Family size

Socio-cultural variables

5. Religion
6. Caste
7. Locale
8. Socio-economic Status

Institutional variables

9. Type of Institution
10. Subject of Specialisation.

Objective of the Study

To find out whether there is any significant difference in each of the eight select personality variables among the groups formed on the basis of each of

the ten criterion variables in the study.

The major hypothesis of the study was that there will be significant difference in all the select personality variables among the groups formed on the basis of each of the criterion variables selected for the study.

Methodology

The study was conducted on a representative sample of 582 college students affiliated to the University of Calicut, at the beginning of their study in the second year degree classes. The sample was taken using the stratified sampling procedure with due representation given to factors like sex, subject of specialization, type of institution, and locale. All the personality variables and intelligence were measured using standardised scales and tests. Socio-economic status was measured using a scale and all other criterion variables by a general data sheet.

The data collected was analysed using the one-way classification analysis of variance.

Results

The results of the study showed that both the personal variables selected as the criteria for exploring group differences, namely, sex and intelligence, have shown differences in more than half of the select personality variables. It may be pointed out that sex remained the most efficient criterion by showing differences in seven out of the eight personality variables with the sole exception of Personal Adjustment, which may be due to any experimental error. It is also noticed that sex showed group differences in variables taken from all aspects of personality. Intelligence showed group differences in five personality variables.

Though the next major criterion that showed differences for the maximum number of personality variables (six out of eight) is type of constitution, the other institutional

variable, namely, subject of specialisation, showed group difference only in introversion. Type of institution could also show group differences in all aspects of personality with the exception of only personal adjustment and self-concept.

Out of the four socio-cultural variables selected none of them could show group differences in at least half of the personality variables. While Religion and locale showed differences in three personality variables, caste and socio-economic status showed differences in two each, among their groups.

The interesting finding of the study is noticed with regard to the influence of Familial Variables on personality. None of the select personality variables had differences among their groups for both the select Familial Variables, namely, Birth Order and Family Size.

Conclusion

The conclusion of the study, therefore, is that sex, type of institution, and intelligence are the most potent variables which can influence the shaping of one's personality. Though the Socio-cultural factors may exert some amount of influence, the familial factors do not show a sustaining influence on one's personality. Even though the familial conditions may be contributing to shaping the personality, their effect might be surpassed by some other variables like sex, intelligence, etc., or one's own purposive effort to break that influence.

The interpretation for the above might be that the knowledge of one's sex-role will be a primary requisite for shaping personality. The models are received from the immediate environment, i.e., one's institutions, and intelligence is used for the conscious shaping of personality by displacing earlier models and accepting more competent models. Thus, the probable influence of other factors during the formative years might be surpassed during the remaining course of development.

POTENTIALITY OF ENVIRONMENTAL AND ETHNIC RESOURCES OF KERALA IN TEACHING BOTANY

J. Exemmal

Environmental education is probably the earliest mode of education in the history of the race and the individual. But once education became formal, there was a tendency to relegate the environment to the background in the name of systems, sequence, etc.. The result is that formal education has become a process of memorizing facts, concepts and principles.

Kerala is rich in both environmental and cultural resource. Both Malayalam language and literature (formal and folk) as well as customs, ceremonies are full of ethno-botanic references. Terms, phrases and proverbs, are replete with cues and codes which stimulate and develop skills in students for leading a successful life in the society. Ignoring this traditional scientific wealth, a terminological load adopted from other languages (Greek & Latin) with a super abundance of sanskritised explanation is imposed on students. Many teachers and educational authorities forget that the proper utilization of a broad-based ancient folk traditions in the teaching-learning process may help students (particularly those from the disadvantaged sections of the society) attain a functional command of elementary principles in many of the subjects. Moreover, it is quite possible that this foundation may help students understand the more complicated principles needed at higher levels.

Considerable efforts have been made through seminars, workshops and other Faculty Improvement Programme (FIP) to make education more meaningful and interesting through using environmental and cultural resources. But studies have shown that instruction in our schools and colleges still conforms to a mechanical routine and continues to be dominated by the old besetting evil of verbosity and therefore remains dull and uninspiring. Panandikar eloquently attacked the bookish education prevailing in our educational institutions and the practice of keeping students in formalized classrooms in the following words: "It is a pitiable sight to see the children being made to sit in rows in a stuffy

classroom, doing work not in any way connected with their experience or interest with their backs turned to the beautiful surroundings".

Experimental study conducted to test the effectiveness of teaching botany using environmental and ethnic resources have shown the following results:

1. Environmental Approach (EA) is significantly superior to Formal Approach (FA)* in terms of:

- i. Immediate post teaching achievements (C.R = 23.63)
- ii. Delayed memory (C.R. = 27.72)
- iii. Extent of forgetting (C.R. = 19.41)

2. Students belonging to rural locality and low socio-economic status scored significantly higher marks in Botany, when compared to their counterparts, viz. students belonging to urban locality and high socio economic status.

3. EA is significantly superior to FA in:

- i. Stimulating cognitive, affective and psychomotor behaviour in students.
- ii. Developing a sense of comradeship and spirit of cooperation
- iii. Promoting classroom interaction
- iv. Scoring high marks in the examination
- v. Retaining facts for long time
- vi. Group thinking
- vii. Acquiring information through first hand experience
- viii. Developing positive attitude of students towards science learning
- ix. Creating awareness regarding the potentiality of cultural resources

4. 89.7% of the teachers are not aware of the ways of handling classes using environmental and ethnic resources.

5. Regarding practical difficulties encountered by teachers in implementing environmental approach, the following difficulties were identified:

- i. Lack of suitable reference materials (97.5%)

- ii. Lack of cultural resources (97.3%)
- iii. Lack of training (91.7%)
- iv. Lack of time (87.6%)
- v. Lack of tools and techniques for evaluation (81.9%)
- vi. Lack of environmental resources (36.5%)

Conclusion

This study reveals that students belonging to rural locality and low socio-economic status can score significantly higher marks in Botany when compared to their counterparts, viz., students belonging to urban locality and high socio economic status. It is, therefore, important that environmental approach should be adopted in Botany teaching especially in rural areas.

This study highlights the need for conducting suitable training programmes to make the teachers aware of the methods

of handling classes using environmental and cultural resources. The results also indicate the need for preparing suitable reference materials and evaluation measures.

It is also evident from the analysis that EA is superior to FA with respect to immediate and long term memory. Even though EA, when compared to FA may take a little more time for completing the topic. It may not be a waste of time since this approach is capable of helping students to remember what is learnt for a long time. Moreover as Butts says, "First hand experience will result in meaningful learning." Above all, EA helps to take advantage of the peculiar wealth of Kerala, where the local environment and cultural resources can actually provide compensatory materials to the relative poverty of our schools and colleges.

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04

EVOLVING INSTRUCTIONAL TECHNIQUES APPROPRIATE TO THE DEVELOPMENT OF VARIOUS SCIENTIFIC SKILLS AMONG SECONDARY SCHOOL PUPILS IN KERALA

K.Radhamony Amma

Among the objectives of teaching science, the development of scientific skills is of great importance as they promote the inculcation of scientific method and the development of favourable attitude towards science.

Objectives

Major objectives of the study are:

1. to find out the methods usually adopted for teaching science in secondary schools.
2. to list the scientific skills that can be developed through science teaching in secondary schools.
3. to find out the general nature of attainment of scientific skills.
4. to plan a suitable method for developing scientific skills.
5. to try out the new method on a representative sample and test it.

Try out sample for each achievement test consisted of 50 pupils from an urban Government boy's school and 50 pupils from a rural private girls' school. Each

of the final tests was administered on a stratified random sample of 500 pupils. For conducting experiment, equated groups were selected by matched pair technique from standard IX of four schools, selected at random. Each group consisted of 140 pupils.

Procedure

The topics in biology, physics and chemistry for standards VIII, IX and X were analysed and a list of scientific skills that can be developed by teaching those units was made. The general nature of achievement of scientific skills was assessed through properly constructed tests.

'Randomized Control-group post Test Only Design' was used for the experiment. Selecting units from the prescribed texts, lesson plans were prepared. Matched-pair technique was adopted to select experimental and controlled groups. Experimental group was taught through the new method and controlled group, through the ordinary method. Post-tests were administered to both the

groups and their mean scores were compared.

The method

Scientific skills can be developed through various methods like Heuristic method, Project method, Problem method, Dalton plan, Keller plan, Individual laboratory method, Programmed material etc. Most of these methods have certain limitations when the ordinary school conditions of Kerala are considered.

The new method gives more importance to the activities of the students. The main aims are.

1. to promote the development of scientific skills by planning the pupil activities accordingly.
2. to promote learning by doing.
3. to keep the pupil active throughout the class.
4. to improve teacher pupil relationship.

5. to promote regular study habits.

The topics selected were divided into subtopics. For teaching each subtopic, activities were listed. The activities were so planned that they would promote the development of scientific skills. All other instructional objectives like knowledge, understanding and application were also considered while planning the activities. The prescribed textbooks were followed.

Lesson plans were open ended so that the teacher could alter the teaching or learning activities suited to the needs of the situation. But the purpose should be to bring out development of at least one skill in a given situation.

In some of the lesson plans, activities were grouped into essential activities and optional activities. An essential activity is one which should be included in the period so that the skill, for which it was planned, can be developed. Meanwhile the teacher can select anyone or all of the optional activities according to the facilities in the school, nature of the pupils or needs of the situation. This type of planning was done considering that in most of our rural schools the teaching aids like films, filmstrips, projectors and microscopes are not available. Even if they are present, they may not be in working condition. In order to cope with this situation, optional activities were planned. The optional activities were so planned that all of them promote the development of the same skill.

The experimental group (N = 35) in each school was divided into five groups,

each consisting of seven pupils. For dividing the groups, the pupils' activities were so organised that each group has to engaged in some sort of activity in a particular period. Some activities were common to all, whereas some other were meant for particular groups. The teacher had to plan the activities, motivate the pupils by asking question and to give proper guidance. She had to demonstrate experiments which were too difficult for the pupils to conduct themselves. As many audio-visual aids were used as possible. Towards the end of each period, there was a recapitulation phase in which the imported points were summarized and written on the board. The pupils were asked to write these points in their notebooks. Assignments included activities like making models, writing brief explanations, improvising apparatus, preparing charts, preparing tables etc.

During the first period there was an introductory lecture by the teacher in which pupils were given necessary instructions regarding classroom activities. Then the topic was introduced. Occasional lectures were conducted to explain the points that were difficult for the pupils to understand, to motivate them and to present new information. Experiments which were dangerous were conducted by the teacher. Instructions were written on the blackboard whenever necessary.

Findings

The major findings of the study were:

1. The achievement of Secondary school pupils in Biology, Physics and Chemistry was not satisfactory, when skill oriented tests were used.
2. The experiment group was superior to the controlled group in their achievement in Biology, Physics and Chemistry when skill oriented tests were used. This is true with respect to (1) the total sample (2) the sample taken on the basis of sex (3) the sample taken on the basis of type of school (4) the experimental and controlled groups in each experimental school.
3. Though there is positive correlation in the case of both controlled and experimental group when scores in Physics, Chemistry and Biology in the post tests are compared, in the case of the experimental group the correlation is higher, thus proving that the newly evolved method is better than the existing one.

PROBLEMS FACED BY OPEN UNIVERSITY STUDENTS

T. Sundareshan Nair

The present formal education system cannot help to break down privileges, and open opportunities for the advancement of the weaker sections of the society. In a large country such as ours with its vast number of illiterates, semi illiterates, the educated unemployed, the large rural population and the rapidly multiplying urban poor, it is obviously necessary to initiate an overall open education system with a wider choice for the learners. The existing educational imparting machinery is totally inadequate for the country's need and cannot hope to provide education within the four walls of classrooms to our growing millions in the near future. Teaching the Learning by correspondence is the origin of what is today called Distance Education. Correspondence Education has been known for several generations, mainly as part of adult education. Correspondence education is taken to denote teaching in writing, by means of the so-called self-instructional texts, combined with communication in writing, i.e., correspondence between students and tutors.

Indira Gandhi National Open University was established in September 1985 to advance and disseminate learning and knowledge by a diversity of means including the use of any communication technology. The University is also committed to encourage and strengthen the open and distance education systems in the country. Its aim is not only to democratise education but also to bridge the gap between the conventional institution and the emerging demands for education.

Objectives of the study:

1. To identify the motivational aspects of candidates in joining the following courses.
 - a. Diploma in Distance Education. (DDE)
 - b. Bachelor of Library and Information Science (BLISC)
2. To find out the major problems

faced by the students.

3. To suggest measures to improve the existing situation based on study.

The study aimed to find the problems faced by students who enrolled in various courses of the IGNOU study centre, Thiruvananthapuram during the year 1992.

Methodology

Questionnaire for distance learners were used for determining various problems faced by the distance learners. Unstructured interview with counsellors and staff of IGNOU study centre were also attempted.

The study concentrates on distance learners of Diploma in Distance Education (DDE) and Bachelor of Library and Information Science (BLISC).

The DDE is primarily meant for all those who would like to become distance educators. The minimum entry qualification is Post-graduation or Professional degree.

The Bachelor of Library and Information Science Programme is meant for the Bachelors Degree holders with two years experience in a recognised library.

Sample

The sample of the study consist of twelve distant learners of DDE and 43 distant learners of BLISC who studied in Thiruvananthapuram study centre during the year 1992.

Only ten learners of Diploma in Distance Education and 27 learners of Bachelor Library and Information Science responded to the questionnaire. The data was subjected to statistical treatment.

Major findings

Majority of the students are male and belonged to forward castes.

Most of the distance learners of DDE belong to 31-35 age group (60%) and 26-30) age group in BLISC (63%).

No scheduled Tribe learner has come forward to study any of the course.

Majority of DDE learners are married (90%). 2 candidates have Ph.D and all of the DDE candidates have additional Degrees or diplomas after their post graduation. The 35% of the BLISC learners are married and 60% are post graduate.

Most of the students (70%) are government employees in the case of Diploma in Distance Education (DDE). But in the case of BLISC, 63% of the students are unemployed.

The major reasons for joining distance education programme under IGNOU are to learn a new discipline and to obtain additional qualifications. But most of the Library Science students motive are to secure a job.

Only 10% of the DDE learners and 44% of BLISC learners have completed assignments in the year and appeared

for the final examination.

The General observations of most of the students about the printed materials supplied by IGNOU and their language are good. The audio cassettes stands satisfactory and the video cassettes are also good.

Self assessment questions and Tutor marked assignments of the IGNOU are good. A majority of the students opinion about project work is satisfactory.

About the student support services the majority opinion is that the library facilities are poor and counselling sessions are satisfactory.

The major academic problems are insufficient counselling sessions, lack of follow up activities, dearth of full time academicians, non-availability of library facilities, and insufficient feed back.

33 RAIL, ROAD AND WATERWAYS: ISSUES IN MODE-MIX

33

01

PUBLIC TRANSPORT IN KERALA

M.N. Prasad

Introduction

Transport is a basic need of any civilized society and an important prerequisite for economic and social development. This paper attempts a brief review of the present scenario of public transport in Kerala, so as to identify the problem areas and priorities for future development.

Roads

The State has an extensive road network, totalling 139042 km, as on 31 March 1993. This gives an average density of 358 km of roads per 100 sq km of area, which is nearly 7 times the national average. However, surfaced roads (including metalled ones) constitute only 22% of the total length.

While the spread of road network has helped to disperse the growth of population and economic activities, it has also brought in its wake a few incidental problems like progressive reduction in agricultural lands, deforestation, destabilisation of hill slopes, soil erosion and interference with natural drainage. Another distinctive feature has been the continuous process of unplanned "urban-like" development along all important roads.

To overcome the aforesaid problems and conserve the environment and ecology, regional planning, covering all aspects of development, including roads, should be institutionalised.

The more important roads, comprising 1011 km of National Highways (NH), 1889 km of State Highways, 6163 km of Major and 9786 km of other District

Roads and 2825 km of village roads, are maintained by the Public Work Department (PWD). Of these, 89% are black-topped or concreted. Panchayat roads total 103888 km, but 89% of it is Kutcha (gravel or earth). 8672 km of roads come under Municipalities and Corporations, 3027 km under Forest Dept and 1781 km under other agencies. The total kilometrage of roads registered a 2.4% increase during '1992-93.

Improvements to roads, like strengthening, widening and easing of curves and gradients, have been lagging mainly for lack of budgetary allocations. Even in the case of National Highways, nearly two-third of the total length is yet to be brought to the prescribed standards. Besides, NH bye-passes around Thiruvananthapuram, Kollam, Alapuzha, Kozhikode and Thalassery are still to be completed. These, along with the Varappuzha bridge on NH 17, should receive the highest priority, because of the potential for saving in fuel and transit time for through traffic.

Growing congestion

The growing congestion of urban roads due to the continuous growth of motor vehicles (av. 14% p.a from 80-81 to 90-91 and 10% p.a. in the last 2 years) is yet another major problem for which both short-term and long-term solutions have to be found urgently. The former may include works like pedestrian subways, grade-separation at intersections and limited widening to remove bottlenecks. As an immediate step, the utilisation of the available road space (right-of-way) should be optimised through measures like:- (i) educating pedestrians to

observe the age-old safety rule of "keep Right" (which will result in a 50% reduction in road width occupied by them), (ii) keeping the roadsides clear of garbage, building materials etc. with a small width on either side for use by pedestrians, (iii) Ensuring better upkeep of the road surface, free from potholes, especially the chronic bad spots resulting from improper back-filling of trenches by various digging agencies, (iv) Enforcement of traffic regulations in regard to parking, one-way roads, etc and (v) Improving public transport services (including deployment of smaller-sized buses to ply on the narrower roads) to help minimise the use of personal vehicles and reduce congestion. It would be necessary to have a high-level co-ordinating body, duly empowered by the Govt. to draw up plans and priorities and monitor progress.

As for the road transport services, public carriage of goods is totally with the private sector. In the case of passenger services, a mere 21% is with the State-owned KSRTC, while 79% is shared between private and co-operative sectors. Despite its monopoly of the major routes, KSRTC has not been able to achieve financial viability, or to cater adequately to the needs of the travelling public. In case its efficiency and profitability cannot be improved, privatisation of the services should be considered.

2. Railways

The railway system in Kerala presently has a route-kilometrage of 1040, of which 180 km from Walayar to Ernakulam is double line. Thus, the running track kilometrage comes to 1220. Several stretches of track are in a state of saturation, calling for further augmentation of carrying capacity. Capacity utilisation is presently of the order of 121 to 133% on the Ernakulam - Thiruvananthapuram section and 86 to 93% on Shoranur - Kozhikode section.

Delayed projects

The work of doubling of line from Kayamkulam to Kollam (sanctioned in 89-90) has been slowed down and that from Kollam to Thiruvananthapuram (sanctioned in 90-91) has remained frozen, because of the over-riding priority presently given to Gauge Conversion (or the so-called "Uni-gauge" project) by the Railway Ministry. Likewise, the works of augmenting the capacity of Shoranur - Mangalore section to cope with the

additional traffic expected on completion of Konkan Railway in 1995 have not been taken up yet, although an assurance to this effect had been given to the state in 1990. In case these works are delayed further, the gradual build-up of traffic coming via Konkan railway is likely to create the same problems of oversaturation of line capacity as presently experienced on the Ernakulam - Thiruvananthapuram section.

Viewed objectively, the priorities for railway development in Kerala should be:- 1. Speedy completion of the sanctioned doubling works between Kayamkulam and Thiruvananthapuram; II: Augmentation of capacity between Shoranur and Mangalore (which may, to begin with, comprise extension of Thrissur - Guruvayur line to Kuttippuram and doubling of the existing line from there up to Kannur, in stages). III. Doubling of line between Ernakulam and Kayamkulam, via Kottayam.

Rail road mix

In this connection, it would be pertinent to note that Kerala, being a narrow strip of land, with its major transport corridors, both road and rail, running - NS for the entire length, and the population and economic activities well spread over, is comparable to an extended metropolis, like Greater Bombay magnified 10 fold. As such, the State's priority for development of its transport infrastructure should be based on the concept that the -NS railway routes and arterial roads will form the back-bone, with the rest of the road network serving as feeders, as is the case in Bombay.

When viewed in this light, it would be quite unwise, as well as irrelevant, to voice demands for other works like the new lines from Kottayam to Punalur, Angamali to Sabarimala and Kochi to Bodinayakanur. Such wasteful exercises only divert public attention from the real needs of railway development in the state.

Once the line from Ernakulam to Thiruvananthapuram is doubled and more trains introduced, Railway Electrification, presently sanctioned up to Kochi, could be extended up to Thiruvananthapuram to enable EMU services being introduced, provided adequate power supply at reasonable cost can be assured.

Modal split and the Bimodal concept

Long distance passenger traffic is predominantly with the Railways and so is the local commuter traffic which enjoys

concessional season ticket facilities. This pattern is likely to continue, except that, in the event of delay in augmenting capacity on saturated railway routes, the resultant spill-over would have to be carried by roads.

Haulage of freight traffic is mostly by road, even for long leads. The Railways are presently unable to cater to piecemeal traffic because of line capacity constraints and shortage of rolling stock. This problem is likely to continue for a long time, because of the priority given to the "Unigauge Project" in the matter of investments. To enable Kerala to achieve some economy in transport costs, it would be advantageous to adopt "bi-modal" transport through containers, so as to avail of the twin benefits of long hauls by rail and short hauls by road at both ends, to provide door-to-door services. For this, domestic container terminals may be set up at a few nodal points in the State. This form of rationalisation of long-distance freight movements would be particularly relevant in the context of the impending competition Konkan Railway.

Inland Waterways

The State has a system of canals and back-waters all along the coast-line, interlinking the navigable stretches of rivers in between. Of this, 168 km from Kollam to Kottappuram has been declared as National Waterway No.3. The portion South of Kollam is presently in a state of neglect, with the canal tunnel at Varkala having suffered a block.

Inland Waterways offer considerable scope for tourism, apart from meeting the local needs for cheap transport. They would also have a special significance in the context of the growing saturation of the road and rail infrastructure. With this in view, the canal system south of Kollam should be restored and improved with priority for the stretch from Thiruvallam (near Kovalam) to Veli lake. Ultimately, the NWW No.3 should be extended to cover the entire canal system up to Hosdurg in the north, a distance of over 550 km.

Air Transport

Kerala, despite its small size, has

the distinction of having three airports, with Thiruvananthapuram and Kozhikode already handling international flights and Kochi also poised to develop a new international airport of its own at Nedumbassery. However, there is no large potential for traffic growth, unless international tourism is to be developed in a big way. As matters stand, once the new airport comes up at Nedumbassery, there may be no need for further expansion of the airports at Thiruvananthapuram and Kozhikode.

Shipping

Apart from the Major Port of Kochi, there are three Intermediate and ten Minor ports. While there has been a reasonable growth in cargo (mainly export/ import) handled at Kochi, the traffic handled by the rest has been dwindling. In fact, only four of them handled any cargo during '92-93.

As a means of public transport, Kochi caters to services between mainland and Lakshadweep. But coastal shipping has little potential in the state, especially with the railways, the NH and inland waterways being located along the coastal belt itself.

Funding of transport development

Inadequacy of Plan outlay for the Transport sector has hampered the need-based development of this vital infrastructure for the past two decades. From 19.5% during 1950-74, it dropped to 14.1% in the V plan and to 12.45 by the VIII plan. This needs to be set right through a mid-term review, if transport bottlenecks are not to be a drag on economic development.

To supplement the budgetary resources, market borrowing may be resorted to for specific projects which are financially remunerative. Alternatively, the concept of "Build, Operate and Transfer" (B.O.T) may be applied, based on private entrepreneurship, in the case of assets like new bye-passes, bridges, etc. where tolls can be levied.

The transport services could be privatised, so that public funds may be conserved for use on infrastructure development.

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02

SURVEY OF THE INLAND WATER TRANSPORT IN KERALA AND ITS DEVELOPMENT

Sunny Jose

Introduction

The abundant water resources of Kerala consisting of rivers, backwaters, estuaries and canals formed the main transport base before the development of road and railway systems. The different waterways were linked together through artificial canals so as to form a continuous waterway from one end of the state to the other. Almost all the seaports in the state were connected directly with inland waterways or were situated in such proximity to the backwaters as to enable port traffic to move easily from or to the hinterland. The inland water network was used extensively in the years preceding independence. Subsequently, it lost its prominence and fell into a state of neglect. Various factors have contributed to this. This paper attempts to make a survey of the historical development, present situation and future prospects of the inland water transport system in Kerala.

Inland water transport in Kerala: An overview

For hundreds of years the transport demand which arose in Kerala from international trade was met by developing numerous ports along the coast, using the rivers and backwaters as the links to the producing centres. With the discovery of the sea route to India in 1498 A.D., trade from Kerala registered voluminous increase and consequently greater need emerged for the development of transport facilities. This increased transport demand was met by more intensive use of the existing transport facilities rather than its extension. But from the middle of the eighteenth century certain social, political and economic demands surfaced necessitating extension of transport facilities. The unification of the numerous political entities into three important states - Travancore, Kochi and Malabar - was a major contributory factor. Marthandavarma in Travancore and Hyder and Tippu in Malabar had made some

pioneering efforts in transport development mainly for the speedy deployment of troops and the efficient control of the annexed regions. As part of this they constructed a few canals also.

With the progress of the commercialization of agriculture and extension of the area under plantation crops in Kerala under the influence of the British capital, particularly in Travancore region, extension of transport facilities from the coasts to the producing hinterland became inevitable. There was also increasing demand for passenger traffic.

In response the then governments took up ambitious transport development programmes. Though it was the road transport which witnessed rapid developments during this period, inland water transport facilities also developed significantly. Most of the major artificial inland water transport facilities (i.e. canals and tunnels) were constructed during this period and they became important traffic routes for people and materials.

Malabar region, because of its specific social, political and economic conditions, had a different pattern of development. There it was mainly the colonial considerations which determined its development. Railways were introduced in Malabar quite early (1861) by the British for the rapid troop movements to various trouble spots and to exploit the rich commercial wealth of Malabar. Artificial canals also were opened for the same purpose. Most of them were feeder lines, railway being the major means.

By 1945 there were 1885 kms of navigable route in Kerala of which canals formed 46 per cent and rivers and backwaters 54 percent. Even as late as in 1930-31 in Travancore 40 percent of the goods (in value terms) imported and exported were traded through inland waterways and 67 percent of the commodity flows between Kochi Port and its hinterland were by inland waterways.

The decline of the inland water transport

There was a major drive towards extending the road transport facilities. With the proven flexibility (i.e. the capacity to adjust to different terrain and environment with the least comparative cost escalation) of roadways and due to the introduction of motor vehicles along Kerala roads, road network began to grow substantially. The changes in the trade basket, pattern of trade and economic activity contributed to this shift. With this the importance of inland water transport began to decline. However, it was in the post-independence phase that its decline became a manifest reality. Factors like lack of maintenance of the inland water transport routes, administrative anomalies and the inertia in infrastructural development and technological innovations have contributed to this decline.

Many parts of the artificial canals have been silted due to poor maintenance and have become unnavigable. The 1978 Task Force Report observed that many parts of the artificial canals now have an average width of 20 feet and an average depth of 2 feet only, while what is required is an average width of 30 to 40 feet and depth of 5 to 10 feet. The number of boats plying through the inland waterways declined from around 500 in 1946-47 to 209 in 1966 and the total number of country crafts operating in the waterways declined from 30,000 to 20,935 during the same period.

Continuous and reliable data are not available for the past trends in traffic on the waterways. A study of the National Council of Applied Economic Research (NCAER) done in 1969 estimated that the inland water transport system in Kerala carried 3.8 million tonnes of freight. A more recent survey conducted by the National Traffic Planning and Automation Centre (NATPAC) estimated the goods moved by inland water transport at 2.21 million tonnes. About 26.6 million passengers were transported through inland waterways in 1976 and it declined to 20.6 million in 1979.

Development of the inland water transport system

Over the years several committees and study groups were appointed by the Central and State governments to recommend measures for the development of the inland water transport system in Kerala. These studies assessed the various aspects of it and underlined the need for its development.

The development of inland water transport in Kerala is envisaged to provide multi-dimensional benefits: (I) Inland water transport makes the least demand on energy resources. It is the cheapest mode of transport, particularly for certain kinds of traffic. So it will benefit the economy in terms of total transport investment. (II) It will help in meeting the increasing freight and passenger transport demand and reduce the pressure on roads. (III) It offers potentials for the development of tourism. (IV) It will provide certain external benefits to some primary industries as well as certain other industries which have the raw material as well as finished goods produced beside the waterways. (V) It has significant ecological advantage.

Various measures like improvement of the traffic channels, technological upgradation of the vehicles, provision of better terminal and inter-modal goods transfer facilities, formation of a separate inland water development authority for the state are needed for the development of inland water transport system. The committees and study groups have recommended certain immediate measures. But no significant steps have been taken by the governments so far, except the declaration of the Kochi-Kollam section of the West Coast canals as a national waterway. This brings into focus the inertia at the political and administrative level in the development of inland water transport in Kerala.

PERFORMANCE OF KOCHI PORT

V. Anil Kumar

Introduction

The port of Kochi has potentials to develop as one of the most prominent ports of the southern end of the Indian peninsula due to its locational advantage in the international maritime transport network from Europe to Australia and its geographical advantages as a natural port even in the roughest monsoon seasons. In this study we have attempted to examine the performance and productivity of Kochi port. The study gives some insight into the links between wage rates and productivity and the effects of technological change on productivity.

Port Performance: Conceptual Background and Methodology

The conventional productivity measures viz. output per unit of input are inadequate to capture port's efficiency due to its specificity in terms of nature of activities. The general measures of efficiency of a port can only be analyzed by the more specific port efficiency indicators such as, the turn round time, average pre-berthing waiting time, percentage of idle time to time at berths, output per ship berth day etc.. The specific port productivity evaluation indicators normally used are the average productivity per effective hook-hour, average output per man-shift etc.. Productive efficiency of port and dock workers can be judged by looking at the rate of cargo handling per gang-shift or man-shift.

Another indicator to measure the port's efficiency is its efficiency in capital use. Here we have concentrated the analysis of capital efficiency/productivity from the early seventies to the mid eighties, taking into account the overall investment of total factor productivity (TFP) growth which reveals how far the technological factors contributed to the overall growth of the port. A brief analysis of the capacity utilization has also been attempted to examine its implication on the growth of the port. The methodology followed is generally the one used for a firm, that

is, the port is considered as a firm, unit output here is the cargo handled (import and export), which is measured in tonnes. The capital input used and estimation procedure followed for measuring the capital stock is the same as that of a firm. We have followed the perpetual inventory method. In the case of labour, there are two types of labourers - fixed and variable according to the fluctuations in output, that is, the shore and casual labourers. Technological change is measured by the percentage of containerised cargo. The efficiency of the port in this study is measured using the trends in the efficiency of the factors of production the partial productivity indices such as the labour productivity and the capital productivity.

The measurement of labour productivity is done by dividing the output by the number of labour, that is the output per unit of labour. This is calculated for different categories of labour and also for types of cargo such as general cargo etc. The TFP is obtained by subtracting the weighted growth rate of output. In the case of capacity utilisation we have adopted the minimum capital output ratio method.

Measures of Productive Efficiency

In the case of Kochi Port, the average productivity per effective hook hour for the period 1973/74 to 1985/86 shows a stagnant trend. That is, overall the productivity of the port is not encouraging. The performance seems to be better for export trade compared to import. This may be due to the fact that the container handling facilities are used more in the export trade. A more meaningful measure of labour productivity is the average output per man-shift of category A & B workers. Here, output per man-shift has only slightly increased over the period of analysis. In 1974, the output per man-shift was only 2.77 tonnes and by 1981 it was the highest about 5.03 tonnes and in 1986 it has come down to 4.89 tonnes.

The port work is mainly cargo handling operations. So the efficiency of the port can be observed from how fast the ships are being cleared from the port, that is by looking at the turn round time (TRT) of the ships calling at the port.

One can observe that the turn round time (TRT) of total vessels has remained around 4 to 5 days on an average over the period 1976 to 1986. The container vessel's TRT has also remained more or less constant (almost two days) from 1984 onwards. This can be further reduced by introducing modern cargo handling equipments. In the case of other vessels TRT had increased from 3.71 days to 5.30 days, that is the efficiency of the port has deteriorated. We look specifically into the details of the output per gang-shift, and output per man-shift of dock and shore labour separately of Kochi port for two different periods, that is, for April 1978 and April 1987 respectively. The period has been selected with a view to capture the impact of technological changes that the port had undergone. The output per gang-shift has virtually doubled in the period for both shore labour and dock labour. The output per man-shift also has increased in the second period for both the labourers compared to the first period. Man-shift for the dock labour has more than doubled compared to the shore labour, that is, there is a clear indication of increase in labour productivity.

Labour Productivity

We have calculated the labour productivity of Kochi port using the aggregate data of output and labour. The decline in productivity in the second period is mainly due to the decline in output. This method of productivity measurement is not fully dependable mainly due to aggregation of the labour input.

Capital Productivity

Capital productivity, viz. the average product per unit of capital input, shown a negative growth rate throughout the period, -2.5 percent, though there was some improvement in the second share, -2.2 percent.

Wage Rate and Labour productivity

The wage rate of the labourers in Kochi port has increased from Rs. 3197.93 to Rs. 5466.22 over the period 1970/71 to 1985/86. However, while in the first

period (1972-1979), the average growth rate in wages was 6.9 per cent, in the second period (1980-86), it was only 0.2 per cent. At the aggregate level, trends in wage rate and labour productivity move in different directions. The wage rate of total labourers in Kochi port shows a steadily increasing trend, whereas labour productivity has shown an almost stagnant trend.

Measurement of Capital Intensity

The addition to capital in the port has not increased labour productivity during this period. The inference we can draw from this is that the marginal increase in the total number of employees in the period is the main cause of decline in both labour productivity and capital intensity. The capital stock and the output during the period was almost stagnant. The average productivity per effective hook-hour for total trade has not increased over the period 1973 to 1986. In the phase of technological developments this trend is rather discouraging. This is mainly because Kochi port does not have any cranes capable of handling the containers (during the period of the study. The ship's cranes are used to handle the container traffic at Kochi). The average output per man-shift of category A & B (shore & casual) workers in the period of analysis has improved. But the categorywise TRT of the vessels has not improved much in the period, especially in the early eighties it did not improve for container vessels, resulting in the pull out of certain famous liners from Kochi. The two other productivity indicators, output per gang-shift and output per man-shift has improved a lot for the two different time periods (April 1978 and 1987).

Table
Growth of Total Factor Productivity

Period	Kendrick %	Solow %	Translog %
1972/79	-0.583	-0.745	-0.778
1980/86	-1.673	-1.615	-1.550
1972/86	-1.091	-1.151	-1.138

Measurement of Total Factor Productivity

Increasing in 'productive efficiency' over a period of time implies net saving in all the inputs taken together in producing a given level of

output or getting more output per unit of total input. The increase in TFP is attributable to the contributions of the productive forces whose measurement is not possible.

The table above gives TFP growth of Kochi port over the period of analysis, using three different indices, namely Kendrick, Solow and Translog. As can be seen, the total factor productivity growth of the port has shown a declining trend using all the three different measures in all the periods. The second sub-period (1980-86) has shown a particularly sharp decline. The implication is that declining capital productivity has swamped the marginal upward trend in labour productivity. The low total factor productivity also calls for the urgent need for technological changes in the port.

Measurement of Capacity Utilisation

The underutilization of capacity

may be one of the causes for low productivity growth. The capacity utilisation index is one of the important indicators for measuring the efficiency of the port to measure which we follow the method minimum capital output ratio which dispenses with the use of physical capacity data but uses instead fixed capital figures along with output series. The usefulness of this method depends critically on the accuracy of the measurement of capital. The capital stock in this method is calculated using the perpetual inventory method.

The ratio of capital stocks to the minimum capital/output indices has increased from 100 (1971) to 127 (1980) and by 1986 it declined to 112. The capacity utilisation of the port in the period of analysis was satisfactory. Thus we can conclude that, the main cause for the low productivity of the port is not the underutilization of its capacity.

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04

IMPACT OF SOCIO-ECONOMIC FACTORS IN THE CHOICE OF TRANSPORTATION MODES IN KERALA : A CASE STUDY OF KOLLAM - KOCHI REGION.

G.Ravikumar

The National Transport Policy Committee (1980) attempted to fix priorities for the development of various modes in the country at a macro level. This method suffered distortions in determining the optimum inter-modal mixes at original level. Each region has its specific features that were not given adequate considerations.

The piece-meal and historical development of transport systems in Kerala have brought in its wake many anomalies in the supply and demand positions. The transport life line have always remained rudimentary especially in the east-west corridor. Even with respect to north-south corridor, where somewhat good network of road, rail and IWT systems coexist, the movement of men and materials have not been smooth, safe and economical. Due to lopsided planning and lack of coordination, energy efficient and low cost transport modes like inland water transport system has been neglected to the point of near

extinction. The mismatch between the growth of transport infrastructure facilities and demand has started to slow down the progress of regional development.

A review of relevant literature shows that very little work has been done at regional level in the country as a whole to study aspects relating to inter-sectoral traffic demand, consumer's modal choice behaviour, modal characteristics, demand and supply management and inter-modal transport planning. Hence a typical region comprising an area of 11178 sq.km. lying between Kollam and Kochi in the state of Kerala has been selected for an indepth study on some of the above aspects.

The study gives a brief account of evolution of transport modes and development of various transport system at global, national and state levels. It analyses the demand and supply, the characteristics of transport in the Kollam-Kochi region and their present

modal split. Analysis of various modal characteristics and consumer's modal preferences were also carried out. The study attempted to assess the existing passenger and cargo traffic distribution in the Kollam-Kochi region by all modes and analyzed their purpose, present origin and destination. The characteristics of the goods moved by different modes such as lead distance for different commodities, comparative break even points for different commodities by different modes of transport and the resources cost of providing the infrastructure facilities to the economy were studied. Based on economic performances and consumer's preferences for various modes, an optimum modal split for the region has been worked out. The study also attempted improvement in the methodology for estimating the future volume of traffic and its distribution by formulating and testing new transport models for predicting inter-district passenger and good traffic movement for various modes of transport.

It is found that the resource cost approach has a tendency to divert substantial portion of road traffic to IWT system in the region whereas, the consumer's behavioural approach is biased towards road transport for various psychological and historical reasons. In the case of former, substantial economic resources have to be earmarked for the phased development of IWT system in the region in which case the growth in road transport will be slowed down from the existing rate of 6.4 percent per annum to 4.8 percent per annum. But even at this reduced rate of growth, the requirement

of resources for road transport development will be very high. Most of the physical assets of road transport will fall due for rehabilitation/reconstruction since their economic life period will be completed in another 20 to 30 years. The study also show that there are several aspects which require close scrutiny in the context of planning of transport system at regional level than in the context of macro-level.

The finding of the study show that although the development of railways and hitherto neglected inland water transport system along the lines of consumer's requirements can help to ease congestion in road. The growth in demand for road transport will be phenomenal and the need for widening the strengthening of highways will become inevitable in the immediate future. This contradicts the observations made by the National Transport Policy Committee which laid more stress on the dominant role played by railway in a macro sense. It is found that the economic benefits to the community can be maximised if system improvement are carried out in a coordinated manner based on inter-modal planning techniques developed in the study. Independent and isolated development of system facilities will become infructuous in future when certain modes will be overstrained while certain others underutilised. It is observed that systematic and scientific planning on the inter-modal traffic system would help to rationalise traffic distribution among different modes and save scarce economic resources for the country.

34 MANAGEMENT AND INDUSTRIAL RELATIONS

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01

THE STUDY OF MANAGEMENT PRACTICES IN KERALA STATE ROAD TRANSPORT CORPORATION

C.V. Jayamani

The Kerala State Road Transport Corporation, started in 1965, has become one of the largest public sector undertakings in Kerala. The corporation was formed with the specific objective of providing adequate, efficient and properly co-ordinated service to the people. After twenty five years of experience, the corporation is yet to achieve this avowed objective. The efficiency of the corporation lies in the effective utilisation of available resources.

Need for efficient management

The optimum utilisation of available resources depend on efficient and effective management. Many of the problems presently faced by the corporation can be easily tackled by effective management. The poor physical performance, weak financial position and unimpressive manpower utilisation are all but manifestations of incompetent and inefficient management.

Objective of the study

The study has been conducted with the following specific objectives in view:

1. To study the functioning of KSRTC and compare the functioning of the corporation with other selected transport corporations in India.
2. To investigate into the managerial problems especially in the operational, personnel and financial areas.
3. To probe into passenger perception and their ratings of the performance of the corporation.

4. To identify the source of managerial problems of the corporation.

5. To study the attitude of workers and management of the corporation.

6. To pin point the ways and means to improve the performance of the corporation.

Methodology

The study is designed as an explanatory one based on survey method. Relevant information have been gathered both from primary and secondary sources. The primary source is mainly confined to workers, management personnel and passengers gathered through separate interview schedules.

Some of the commonly used statistical tools are used to analyze the data.

The study has been divided into four areas - performance, human resource management, management of financial resources and passenger ratings. The physical performance of the corporation has been evaluated on intra-firm and inter-firm comparison. For intra-firm comparison three regional districts of KSRTC, viz., Southern regional districts, Thiruvananthapuram city and Mofussil service have been considered. For inter-firm comparison, similar corporations in South India, viz., Andhra Pradesh SRTC, Karnataka SRTC, Cheran TCL (Tamil Nadu) were considered.

Under Human resource management, attempt has been made to study the personnel policy and industrial relations of KSRTC, in terms of some selected variables. Evaluation of financial

performance has been undertaken in terms of long-term financial structure and profitability. An attempt has also been made to scale the level of the customer satisfaction of KSRTC in respect of adequacy, efficiency, comforts in buses, facilities in depots, quality of service and economy.

Analysis and findings

The comparative analysis brings out the fact that the physical performance of the corporation is not satisfactory as compared to other corporations. The corporation failed to utilise the available physical resources effectively which led to inefficiency of operations. The study reveals that some non-managerial factors seem to have overweighed in operational and administrative decisions. Lack of commitment on the part of operational staff has also affected the physical performance of the corporation.

The study of human resources management practices in KSRTC shows that employees perceive the personnel policies as satisfactory, with regard to the majority of factors. However, this has not resulted in improved manpower productivity. It is also noted that the human resources are not put to effective use. The management's and workers' commitment to job appears to be very low which also contributed to low productivity of workers. The workers' participation in management is not effectively implemented.

The evaluation of the management of finance in KSRTC brings out the fact that poor equity base and high debt content in the capital structure have affected the financial viability of the corporation. Financing of fixed and current assets through credit has affected both long and short term financial position. The revenue increase of the corporation has been set off by increasing cost of operation which has eroded the profitability of the corporation.

The study reveals that passengers are generally satisfied with the performance of KSRTC. However, they feel that the services offered by the corporation are not adequate and need to be toned up.

Suggestions

The following suggestions seem to be feasible for the improvement of KSRTC's performance.

1. **Physical performance of KSRTC:-** In order to improve the physical performance of KSRTC, a realistic rescheduling after considering the route distance, nature of service, amount of traffic, etc., is highly essential. It will ensure optimum utilisation of vehicles. Different classes of buses may be introduced to suit the requirements, capacity to pay, etc., of the passengers. In order to improve the quality of service, drivers and mechanics should be given sufficient training.

2. **Human resource management:-** The existing training facilities should be increased by giving both on-the-job and off-the-job training for all categories of staff. In promotions, a judicious blend of seniority and merit should be considered. The middle level management should be professionalised in order to make them competent and efficient. The existing scheme of worker participation must be made more effective by encouraging workers' involvement and increasing management commitment. The modern participation techniques like QUALITY CIRCLE should be introduced in KSRTC.

3. **Management of finance:-** In order to strengthen the capital structure, government loan should be converted into equity. The dependence on debt should be reduced by seeking alternate sources of funds. In order to increase the revenue position, the uneconomical routes should be de-nationalised. The concessional rate of students should be revised along with the revision of fares. The non-operating revenue sources should be strengthened and widened. The efficiency of each element of cost should be ensured by setting standards. Responsibility centres should be established in order to enforce the norms and evaluate the performance against the norms.

4. **Passenger satisfaction:-** Passenger satisfaction can be further increased by providing adequate, efficient and quality service to the passenger. Special psychological training should be imparted to the crew so as to change their attitude towards passengers. Drivers and mechanics should be sufficiently motivated to improve the quality of service by giving proper incentives. The facilities in the depots should be improved forthwith. A committee consisting of Chief Executive Officer, DTO and Depot Engineer should be constituted to monitor the maintenance of these facilities.

THE ECONOMIC IMPACT OF COLLECTIVE BARGAINING ON CASHEW INDUSTRY IN KERALA

K. Balan Pillai

The object of the present study is to make an assessment of the economic impact of collective bargaining on the Cashew Processing Industry in Kerala. The hypothesis advanced is that Collective bargaining has played only a minor role in determining the economic viability of the industry and the reason for its destabilisation have to be traced to market forces rather than to industrial relations.

An assessment of the overall impact of trade unions, collective bargaining and dispute settlements on the industry is made against the background of wage hikes over the years. For this, an analysis of the wage structure in the industry, various Memoranda of settlements reached between employers unions and the central trade unions of workers in the industry indicating the broad course and pattern of settlements on various issues, is attempted. The anatomy of industrial conflicts along with dispute settlements is examined to draw the "Fewer Chart" of the industry reflecting the trends and overall nature of collective bargaining and industrial relations. An analysis of the cost and returns of the industry is done to assess the economic viability of the industry. The profit margin and the shares of wages and material cost in total cost of cashew processing are also estimated. The market forces like the supply and price of raw nuts, and the nature and trends of the kernel market are also analyzed.

Unique situation

The term collective bargaining as used in the context of cashew industry in Kerala has few interesting dimensions. It is true that collective bargaining has taken different forms in different countries and different industries. These differences are the result of differences in industrial structures the degree and form of State intervention and the ideology of the labour movements. The economic characteristics of the cashew industry, the emergence of industry-wide trade unions and employer-association and

State intervention, have contributed to the growth of a unique system of centralised bargaining in the industry. Generally the theory of bilateral monopoly is considered relevant to collective bargaining process. Wage determination in the bilateral monopoly may be a very common situation in the highly industrialised countries of Western Europe and USA. In this model the participants are two monopolies - one on the supply side and the other on the demand side. Theoretically collective bargaining brings out two limits to wages - the upper limit sought by the union and the lower limit set by the employer. The outcome of the bargaining cannot be known with certainty because it may depend on the bargaining skills, political and economic power of the unions and the employer, and host of other factors. The process described above does not apply to collective bargaining situations in Kerala which is well illustrated by the experience of cashew industry.

State assisted collective bargaining

State intervention is used to bring about a mutually acceptable point of adjustment of the conflicting interests of the industry-wide unions and employer associations in the industry. For example, while minimum wages are fixed by appropriate authority constituted by the Government, bonus and other related issues are settled through tripartite agreements. In the process of determining the "capacity of the industry to pay" and the "needs" of the workers and their families, the employer, trade unions and the state are actively involved. As a result of this type of collective bargaining, changes take place in the share of wage cost in the total cost of cashew processing and also on relative wages in the industry as compared to other industries. It is therefore, felt that any study on the economic impact of collective bargaining on cashew industry should take into account the peculiarities of "assisted" collective bargaining.

Findings

Effective collective bargaining in the industry has enabled the workers to get minimum wages, higher dearness allowance, bonus, leave with wages and other fringe benefits. Strong union power and greater awareness of their rights by workers have made cheating in wage payment virtually non-existent. Even though the wage rate has increased, the reduction in person-day employment and also the rise in the cost of living have resulted in a fall in real earnings. The migration of the industry to Tamil Nadu has largely been due to wage differentials which induced the employers to maximise their profits.

Collective bargaining has been made effective because of the emergence of powerful trade unions and employers associations. The formation of central unions has played an important role in coordinating working class struggle and furthering collective bargaining with the employers. Multiplicity of unions has actually destabilising effect on the industrial relations scene and has created tension bound situations to the employers. However, unions in the industry tend to put up a common united front on issues of common interest. It has promoted industry-wide dispute settlements and collective bargaining.

Most of the union leaders in the cashew industry are full time politicians with considerable influence on the workers. Generally, the trade union leaders view unions in a political context and as a result, political activity turn out to be an extension of trade union activity.

The period 1959-69 was the most turbulent one in the history of industrial relations in the cashew industry in Kerala. But the turbulence decreased during 1970-78 due to the improvement of bargaining process and

threat of migration of industry. From 1980 the industrial relations scene has become quite normal. It seems that the trade union movement in the industry has successfully completed the struggle for their existence and resort to strike activity only as a complementary means to collective bargaining.

The industry has adopted a system of "assisted bargaining". Government actively participate in the dispute settlements through its labour department. In recent years, the method of extra legal intervention by State Ministers in industrial disputes has assumed importance. The government intervention though it has an appearances as a process of industrial conciliation, does not seem to be a healthy development.

The wage cost constituted only a much smaller proportion of the total cost compared to the raw nut cost. The fortunes of the industry are determined largely by the conditions in the raw nut and kernel market.

Collective bargaining and wage escalation, if carried beyond a point cutting into profit rates, may affect adversely the levels of employment and output. However, in the context of cashew industry in Kerala, the decline in the levels of employment and output are determined by the availability of rawnut rather than the effect of collective bargaining. The cost of returns analysis of the industry does not suggest that rise in wages has reduced the profit rates to uneconomic levels. However, compared to the prospects of profitability in Tamil Nadu, the relative levels of profitability in Kerala remain low. In terms of relative wage impact and production loss due to strike activities the study showed that collective bargaining in the industry has maintained a healthy trend atleast during the last two decades.

ENTREPRENEURS AND THEIR SOCIO-CULTURAL BACKGROUND

A STUDY ABOUT ENTREPRENEURIAL DEVELOPMENT IN THE DISTRICTS OF ERNAKULAM AND KANNUR.

C.S.Venkiteswaran

Introduction

Entrepreneurs are the most dynamic among the factors of production. They constitute the human element that function within a socio-cultural milieu and influence the level of industrial development. Entrepreneurs function as catalysts of change in the development process.

Importance

An indepth understanding of the process and dynamic of entrepreneurial development thus assumes great significance in gaining insights into one's own society and also in formulating and implementing effective policies.

The fact that entrepreneurship is culture-specific and its nature and character vary according to the context in which it functions, calls for a study of entrepreneurship with a regional emphasis.

Objectives

The main objectives of the study are:

1. to examine the socio-cultural background of the entrepreneurs;
2. to examine the occupational origins and mobility of the entrepreneurs;
3. to examine the factors which motivated and facilitated them in establishing their units;
4. to examine the relationship between the socio-cultural and occupational background of the entrepreneurs and the nature and scale of their units; and
5. to examine the current problems faced by the entrepreneurs and to present their views regarding Kerala's industrial backwardness.

Scope and coverage

The basic framework which circumscribes the study can be outlined under three heads, viz., a) geographical location of the units; b) the nature of

the unit; and c) the size of the units.

Kannur district which was part of the erstwhile Malabar and is industrially backward, and Ernakulam district which formed part of the former Travancore-Cochin state and industrially the most developed in the state are selected for the study. Taken together these two districts account for about one-fourth of the total number of registered small scale industrial units in the state.

The study covers only the modern manufacturing sector.

Only small scale industrial units with investment in plant and machinery between Rs.1 lakh and 35 lakhs were taken.

Methodology

The study is of an empirical nature. Primary data was collected by conducting a field survey and relevant secondary data from various sources.

Since the population to be covered was large and spread out, the census method was neither practical nor within the means of a study of this nature. Through random sampling, 136 units were selected for the study: 64 units from Kannur and 72 units from Ernakulam.

Findings

Most of the entrepreneurs in our sample are local people who belong to the district where they have established the units. As to the migrants from other parts of Kerala, the direction of migration has consistently been from the south to the north. More than two-thirds of the entrepreneurs came from an urban background.

Religion-wise, all the three major religious groups in the state are represented almost according to their share in the population. Caste-wise break-up of Hindu entrepreneurs show that the two major groups among them are the Nairs and the Ezhavas. It is interesting to note that the uppermost and the lowest rungs of the caste hierarchy are not represented. The brahmins constitute a negligible portion

and the members of Scheduled caste/tribes are not at all represented.

The conspicuous absence of upper caste is in contrast to the findings of other studies in the Indian context where it was found that, due to higher socio-economic status and better education, they were in an advantageous position in availing the benefit of economies created in the society by government agencies.

The pattern of entrepreneurial development in Kerala seems to be different. In Kerala, in the absence of a Vaishya community, it has been the Christian and Muslim community which took the lead in this regard. But the significant presence and emergence of Nair and Ezhava communities in entrepreneurial roles could be explained only as a consequence of the significant role they played in the socio-cultural and political life of Kerala during the last hundred years. This appears to be reflected in the industrial field also.

Majority of the entrepreneurs in the sample are young. Most of them have established their unit when they were between 26 and 35 years of age. Sons of business men and industrialists among the occupational groups, and Muslim entrepreneurs among the religious groups, exhibit a tendency to establish their units at a relatively younger age.

Among the educational groups it has been the technically educated who assume entrepreneurial roles earlier than the others. The level of education among the entrepreneurs is very high.

Entry into entrepreneurial role has not been an easy or a direct one for most of them. Many were employed in industrial units outside Kerala after completing their education. Only after gaining sufficient experience and confidence have they decided to start their own units. Contacts with and knowledge about the market has been one of the decisive factors.

The role of the family in the

entrepreneur's career was found to be crucial, not only as a source of financial assistance but also in many ways at different stages of entrepreneurial growth.

Occupational background also had an important role. The progeny of businessmen and industrialist have made their entrepreneurial debut much earlier than the others and have also established bigger units in terms of investment and turnover. Their debt-equity ratio is also high.

A comparison of the association of organisational variables and personal variables with performance of the unit show that (a) organisational variables are more associated with performance and (b) among the personal variables it is previous experience in the line that have greater association with performance.

Analysis on inter-generational occupational mobility show that second generation entrepreneurs were very few (less than 10 per cent).

Among the factors facilitating entry into industry, previous experience in similar line of business rank first followed by family support and acquisition of a new idea (about product or market). Factors like government assistance or attractive schemes etc received low rankings.

An analysis of the problems faced by the entrepreneurs indicate that shortage of raw materials, bureaucratic interference, negative government policies and shortage of working capital received high ranks. It is interesting to note that while labour militancy/problems received low ranking with regard to problems faced by the entrepreneurs in running their own units, it received a higher ranking while they were queried about factors preventing the industrial development of the state. This indicated that labour militancy, more than actual problem they faced, was their perception as a class.

MULTIUNIONISM IN PLANTATION INDUSTRIES OF KERALA

K. Manoharan Nair

The rapid growth of trade union movements in India was a post First World War phenomenon. Till then, labour organisations scarcely extended beyond the better paid and better educated railway workers, printers and employees of the postal, telegraph and government services in all of which a number of Europeans and Anglo-Indians were employed. In the post-war period with inflation and scarcity of goods wages lagged behind prices and labour strikes were common and the trade union movement gained momentum.

The success of Madras Labourers Union founded in 1918 led to the formation of a large number of trade unions particularly in urban centres. The process culminated in the formation of an all-India central organisation, All India Trade Union Congress (AITUC). But soon ideological overtones of party politics and personal clashes among leaders became rampant in trade union movement. In the history of trade unions in India, there has never been a period altogether free from this conflict which perhaps accounts for the multiplicity of unions. Subsequently, several splits in the trade union movement occurred on political lines. The implication is that under the existing industrial relations system, the tendency is towards multiple union structures.

The steady growth in the number of unions and the steady fall in the memberships of individual unions indicate that multiunionism has become the rule of the day. Such being the situation, it is felt that a study of multiunionism in the plantation industry in Kerala would be relevant since this is an industry in which exploitation of the labour force is alleged to be very high whereas it is really the labour force that builds up the plantations and is also the force behind the benefits to be tapped.

Objectives

The objective of the present study is to examine whether there is any multi-unionism in the plantation industries of Kerala and, if so, to analyze the

attitude of management towards it.

Methodology

Primary and secondary data were used for the study. Primary data were collected from 775 respondents selected on the basis of stratified sampling technique.

Of the fourteen districts in Kerala, three districts, viz, Wayanad, Idukki and Kottayam are identified as sample districts for the present study. On the basis of the area under cultivation of each plantation crop; Wayanad for coffee, Idukki for cardamom and tea, and Kottayam district for rubber.

Two taluks from each district and two villages from each taluk are taken for the present study on the basis of the area under each of the crops. From each of the 12 villages, farmers or industrialists are selected by using the method of stratified sampling. The stratification is made on the basis of the area of cultivated holdings, i.e. below 5 acres; 5 to 10 acres; 10 to 20 acres; and above 20 acres. The grower respondents are so selected as to represent each stratum in each village. Thus the size of the whole sample population for the present study comes to 775 (300, 250, 200 and 25 respectively of rubber, cardamom, coffee and tea).

Secondary data have also been collected from various statistics brought out by the commodity boards and the office of the Labour Commissioner.

Analysis of variance, mean score and co-efficient of variation are the tools used for analysis. An interview schedule was developed for collecting data from the respondents selected on a random basis.

Reasons for slow growth of trade unions in plantations

Because of the isolated nature of plantations the contact with trade union leaders in urban areas was difficult in the early period slowing down the unions. The predominance of female labour also

affected the growth of unions in plantations. Added to this were such factors as the authoritarian nature of management, migrant nature of workers, seasonal factors, etc. which led to the slow growth of unions in the early days.

However, plantations bring together large number of persons working side by side in similar conditions. They are often required to live together in colonies. Such reasons enabled the workers to resort to collective action and collective leadership. With the infiltration of varying political ideologies, the number of unions in plantation began to multiply. The intervention of the government with a view to improving the conditions of labour and the passing of various legislative enactments conferring rights on the workers had their impact on the development of trade unions. When professional trade union leaders entered the scene, not only did plantation unions grow in number, but most of them became affiliated to national federations associated with important political parties in India. All these factors have today provided the plantation unions as much strength as any other industrial trade union in Kerala.

With the emergence of strong unions, the industrial peace in plantations began to be disturbed frequently.

Reasons for multiunionism in plantations

There are several reasons that led to multiunionism in plantation indus-

tries. The most important among them are stated below:

1. Ideological overtone of party politics;
2. Personal clashes among leaders due to Personal grievances, personal rivalry and outside leadership;
3. Existing industrial relations system; and
4. Desire of employees to act as leaders in order to get some weight party politics.

Conclusion

Multiunionism has affected the functioning of plantation industries in Kerala. Actually this situation is exploited by the management to their advantage. The analysis on mean profit and multiunionism score reveal that multiunionism increases the profit. So the management encourages the concept of multiplicity of unions.

It is observed that there is considerable variation in the number of membership among various trade unions. In recent times the concept of union or the principle seems out of place due to the action of trade union leaders and members. Necessary amendments to control and regulate the working of the trade unions and reduce the number of trade unions are to be initiated by the government without delay. As far as possible the entry of outside politicians as leaders of trade unions in plantations should be avoided. The workers themselves can organise and act as leaders.

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05

IMPROVING OUR ADMINISTRATIVE CULTURE

John Pulparambil

Public offices and positions, of a political and bureaucratic nature, are today viewed as legitimate means for the pursuit of self interest. Any means are fair enough for getting such positions. Since merit is an objective sense implies hard work and honest ways, it is to be man-made hierarchy based on personal achievement.

The present paper highlights the administrative culture in Kerala, based on detailed analysis under taken by

author in a Malayalam book, *Kerlathil Bharana Samskaram* (The administrative Culture of Kerala) and published by the Bharana Parishkara Vedi, Thiruvananthapuram. The basis for the book has been a combination of observation of administrative behaviour among various levels of functionaries in government and semi government offices, case studies in administrative decisions, ideas received from the trainees in the class rooms, and reflections on one's own personal experience with the Kerala bureaucracy.

Our attempt is to outline how the administrative game is played in Kerala in contrast to what it should be in terms of principles of public administration. A basic tenet is that public institutions and those involved in the running of them should work for the attaining of those basic objectives for which these institutions have been created. Any deliberate effort to deviate from this path (Except through legitimate policy change) is ill-motivated exercise in administrative perversion.

Who are the rulers?

The above dynamics are fostered by each of the critical groups, such as ministers, members of legislative bodies, departmental heads, directors of public undertakings, lower layers of bureaucracy and so significantly affect the functioning of the administrative system.

To play constructive roles in the running of public institutions, the above critical actors should possess enough of functional knowledge, professional skills, positive attitudes, and creative values. Inadequacy in any of these four attributes makes a functionary not only ineffective but also a danger to the public administration system. The large scale administrative changes in the state is a result of the inadequacy of each of these attributes among these functionaries. The solution lies in massive leadership development efforts in the society to ensure the formation of persons with these attributes. Sound decisions on who should be elevated to public positions, well designed induction training to those who have been selected to hold public offices, periodic refresher courses, continuous assessment of performance, and effective linking of rewards with individual and team performance.

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06

INDUSTRIAL RELATIONS IN PUBLIC SECTOR STUDY ON THE KERALA STATE ELECTRICITY BOARD

V.Rajendran

Arguments against public sector are mainly based on the hypothesis that productivity in public sector is very low and the labour-relations is strife ridden and chaotic due to excessive militancy of trade unions and high level of political involvement. But, effort to analyze why such maladies are present in many of the State enterprises are very rare. Even more rare are remedial measures actually adopted to remove the maladies. This paper undertakes an analysis of the system of labour management in the largest state enterprise of Kerala, the Kerala State Electricity Board (KSEB).

Being an important industry of the State with a very large work force spread all over the State it provides an environment in which all the major trends of trade union activism in the state may find expression. A keen observation of this industry may provide with important insight into the labour management relation system that exists in the public sector of Kerala.

Analysis of data indicate that the following observation are relevant to

industrial relations in KSEB:

1. The industrial relations system that exists in KSEB is far from being satisfactory. It is unrealistic, unstable and lacking in vigour to solve crises.
2. Multiplicity of trade union has weakened the collective strength of the work force and often helped the management to pit one section of workers against others.
3. Existence of a large number of category unions negatively affected the general purpose of trade union activity.
4. Vested political interest have augmented splits among workmen resulting in the proliferation of workers unions.
5. Personal and managerial problems rather than labour-management strife have caused the low productivity and poorer service in the industry.

Multiplicity of trade unions is a major challenge which has struck at the very roots of strong trade union movement in the country. Unity assumes it must importance at a time when the state is becoming more and more authoritarian and the socio-economic crisis in the country

is deepening.

The ill-effects of multi-unionism can be checked to a great extent by according recognition to the most representative union in an industry as the sole bargaining agent or recognize only those unions that enjoy support above a minimum proportion of the total workers. Referendum may be the most suitable method for recognition of unions. The study conducted among the trade unions and leaders of the KSEB shows that the device of referendum was widely accepted by almost all the workers, irrespective of their political colours and shades. Yet, referendum without proper legal framework can be counter productive.

Though considered a statutorily autonomous body, the KSEB in practice, is dominated by the government as a 'Super Manager' issuing directives even on in such trivial labour disputes. Management of industries like KSEB, should be grants autonomy in matters of labour-management relations. The Board has no stable labour relations policy of its own. The policy of the Board changed according to the changes in the party in power.

KSEB does not have an established and systematically functioning industrial relations department. Yet the Personnel department, as it is functioning in KSEB is weak and has little role in the performance of personnel or labour relations and is relatively unimportant in the Board's organizational structure. Proper personnel planning and introduction of new techniques of personnel management could help bringing industrial disputes down to the minimum.

There is a dearth of welfare measures. The entire welfare activity of the board is limited to the "KSEB Employees' Welfare Fund". The positive and social objectives of 'labour-welfare' aspect has been neglected by the Management. Equally irresponsible are the labour unions which in their competition to raise sectarian demands do not realise the need for such measures.

To sum up, phenomena like multi-uniform, category union rivalries, sectarian interests, political involvements and economism of unions are not unique to KSEB but in reality symptomatic of the structural characteristics of our body politique.

35 RELIGION AND SOCIAL CHANGE

THE ROLE OF RELIGION IN THE SOCIAL CONSTRUCTION OF KERALA SOCIETY

35

01

F.Houtart and G.Lemercinier

Religion has been a central factor in the culture of Kerala since the beginning of its existence. It has taken however very different shapes during the various phases of Kerala history. In the clanic history, the symbolic expression of the social identity was related to religious beliefs. As soon as class societies began to emerge, the role of religion became different. During the period of tributary mode of production, religion was an important symbol of political authority, but without divinization of the political leaders. The King was supposed to establish justice among the various groups. He was the protector of all religions.

It is when the Brahmins came from the North and when the caste system was progressively established, that the role of religion became totally different in Kerala. As an ideology, religion had been the fundamental symbolic expression of an ontological order which developed through

cultural practices, devotions and social roles and was the main factor responsible for social cohesion.

With the colonial relationship established by the Portuguese, a new religious field arose with a fundamentally different ideological function. The legitimization of the colonial relationship using religion was one of the first steps in establishing a mercantile capitalism. With the British colonisation, the caste system began to undergo a phase of transition to class system. This was accompanied by a transformation of the function of religion. Emancipation movements, based on Hinduism became very important in Kerala as a social protest against the establishment of capitalist relationships.

The analysis of the various roles of religion in Kerala society contributes to the establishment of some theoretical orientations for a sociology of religion.

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THE LEFT AND THE CHURCHES IN KERALA: MUTUAL CHALLENGES

35

02

Samuel Rayan SJ

T.K.C. Vaduthala one of the foremost creators of Kerala's rich dalit literature, depicts dalit life in all its beauty and misery. In one of his

works, Kantankooran a dalit renamed Devassy after conversion, puts on a scapular and is freed from using titles of honour while addressing Ezhavas and

Christians. Nevertheless, Syrian Christians continue to treat him as an untouchable. In disgust he returns the scapular to the priest, wanting to remain as the Kantankooran of old. The church, within which no new convert will be accorded equality, comes under intense criticism by the author. In another novel of Vaduthala Nanavulla Mannu, the Communist Party comes under similar attack. Kandaari, a dalit arranges shelters for Communist leaders at great risk to himself. Later on, neither the courage nor the sacrifices of the dalits are remembered or acknowledged by the party; leading yet another dalit character to lament that none of these leaders and movements can save us.

There is much more in Kerala's dalit literature that denounces the continuing discrimination of the dalits; socially, culturally and economically. The church and the Left come under special and adverse consideration because they both shared similar concerns for the liberation of the oppressed and for the creation of 'a new earth'. According to some writers, dalits were the original inhabitants of Keralam, who got progressively disposed and enslaved by the introduction of Hinduism by Aryans. When the old trading community of Christians moved to the hinterland and to agriculture, they also used the enslaved labour of the dalits. It were the missionary Christians who unfurled the banner of protest against exploitation of the dalits by others. Even in 1968 in the Mar Thoma and Jacoba churches, there were no dalit priests whereas in the Madhya Kerala diocese of the church of South India alone there were 13. There has been a series of revolts which resulted in dalit Christians leaving one church either to join or to form another in protest against caste discrimination.

It is not that the churches have made no contribution towards social change. Their educational efforts, particularly dalit and women's education, a new sense of dignity accorded to them through religious conversion, the development of the Malayalam prose, the introduction of printing and Journalism, the emphasis upon monogamy and stability of marriage, Christian support to liberation struggles like the one led by Sri Ayyankali etc., were measures which contributed to social transformation. The church has been constantly challenged by movements initiated by Sri

Ayyankali and Sree Narayana Guru, the social involvement of the London Missionary society, and by the left Parties efforts to mobilize the working class. More profoundly the church had the abiding challenge of its own faith which demands it to be a critical counter-culture. Then how and why is the church found wanting with regard to the liberation of dalits?

Left too stands challenged by its own internal contradictions though it has helped create among the downtrodden a new awareness of rights. The Left organised workers and through struggle put an end to much mental and physical slavery. It carried out through measure of land reforms and succeeded in creating an atmosphere of mobility, fearlessness and freedom. It also brought about changes in literature; in theme and style from puranic stories to real life experiences of the people. In spite of these effort, the Left has also failed. Their lack of local analysis their exclusively economic approach, their neglect of the gender issue and the caste question and their overlooking of the ambiguities of taking power under a bourgeois constitution, could have been the cause of their failure. A basic deficiency of the Left has been its profound atheism and ridicule of religion, which argued an acceptance of 18th century bourgeois stances which Marx inherited as the fashion of youth and which he never had an opportunity to study in depth.

In the past, the Left and the church have anathematized each other. They cannot continue so. The future of Marxism and Christianity are necessarily complementary. Both reject capitalist fetishism and both nurse dreams of an alternative future. Therefore what is needed is a new encounter in mutual respect and critical opinion, an attempt to classify ultimate human goals, an effort to realise the human without reductionism; neither of otherworldly resignation nor of materialist mechanism. The true alternative to religion that is the opium of the masses is not positivist atheism but a militant and creative faith in resurrection which is an affirmation of the impossible through which history opens the future to all possibilities; including the socialist Utopia and the new Earth which is the promise and challenge of Faith.

REDISCOVERING THE PRINCIPLE OF 'IJTIHAD' IN ISLAM: THE REFORM AGENDA OF VAKKOM MOULAVI

K.M.Seethi

Studies and interpretations on Islam are voluminous. There are theological as well as Scholarly expositions pertaining to the inner dynamism of Islam and its potentials to cope with different socio-political challenges. Alongside these, there are schools of Islamic jurisprudence which have come to stay and continue to act upon various segments of Muslims all over the world. More often than not the theological interpretations of the laws are fundamental to the scriptural matrix of Islam, and inevitably they tend to romanticize the 'pristine glory' of the past, sometimes bordering on extreme orthodoxy or fundamentalism.

This has always created problems of rationality, freedom of independent judgement, adaptability and survival. The characteristic ills of almost all segments of the Muslim communities are, thus, embedded in the closed-systemic view of Islam and its set parameters. However, there is a long line of Islamic reformers who addressed themselves to the characteristic problems of the Islamic societies and provided rational and convincing explanation as to how and why one should interpret Islamic laws keeping in view the socio-cultural norms of different national/political systems. Vakkom Moulavi belongs to this genre of Islamic reformers whose scholarship and contributions are so profound that even time cannot wither them.

This paper attempts to place the reform movement of Vakkom Moulavi in proper perspective with a view to resuscitating the principle of *ijtihad* (independent judgement) in understanding and interpreting the Islamic system of laws and norms. While the paper tries to seek appropriate Moulavian answers to some of the vital questions concerning the doctrinal principles and laws, it takes into serious consideration the distorted images and symbols that had permeated among the Muslims of Kerala and which persisted even in the post-Moulavian era. Thus, the entire project of Vakkom Moulavi to disentangle the Muslim community from the cobwebs of

superstition and bigotry merits the most careful attention and is worth reproducing in a situation of more or less the same character and mindset as it is today.

At the outset it must be pointed out that the cultural history of Kerala will be incomplete without registering the contributions of Vakkom Moulavi. Unfortunately the sparse literature on his life does not offer anything but sketchy notes which are of very little relevance for any serious reading of his own writings. That is why scholars like Roland E. Miller or Moulavi's biographer Mohammed Kannu could not go beyond the stereotyped projections of his personality. Even while Miller acknowledged that "the wind of change" in Islamic reform in Kerala "blew from the south" in the personality of Vakkom Moulavi, he could not fully comprehend and assess the depth of his thought and, therefore, came to the slapdash conclusion that Moulavi's reform was basically "a conservative reform". Mohammad Kannu, on the other hand, in a typical dramatic style and with a lot of distortions and unreasonable comparisons projected the personality of Vakkom Moulavi in the way everyone liked. Thus, in most of the contemporary writings one comes across such estimates of Vakkom Moulavi but lacking in substance. What is missing in these estimates is Moulavi's wide ranges of interests and activities, and more profoundly his social commitment, religious acumen and scholarship.

Vakkom Moulavi's spectrum of activities is tellingly broad. On one end of the spectrum we find socio-political commitments, and on the other, there was a mission to liberate his own brethren from the morass of self-delusions to which they had fallen for so long. One is a natural corollary of the other. However, Vakkom-Moulavi first took up the challenging task of reacting to the existing social realities marked by rampant corruption, injustice and political machinations at the highest level. The launching of *Swadeshabhimani* in 1905, thus, ushered in a new era of

social liberation struggle in the state. The objective statement of *Swadeshabhimani* vowed never to hush up people's grievances fearing the dangers ahead. When Ramakrishna Pillai assumed the editorship of the newspaper in 1907, *Swadeshabhimani* became a legendary fortress of intrepid journalism which sought to combat all the ills of the existing order. By 1910, the press was confiscated and the editor was sentenced to transportation. However, 'Swadeshabhimani Ramakrishna Pillai' rose to eminence as one who blazed a trail for free press but the man who was instrumental in setting the tone and agenda soon fell into oblivion in that domain of social liberation.

Nonetheless the liberation struggle of Vakkom Moulavi went in another purposeful direction. The movement initiated by him set in motion a new wave of Islamic reform in Kerala and the forces of religious repression and manipulation felt perturbed by the penetrating voice of Vakkom Moulavi through the columns of *Muslim* (1906), *al-Islam* (1918) and *Deepika* (1931). The reform agenda of Vakkom Moulavi included such vital questions as *ijtihad*, *tawhid* (oneness of God), *shariat* etc. They were all interwoven in the Islahi movement which swept the entire Muslim community. The inevitable result of Moulavi's struggle was a new awakening among the Muslims which unfortunately has not been properly understood in the post-Moulavian era.

Vakkom Moulavi carried forward his campaign of reform at a time when the self-seeking ulamas throttled freedom and reason in the Muslim community. Education among the Muslims was restricted to Arabic learning- that too in a mechanical way. Majority of them could not read or write Malayalam, and English was considered as an alien language. Learning any language other than Arabic was considered as an anti-Islamic act. All the more important women's education was forbidden and their social status rested upon the primitive value premises formulated by the orthodox elements of the ulama class. No wonder the entire Muslim community languished in their captivity and all sort of superstitions and unIslamic practices prevailed.

Vakkom Moulavi entered this terrain with a revolutionary fervour. Having been exposed to and well acquainted with almost all reform movements in the Islamic world (notably the movements of Jamal al-Din al-Afghani, Muhammad Abduh, Rashid Rida, Ibn Abdul Wahhab and Sir

Syed Ahamad Khan) Vakkom Moulavi began to spread the message of change among the Muslims in their own language and dialect. He understood that a community deeply entrenched in scriptural/doctrinal ethics, and more pitifully in the distorted images of Islam, could never be redeemed without touching their conscience and mental make-up. So he reminded them that no progress could be achieved and the community could never survive with the stagnant Islam that the self-styled ulamas held fast to and propagated.

Moulavi's deep knowledge of the *Quran* and *Hadith* and his rational outlook on many questions of social development helped propel the Islahi movement in the right direction, and it successfully broke through the decadent structures of orthodoxy. Here what aided and directed his campaign of reform was the principle of *ijtihad* which had long been proscribed as an anti-Islamic practice. Resuscitation of *ijtihad* was, thus, the kernel of Moulavi's reform movement and he would have the Muslims believe that Islam contained in itself the potentialities of a rational religion. Arguing that the door of *ijtihad* had not been closed, Moulavi called upon the Muslims to rediscover and reinstate the principle of the right of independent judgement because all the problems the Muslim community has been confronted with could not be found in the *Quran* and *Hadith*. There are questions on which the *Quran* and *Hadith* could offer no clear instructions, for the text of the *Quran* may not be clear, or the authenticity of the *Hadith* may be under dispute or the Holy text is silent. Under these circumstances wisdom should prevail and reason must reign supreme. Vakkom Moulavi exhorted the Muslims to believe that individual *ijtihad* was not only permitted but it was very essential to arrive at decisions where the Holy texts were either ambiguous or silent.

Vakkom Moulavi's perspicuous analysis on the laws of Islam could found in his thesis on "the Islamic Reform" which no other scholar or learned ulama of this part of the country could advance and uphold. For instance Moulavi very intrepidly held that "the laws of Islam concerning temporal matters are not immutable, and hence, depending on the conditions of time and place they are subject to change. The Egyptian reformer Muhammad Abduh had apparently influenced Vakkom Moulavi in putting this *ijtihad*-based approach across. Abduh pointed out: "Law vary as the conditions of nations vary; to be effective they most

have some relation with the standards and circumstances of the country to which they apply..."

With deep insight into the Islamic history and Islamic jurisprudence Moulavi wrote that the unity and simplicity of laws would remain on paper so long as the tradition far outweighs time. He went to the extremity of calling upon the Muslims to address their problems even

transcending the four School of Islamic jurisprudence if they are found quite inadequate and irrelevant.

This paper proceeds to analyze the whole range of subjects Vakkom Moulavi dealt with during the reform movement, and underlines their significance for the contemporary reading and understanding of Islam.

CHRISTIANITY AND SOCIAL CHANGE IN KERALA

35

04

Jesudas Athyal

The social function of religion as a subject for systematic study is a comparatively recent development. How do social scientists and activists view the role of religion? This question becomes all the more pertinent in the context where on the one hand, the social structure is based on poverty and inequality and on the other, the tremendous sway that religion holds over the social life of the people. Has religion been providing the spiritual rationale for perpetuating the exploitative social structures? Also, does religion have the liberative streams to initiate and/or support movements for liberation? Can the spirituality of the liberative forces in religion provide a critical corrective to the institutionalised religious group as well as politically established revolutionary forces? These are some of the crucial questions that crop up while discussing the social function of religion.

Role of missionaries

The role of Christianity in the social life in Kerala has to be seen within the over-all context of the socio-political and economic milieu of Kerala. The St. Thomas christian community that existed in Kerala from the early centuries after Christ was part of the social life here. As a distinct community and as a part of the larger social milieu, they were clearly part of the Kerala society. However, the advent of the western missionaries - Catholic and Protestant - drastically altered the character of the Christian contribution

in Kerala. Against the inward looking *Samudayam* consciousness of the largely upper class and upper caste Syrian Christian community, the missionaries shifted their attention to the socially and economically depressed sections in society. Largely through educational and medical work, the missionaries contributed significantly to the self-awakening of the dalits and the tribals in Kerala.

There are of course questions about the nature and content of the missionary involvement in Kerala. Did the work of the missionaries at least covertly blunt the nationalist struggle against the colonial rulers? How far were the missionaries sensitive to the local culture and values? What was their attitude to the emerging political movements in Kerala, committed to the struggle against exploitation and injustice? These questions remain, and should be addressed to. But the positive contributions of the missionaries to the process of social change in Kerala - particularly with reference to the dalits and the tribals - is an important milestone in the history of Kerala.

Reform movement

How far did the traditional Church in Kerala accept the reform movements initiated by the missionaries? It is a fact that there were always sections within the Church that related their faith to the existing social realities. But the primary concern of the largely upper caste-class Church hierarchy was to safeguard the institutional interests of

the Church. It was generally felt that any serious attempts at challenging the existing exploitative social and economic structures would adversely affect the institutional interests of the Church. Accordingly, though a good percentage of the Kerala Christians hailed from the dalit and tribal sections, their concerns were not adequately represented by the leadership of the Church. Some of them left the Church to join socio-political movements that were committed to a radical social transformation. Most however, out of their genuine religious faith and the belief that the Church can be made more sensitive to social questions, continued within the fold of the Church. They initiated prolonged struggles, within the church as well as outside, for justice and equality. Two such struggles during the last one decade were the fisher-folks struggle in the Latin Catholic Church and the Faith Movement in the Church of South India. These struggles were led by fisher folks and dalits who were denied their rightful representation by the Church and their livelihood by the political authorities. This was also a struggle against the process of modernisation and high technology that left vast sections of the population behind. The Church hierarchy and the government however adopted a confrontationist attitude to these struggles. Those who waged the struggle were relegated to the periphery of the Church forcing them to seek non institutional forms of the Christian faith which will sustain them in their struggles or leave the Church altogether.

A special mention should be made at this stage of the relationship of the Kerala Church to the State and political forces. It is a historical fact that while churches in various other parts of the world were forced at times to adopt a confrontationist attitude to the State, in Kerala the Church most often preferred to side with the political powers. The compelling reason behind this could have been the concern of the Church to safeguard its minority rights and mammoth institutions built by it - primarily, schools, colleges and hospitals - against any political intervention. Apart from such existential concerns, the theological understanding that the Church should be "submissive to the governing authorities" (Romans, chapter 13) also could have prompted the Church hierarchy to support the political rulers. There were however exceptions like when the Church courageously took a stand risking the wrath of the oppressive rulers and also, when the Church, out of concern to

safeguard its institutions and because of its animosity towards radical political forces, opposed the rulers. Instances can be cited in the definite occasions in history when the Church vehemently opposed the political authorities, the general inclination of the Church in Kerala, especially during recent decades, has been to support the ruling class. This is an interesting deviation from the attitude of the Church to the ruling classes in many other parts of the world, notably in the various Asian and Latin American countries.

Oppressive Vs Liberative Streams

Thus, two or three propositions emerge while discussing Christianity and social change in Kerala.

The first is the need to identify that form of Christianity which should be treated as part of the liberative and inclusive streams of religion in Kerala. Against the dominant religious structures that were oppressive and exploitative, there were definite religious streams in modern history committed to social reforms and liberation. While at the national level these were represented by people like Raja Ram Mohan Roy, Swami Vivekananda and Mahatma Gandhi, in Kerala, Sree Narayana Guru, Ayyankali etc. led the reforms. Along with social reforms and upliftment of the oppressed sections, inter-faith relations characterised by mutual respect and dialogue was a characteristic of this phase. This stream has unfortunately become dormant in recent years. Many social scientists and theologians feel that one reason for the spread of communalism and religious fundamentalism in Kerala in recent years is because the liberative and inclusive streams in religion became dormant. Any discussion on the contemporary social function of Christianity should therefore be treated as part of the need to revive the inter-faith movement to be an effective antidote to communalism and religious fundamentalism.

Secondly, within Christianity itself, there is the need to identify and clearly spell out the elements that are genuinely committed to radical changes in society. This is a stream that has been active in Kerala from the 1930s onwards. In the struggles against Sir C.P. Ramaswamy Aiyar before independence and in resisting Indira Gandhi's internal emergency, these elements were in the forefront. They affirm that against the minority consciousness of the dominant Kerala Church, there is the Christian

commitment to be sensitive to the struggles of the whole society for justice and equality. True, this is a commitment that emerges from a basic Christian commitment; but this is also a vision that is devoid of any institutional or sectarian interests. The distinction between social changes attempted by hierarchical Churches steeped in their institutional and sectarian interests and radical Christian groups committed to a basic transformation of the exploitative social structures therefore is important.

Finally, what is the relationship between the liberative forces in religion and the secular-left socio-political movements in the Kerala context? It cannot be denied that the relationship between the two in the past were marked by mutual hostility, suspicion and dogmatic rigidity. There has however been changes in recent times. It is a fact that no social revolution is possible without radically transforming the social

institutions such as the temple (church, mosque), the schools, media etc. that shape the reflexes, attitudes and values of people from their childhood. A genuine social transformation would include transforming these institutions to be the vehicles of a counter-cultural movement. Religion is much more than the escapist and other-worldly spirituality of the weak. The recognition that there is also a spirituality that is transformative and socially relevant is crucial for any Christian - Marxist dialogue. It cannot be denied that the awareness of the depth of self-alienation as more than a social phenomenon, is a contribution of religion to the left. There is also the spirituality that is sustainable against modern technological growth that can be de-humanising and destructive. Such a spirituality should be the basis for a relevant dialogue between the Christians, people of other faiths and ideologies.

THE ROLE OF THE CATHOLIC COMMUNITY IN THE COMMUNALIZATION AND SECULARIZATION OF THE KERALA SOCIETY

35

05

Jose Kuriedath

The purpose of this paper is to explain why and how The Catholic community of Kerala which evinced little interest in the political administration of the State (then Travancore and Cochin) till the end of the nineteenth century, gradually tried to organize itself for political goals, giving rise to an unhappy but necessary linking of religion and politics. In recent years however they lost that interest, as secularization process took shape in the community in particular and in the Kerala society in general. The study does not rule out the influence, if any, of other factors in the secularization of the Kerala society; it merely focuses its attention on the role of a particular community.

In the first part of the study, it is argued that till the second half of the last century the Catholic community of Kerala, particularly the St. Thomas Christian community (commonly known as the Syrian Christians), was not interested in getting involved in the political affairs of the State because (i) it enjoyed sufficient socio-religious

autonomy in the princely States and (ii) it did not develop adequate political consciousness due to several circumstances.

When the community achieved a developed political consciousness and found itself deprived of several political rights it began to organize itself for the attainment of these rights. This is dealt with in the second part of the study. The community made use of its religious organization (Church) as the base for political action, and the religion - based "we" - feeling as its spearheading force, chiefly because the community realized that the main reason for it being deprived of the political rights was religious. This process which began in the second half of the last century with the formation of Nazrani Jathyaikya Sangham and lasted almost one hundred years is called 'communalization' since this is the term that is commonly used in India for the purpose. The communalization process did not remain confined to the Catholic community alone.

but spread to other religious/caste communities also as those similarly placed communities were also made collaborators in the effort.

The last and final part of the paper tries to show that in spite of such an intense and powerful linkage between religion and politics for several years, the (Syrian) Catholic community now seems to be emerging as a Paradigm of a secularization process, i.e. a clear differentiation of the religious and political functions within the community and the gaining of autonomy by the latter from the former. This can be observed in the decline of the Church's influence on the political activities in the community and bolder assertion of independence by those engaged in political action. With regard to this shift it is conceded that communalization was itself a secularisation process in disguise and the community has been imperceptibly and steadily moving to this stage due to the very inner dynamics of communalization. Since communalization, as defined above, is the utilization of religious organization and religious feeling for non-religious goals, it reduces the

religious elements to mere instruments means to certain political goals. Hence when a community feels that it has been sufficiently satisfied in achieving its goals, it no longer experiences the need to depend on the means employed so far. Moreover, by this time, the goal which have been already realized, spread and inculcated a secular consciousness (i.e. the awareness of the autonomy of the secular sphere and the readiness to organize it autonomously) within the community since the goals themselves have become secular in nature.

With regard to the Catholic community of Kerala, some other supporting factors such as the spread of secular education, the increase in community power due to the growing network of various institutions, and the occupational and economic mobility etc. have also contributed their share in this process. The enhanced social and economic power is being utilized by the community for political power through what is called power conversion. However, this enhanced socio-economic power itself was achieved by the community through effort organized on a communal basis.

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06

THE COSMIC AND META-COSMIC CULTURES OF KERALA AND THE PERSONALITY TRAITS OF MALAYALEES

J.J. Pallath

Introduction

In the developmental paradigms for the country, a new approach has come into existence called "Kerala Model" when references are made to health care facilities, public distribution system, literacy, living standards of women, family planning, child mortality and political consciousness of the marginalized. Kerala is thus unique in many ways compared to the rest of the country.

The unique development in Kerala due to its socio-cultural and political history creates unique problems too. Kerala culture has imbibed uncritically the evil effects of industrialization such as cut-throat competition, disrespect towards human beings resulting

in high rate of criminality and suicides, crisis in symbolic life, contempt for religious values and spiritual life and this situation is aggravated by aggressive political dogmatism and violent religious fundamentalism. These cultural as well as developmental anomalies of the State are peculiar and deserve analysis with a special set of parameters designed in the mould of methodologies in Psycho-Cultural Analysis.

Cosmic and Meta-cosmic cultures

The way of life of the present Dalits and tribals is termed as Cosmic Culture (CC) and that of the high-castes along with the other immigrant sub-cultures is thought to be Meta-Cosmic Cultures ((MCC).

Symbol system analysis of cosmic and meta-cosmic cultures of Kerala

Analysis of myth

Myth is a way of perceiving the reality, it is the specific emotional horizon within which one interprets the perceived objects. Following is a comparative chart of the cosmic and meta-cosmic myths which function as capsules of values:

Cosmic myths

Female is superior to male
Women are born to be free
Life is innovative
Spontaneity & display is human
Motherhood is worshipable
Life is not order
Life is passive & relaxed
Appearance is unimportant

Meta - cosmic myths

Male is superior to female
Women are born to be controlled
Life is traditional
Secretiveness & fear of spontaneity is part of human life
Fatherhood is worshipable
Life is order
Life is aggressive & conquering
Appearance is important
Strict moral norms is human

Analysis of Symbols

A symbol is that which points to something other than itself and participates in the represented reality and which opens up layers of meaning in the represented reality. Symbol is evocative of emotions in a sensitive person releasing some form of energy for action. The characteristics of the cosmic and meta-cosmic cultural symbols can be lucidly expressed in the following chart.

Cosmic cultural symbols

Earth (immanence)
Moon
Mandala (centre) (yonis)
Cave -dwelling animals
Serpent
Red (earth/blood)
Spiral
Pot (Garbha)
Pipal tree (horizontal)
Dancing
Eye ((darsan)

Stanan (place)
Bhagavati (mother-goddess)

Meta-cosmic cultural symbols

Sky (transcendence)
Sun
Mountain (vertical) (lingam)
Winged creature
Dove
White/blue (semen/sky)
Pillar (linga)
Cedars (vertical)
Sitting or standing
Hand (service)
Kalam (time)
Father (god)

It is obvious from the chart that the cosmic cultural symbols are closer to earth, spiral in design and feminine whereas the meta-cosmic symbols are sky-directed, linear in design and predominantly masculine.

Analysis of Rituals

Ritual in its widest sense used here means any human symbolic behaviour which can evoke any or all emotions (Navarasas) in the performer as well as in the participants.

Frozen rituals which have reduced to the level of more repetitive action and are not evocative of emotions are called cult. Most of the static religious performances can be included in the category of cult. While real rituals are dynamic in the sense of embodying the agonies and hopes of the society which has given birth to it.

There is an integral relation between myth, symbol and ritual. As there is a myth behind every symbol, there is myth behind every ritual; ritual, thus, in short, is symbolic action of a myth.

Culture and personality

The messages and models and the accompanying values that shape the behaviour of a human young are derived from the symbol of the respective culture. In the cosmic as well as in the meta-cosmic cultures the human young develops a personality model which is commensurate with the value system of the corresponding stream of culture. As the personalities of cosmic culture go through the crowd catharsis their basic personality will be passive, whereas the personality of meta-cosmic culture who never go through a natural crowd

catharsis, tends to be basically aggressive.

Conclusion

We have started our inquiry to find out the reason for the anomalies of Kerala culture. From our analysis it is clear that the cause lies in our development approach with no sensitivity to the cosmic cultural values. The history of Kerala is a history of invasions of its cosmic cultures by meta-cosmic cultures such as: Nambuthiris and Nairs, Jews and Christians, Thiyyas and Muslims and these have merged as the ruling class through their superior skill in organization. The cosmic cultural values are neglected to the extent of dehumanizing the Kerala culture and society. Co-opted easily into the consumer culture of the Western make, Kerala is left without a culture of its own unlike its neighbours, Tamil Nadu and

Karnataka. Along with our cosmic culture what is vanished from Kerala is the feminine, maternal dimensions of our culture and society. Thus Kerala culture became aggressive, with criminality and suicides. Its ecological resources and cultural heritages are destroyed through excessive exploitation of natural resources. The advent of television hooked us directly to the affluence of the western life style and our young are taught that the indigenous way of life is primitive and so "uncultured"

The only solution, appears to be a revival of the cosmic cultural values of Kerala and through it the respect for the feminine, matriarchal qualities. The total masculinization of life through the promotion of meta-cosmic culture will take us to unintended ends where human interaction and experience will be a rare item in the agenda of socio-cultural life of Kerala.

COUNTER - CULTURAL PERSPECTIVE FOR KERALA

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07

S. Painadath

Kerala is a land of paradoxes. On this exceptionally green and fertile land live vast sections of people in utter poverty. A relatively high level of literacy coexists with gruesome forms of exploitation and corruption. Widespread political consciousness is coupled with an inertia to react creatively to socio-political problems. Egalitarian social ideologies evolve together with devastatingly individualistic patterns of behaviour. The state is known for its religious tolerance, and for religious fundamentalist movements as well. Kerala is held in esteem for the high level of the 'quality of life'; however, rampant consumerism poisons the marrow of social life.

This is the paradoxical face of Kerala. The malaise of the coexistence of these contrary factors has its roots in political and economic systems and in social and religious structures. In spite of the democratic ideologies of politics the psyche of Keralites has not been liberated from its mooring in the feudal system. This is evident in personality

cult and communal options in the political decision making processes. As long as the possessive drive of the individual for amassing wealth overrides social consciousness, economic disparities would continue. An egalitarian social structure cannot be built upon the basis of caste system, which has its roots in the preconditioning factors of birth and pre-birth. A religion that adheres to cultic practices and organisational structures at the cost of mystical experience and prophetic critique cannot evoke liberative potential in the life of the people. This cursory analysis of the Kerala situation shows that the base of these problems is to be explored at the level of culture.

Consumeristic Culture

What characterises the complexities of life in Kerala is the rapid and all-consuming evolution of a technological culture with its economic base in capitalism and social base in the etho-

of competition. The mental framework that supports this culture is that of an I-it relationship between man and nature. 'Nature out there' is taken exclusively as a thing to be used for the needs of human individuals. Trees and animals, earth and water resources, forests and fields are constantly being exploited for the consumption of human individuals. The term 'development' is here understood in terms of the capacity to possess and consume natural resources. Private ownership, productive labour and competitive drive become the normative values of a consumeristic culture. Money can buy up everything and manipulate all systems, social and political, educational and religious. Not only the worth of natural resources, but the dignity of human persons too is being determined in terms of money. Kerala offers one of the biggest markets for consumer articles and luxury goods in India. Needs are being artificially generated by neocolonial forces and their advertising media. The real consumer is no more the free and mature human person; he or she is being consumed by the alienating forces of production and market. The large inflow of foreign money and the rapid process of urbanisation sweeping over the villages have accelerated the growth of consumeristic culture in Kerala. The overall result of this monetary culture is the degradation of the human: alienation of man from nature and from society as well.

This deep rooted alienation is the basic cause of the malaise of the life situation in Kerala. It disrupts basic family relations and disturbs social harmony. the mental ability to integrate one's past and to move with hope into future is drained. Consequently families break alcoholism is on the increase, suicidal cases are rampant and criminality vitiates civic life. Those who suffer most are the weaker sections, children and women, unemployed youth and unorganised labourers, dalits and adivasis.

Towards a Counter Culture

The only way out is to develop an integral vision of the human person in relation to nature: nature is not just an object of consumption out there, but an integral element of the human subject. The old Vedic insight is still valid: the earth is the extended form of my body, and my body is the transformed form of the earth. Human person is nature waking up to consciousness. The Buddhist perception of the correspondence between

mind and matter is a cosmological truth acknowledged by neophysicists today. Cosmic reality is not a machine made up of so many components, but a dance in which every bit of reality evolves with the whole. Social reality is not a crowd that can be manipulated, but a community in which every human person is respected and loved. This holistic approach to reality is a concern of spirituality. Creation of a liberative counter culture in the midst of the alienating factors of the consumeristic culture of Kerala demands a humanising spirituality; it will be a secular spirituality in the sense that it would unfold the awareness of the sacred depth of the secular reality. This unfolding could take place through religious symbols and literary forms, cultural creations and commitment to the cause of justice. All religions at their authentic spiritual core communicate the experience of the integral unity of reality, though in the course of their historic-cultural evolution, religions themselves have contributed much to be structures of alienation.

The integral vision-and-way of life of Jesus offers a spirituality of counter culture. In a society fragmented on the basis of religion and culture, birth and tradition, profession and language Jesus proclaimed a new culture in which love and compassion, freedom and justice would transform the life of people. He elevated the concern for the human person, especially for the poor and the marginalised, above religious practices and social customs. He invited seekers of truth to experience the harmony and 'oneness' which he himself experienced with the Divine, the human persons and the cosmic reality. His being is the embodied expression of the divine Logos, the principle of unity, life and light in the universe. The world view that evolves out of Jesus, life would not tolerate any enslavement of the human person or ruthless exploitation of nature; rather, it would promote the process towards total integration, wherein 'God will be all in all'.

Creative movements of a counterculture did take momentum in Kerala. These can be perceived in the fields of art and literature, in the initiatives for social justice and ecological well being, in the movements of women's liberation and dalit awakening, in the projects of national integration and communal harmony and in the alternative forms of education, health care and religious worship. Such creative movements need to be promoted

through a critico-creative collaboration among believers of different religions and adherents of diverse secular ideologies. The counterculture of future

Kerala will be a culture of "samanvaya", integration of the plurality of cultures on the basis of humanising spirituality (dharma).

36 LEGAL STUDIES

36
01

A NEW BILL WHICH PROPOSES TO PROTECT THE RIGHTS OF CHRISTIAN WOMEN IN KERALA - 1994

Mary Roy

The Law Minister has announced that during this Assembly Session a Bill will be introduced to negate a portion of the historic Supreme Court judgement of 1986, which gave Christian women in this state equal rights in the matter of intestate succession.

1. For thirty years two laws existed simultaneously in the Kerala State, namely,

a. The Travancore - cochin Christian Succession Act passed by the Maharajahs of the princely states of Travancore and Cochin - A daughter shall inherit 1/4 the share of a son or Rs. 5000/- whichever is less and

b. Indian Succession Act of the Union of India - Sons and Daughters inherit equally

2. In 1949 the Princely State of Travancore and the Princely State of cochin merged and formed the United States of Travancore and Cochin within the Union of India.

3. In spite of this accession and the coming into force of the Part B State Laws Amendment Act, the Government and the Courts mistakenly interpreted the Travancore Christian Succession Act and the Cochin Christian Succession Act as the law applicable to Christians in Kerala even after 1956, when the State of Kerala was formed.

4. In 1986 the Supreme Court interpreted the law. The India Succession Act applied to all christians in the Union of India.

5. By implication the Travancore Cochin christian Succession Act and the Cochin Christian Succession Act have never been laws of the union of India.

Is such legislation necessary ?

The Minister and the Christian M.L.A's claim that the economy of the State has been shattered because of the Supreme Court Judgement and urgent remedies are necessary.

In actual fact, this community of christians has never been as prosperous as it is today. This is partly due to their frugal habits and to the fact that they are working in the Gulf countries, in USA and other foreign lands.

The Supreme Court Judgement will not effect 75% of the community which has never owned sizeable land holdings and which cannot afford the costs of litigation involved for minor gains.

Among the remaining landed families, it must be noted that the Intestate Succession Laws are applicable only in cases where a father has died without writing a will. Thus the number of cases cannot be staggering. Many families would have settled their problems with a little give and take and a little affection. There are 29 cases directly relating to the retrospective period in the courts. Does this scenario warrant emergency law making?

The Government has obviously made no study of the extent of destabilisation caused. Worse still, it has never held talks with Christian women. It is still the voice of christian patriarchy that is heard.

In an effort to prove to their faithful followers that miracles are possible (in exchange for votes) the patriarchal leadership of the community and the legislators are attempting the impossible. The legislators of our vibrant democracy are re-enacting an

anachronistic piece of legislation passed by the Maharajas in an era gone by.

In the process, will the Government re-introduce the social structures which were prevalent at that time? The Christian women are having none of it. They are now engaged in fighting vociferously for their rights.

The following questions agitate the mind of a lay person

1. Has any country in the world attempted to pass legislation for a Retrospective Period, i.e., the new Bill will in effect apply only to the period 1956 - 1986?
2. This (and more) is the burden of the Bill: A Daughter shall inherit 1/4 the share of a son or Rs.5000/- whichever is less.
3. This is against the Equality Rights guaranteed by our Constitution. It is against the International Covenant on Human Rights. Is it possible to pass such shameless legislation in the Twenty First Century?
4. The Churches in Kerala have strong links with the Vatican, the World Council of Churches and other international

Christian organisations. The Kerala Assembly is going to shock International Christendom.

5. Can the legislature of an Indian State pass a Bill on a subject where there is already a Central Act of Parliament?

Or will the Kerala Assembly annul the Central Act?

Or will both Acts exist simultaneously?

If two Acts exist, who has the right to decide which Act is operative?

6. To which section of Christians will the new Bill apply, taking into consideration that the states of Travancore and Cochin no longer exist? Note also that the Christians in Malabar and the Latin Christians have always respected equal rights for men and women. Are they, too, to be drawn into the Dark Ages by the new Bill?

7. Even if Hindus and Muslims join Christian male chauvinists in the Assembly to pass this shameless Bill, it still has to get the assent of the President of India.

8. Finally the Bill will have to stand the test of constitutional validity before the Supreme Court.

PROTECTION OF FOREST - LEGAL PERSPECTIVES

36

02

A.Prasanna

Forest is essential for the healthy subsistence of human beings on earth. Law has been framed to regulate exploitation of forest. It is pertinent to examine whether the law relating to forests is an effective instrument in protecting forest from deterioration. The paper mainly deals with the law relating to forests in Kerala. A brief historical account of the law relating to forests in India and Kerala is given at the beginning to bring out the policy behind the law. The provisions of the Kerala Forest Act 1961 are critically examined, defects pointed out and remedies suggested.

The legislative scheme envisaged in the Kerala Forest Act 1961 does not recognise the environmental aspect of forest protection. On the contrary, it places emphasis on the revenue and

developmental aspects. There arises a conflict between environment and development. The law does not contain provisions to reconcile such conflict. However, the judiciary has played a significant role in protecting forest environment and in reconciling the conflict between environment and development through judicial process. The decisions of the High Court of Kerala and the Supreme Court of India on environmental protection are discussed in the paper and the hurdles involved in solving environmental problems through the judiciary are identified. The need to incorporate the strategy of Environmental Impact Assessment (EIS) in the law relating to forest is pointed out. Some practical suggestions for the better protection of forest environment are also given in the paper.

THE IMPACT OF THE LEFTIST MOVEMENTS ON THE LABOUR LEGISLATIONS IN KERALA

K.C. Sunny

The role of the left in politics is entirely different from that of other social and political movements, since the ideology of leftists (socialism) is built with a bias in favour of the working class. So in parliamentary democracy the participation of the leftist parties in Government may be followed by the enactment of legislations intending to protect the interest of working class. The present study is an attempt to evaluate the role played by the leftist movement in enacting labour legislations in Kerala.

In Kerala the leftist movement emerged in the context of freedom struggle and trade union and peasant movements during the second quarter of this century. After independence these parties had actively participated in parliamentary democracy. So the question whether the participation of the leftist parties in parliamentary democracy was beneficial to the working class is very important and forms the core of the study.

The state of Kerala came into existence on November 1st, 1957. The present Government is the 15th Government in the State. Barring few exceptions, coalition governments had been formed in the State since its formation. For the purpose of the present study, governments are classified as leftist Governments, Government with leftist participation and non-leftist Government. The Labour legislations piloted and got passed by each category of governments are separately taken up for the study. The study is confined to the period of 1957 - 1991.

Labour legislations passed by the Leftist Governments

The first E.M.S.Nampoothiripad Ministry (16-3-1957 to 31-7-1959), second E.M.S. Ministry (6-3-1969 to 1-11-1969), first E.K.Nayanar Ministry (25-1-1980 to 20-10-1981) and second E.K. Nayanar Ministry (26-3-1987 to 24-6-1991) are included in the category of leftist governments. Those ministries were led by two veteran communist leaders and were

dominated by the leftist parties.

Kerala Maternity Benefit Act 1957 was the first labour legislation enacted by the Kerala Legislative Assembly. The Kerala Industrial Establishments (National Festival Holidays) Act 1958 was the another legislation intended to protect the interest of workers. The Act provided for the grant of national and festival holidays to persons employed in industrial establishments in the State of Kerala. Several legislations intended to provide the security measures were enacted by the leftist Governments. For that purpose Toddy Workers Welfare Fund act, 1980, Head Load Workers Welfare Fund Act 1987, Khadi Workers Welfare Act 1989 are enacted. Casual, Temporary and Badli Workers (wages) Act 1987 is another important labour legislation enacted by the leftist government. In addition, several amendment acts intended to amend the existing labour laws were also enacted by the leftist governments. Protection of the labour interest was the major concern in introducing the amendments.

Labour legislation by the Governments with leftist participation

The first Achutha Menon Government (4-10-1970 to 3-8-1970), second Achutha Menon Government (4-10-1970 to 21-3-1977), first Karunakaran Government (20-3-1977 to 25-4-1977), A.K. Antony Government (27-4-1977 to 27-10-1978) and P.K. Vasudevan Nair Government (24-10-1978 to 7-10-1980) are included in the category of Government with Leftist participation. Regarding the political nature of these Governments it is to be said that both the leftist and non leftist parties had major role in these governments. The Kerala Agricultural Workers Act is the most important legislation passed by the Government coming under this category. The Act, which was a model to other states, intended to provide for the welfare of agricultural workers and to regulate the conditions of their work. The Act provided for the giving of preference to workers who had worked in the previous

season and permanent workers, establishment of tribunals for the resolution of disputes. Two legislations were enacted for protecting the interest of fishermen. The Fishermen Welfare Societies Act, 1980 provided for the organization of fisheries villages and to constitute fishermen welfare societies. The Marine Fishing Regulation Act 1980 empowered the Government to regulate the fishing by fishing vessel, and was intended to protect the interest of the traditional fishermen. The Kerala Head Load Workers Act 1978 was another legislation by the Government with Leftist Participation. Besides prescribing work loads and work conditions the Act contained provisions for welfare scheme and security measures. The Payment of Subsistence Allowance Act 1973 provided for the payment of subsistence allowance to the employees during suspension. As the part of protecting the interest of workers a fund for promoting the welfare of labourers was constituted by the Labour Welfare Fund Act. The Bonded Labour System (Abolition) Act 1975 abolished the bonded labour system. Cashew Workers Relief and Welfare Fund Act 1975 and Motor Transport Workers Fair Wages Act 1971 were the other important legislations during this period.

Labour Legislation by the Non-Leftist Government

The Pattom Thanupillai Government (22-6-1960 to 26-9-1962), R. Sankar Government (26-9-1962 to 10-9-1964), C.H. Mohammed Koya Government (12-10-1979 to 1-12-1979), second Karunakaran Government (28-12-1981 to 17-3-1982), and Third Karunakaran Government (24-5-1982 to 25-3-1987) are included in the category of Non-Leftist Governments. In these governments the participation of leftist parties was nil or negligible. The labour legislations enacted by the Governments coming under this category are very few. The Kerala shops and Commercial Establishment Act 1960 intended to regulate the

conditions of work and employment in the shops and commercial establishment so as to protect the interest of workers. The Kerala Beedi and Cigar Industrial Premises. The Kerala State Handloom Weavers Co-operative Society (Special provisions Act) 1960 was another legislation introduced by the Non-leftist government.

Role of the Leftist Movement on Labour Legislation

In the matter of labour legislations in Kerala the leftist movement had played a pivotal role. The participation of the leftist parties in the government was the crucial factor in introducing labour legislation. This is evident from the fact that though the non-leftist governments were in power for a period of 9 years and seven months, only three labour legislations were enacted by them. However, the leftist governments, and governments with leftist participation had enacted 17 labour legislations within a period of nearly 21 years. In addition one who goes through the proceedings of Kerala Legislative Assembly can see that the members of the leftist parties are more active in the discussion of bills containing labour laws. The participation of the members of the leftist parties in the select committees is also very high. Further, agitations led by the leftist trade unions in most case have been responsible for the enactment of labour legislations. The agitation led by Kerala State Agricultural Workers Union in 1972 for the enactment of Agricultural Workers Act is worth special mention. Another notable point is that if the Minister in charge of labour had a leftist back ground more labour legislations were enacted under his leadership.

The study clearly reveals that participation of left either as a dominant or as an influential partner in government had been instrumental in the enactment of most of the labour legislations in Kerala.

TRIBAL VS. THE MEGA SOCIETY OF KERALA

J. Rajasekharan Nair*

Discrimination against the tribal minority is the most shameful blemish on Kerala. The Government in April 1994 to amend Section 6 of the Kerala Scheduled Tribes (Restriction on Transfer of Lands and Restoration of Alienated lands) Act, 1975, so as to facilitate speedy implementation of the Kerala Land Assignment (Regularisation of Occupation of forest lands prior to 1/1/1977 Special Rules, 1993, and thus enabling the politically powerful Christian settler lobby to legitimise their illegal claim over tribal lands is the latest in its track record.

The Kerala Scheduled Tribes (Restriction on Transfer and Restoration of Alienated Lands) Act, 1975 (in short "the Act") declares the transfer of lands belonging to Scheduled Tribe to any non-tribal invalid, if it was transferred on or after 1.1.1960 (Section 4,5). The tribal shall be entitled to the restoration of his alienated land on application to the Revenue Divisional Officer (Section 6).

Land alienation - historical perspective

The Imperial Forest Department was formed in 1864 to bring the entire forest land under the British control for their sole exploitation, the tribals were declared "intruders". The Government Forest Act, 1865, made, even collection of fallen leaves an offense. "reservation" of forests under the Indian Forest Act, 1878, restricted even the movement of tribals. The National Forest policy, 1894, favoured agriculture and this adversely affected the tribals for whom the concept of property rights over land was unknown. The Indian Forest Act, 1927, retained the restrictions on tribals and enhanced the punishment.

Independent India began treating tribals as second class citizens. Their traditional rights were no longer recognized as rights. The National Forest policy, 1952 the Indian Forest Bill, 1980 converted their rights into mere concessions. But, the National Forest policy, 1988 in a welcome departure in theory assures full Protection of the

customary rights and concessions of the tribals.

Even the legislations introduced by the progressive democratic governments of Kerala resulted in structural deterioration in the living conditions of the tribes of Kerala. The Kerala Forest Act, 1961, is silent on the rights and privileges of the tribals. The Kerala Hillmen Rules, 1964, caused untold sufferings to the tribals until it was quashed as unconstitutional by the High Court in 1970. The Kerala Land reforms Act, 1970 enabled non-tribal immigrants to establish their ownership right over tribal lands, for, according to the interpretation of the Legislation, the tribals became "landlords" and non-tribal immigrants "Tenants". A few cases filed before the Court were dismissed as the tribals could not produce documents to support their claim of their forest land. Even today, the tribals are not given legal title over their lands. Over the years tribals became "trespassers" in their home. The Kerala private forests (Vesting and Assignment) Rules, 1974 though is specific that half of all such lands available for assignment should go to the landless tribals, not a bit of it has been given to any tribal.

The changing forest policies, increasing pressure on land, development projects, land surveys and settlement operations ignoring traditional tribal collective rights, poverty, indebtedness, Kerala Land Reforms Act, 1970, and mala fide mechanism of advanced non-tribals led to the alienation of tribal land in Kerala, and reduced the original cultivators to tenants or wage labourers on the same land. The Act to restore alienated tribal lands has to be viewed against this backdrop. rules of the Act were notified in 1986. Application for restoration of lands reached almost all the Revenue Divisional Officers. Former Prime Minister Chandrasekhar is also one among the holders of alienated tribal lands.

Special rules for encroachers

Objective of the Kerala Land

Assignment (Regularisation of Occupations of Forest Lands prior to 1.1.1977) Special Rules (in short "The Rules") notified on March 19, 1993, in exercise of Section 7 of the Kerala Government Land Assignment Act, 1960, is to regularise illegal occupation of forest encroachers, mainly in Idukki District.

Encroachment - historical perspective

The early commercial policy followed by Travancore under the monarchy towards the beginning the Century encouraged cultivation of cardamom through the assignment of forest land and initiated a phenomenon of large scale encroachment. Nearly 75 percent of the migrants households (in 1961) came to the High Range regions of the Central Travancore within 15 years since independence. The new immigrants mostly resorted to encroachment and subsequent agitation for legalisation of occupancy rights. Proceedings of the Government during the sixties and seventies clearly indicate the massive unauthorised occupation of forest land. Encroachment continues unriddled. Even the special Rules of 1993 does not mention that encroachment after 1.1.1977 will not be legalised.

The Act vs the Rules

None of the provisions of the Act and the Rules conflict with each other. In fact, proviso to section 5 of the Rules safeguards section 4 and 5 of the Act. But at the implementation stage interest of the beneficiaries of the Act the Rules clashed. Flouting the proviso to section 5 of the Rules, alienated tribal lands were marked for granting title deeds in Idukki.

Judicial interference as a catalyst

The Act passed in 1975 remained inoperative under the successive Left and Right governments. The reasons is clear: Restoration of tribal lands would invite wrath of the politically and economically powerful Christian vote bank whose political outfit, the Kerala Congress, was a partner in all these ministries.

In 1989, one Dr. Nallathampi There moved the High Court for a direction to the State Government to dispose of all pending applications for restoration of alienated tribal lands. The Court, in October '93, gave a direction to do so within six months. It was this judicial order that ultimately sealed the fate of the Act.

Fearing contempt of Court, Revenue officials began evicting encroachers from tribal lands. This created some unrest. Malayala Manorama blew it out of proportion, Government immediately convened a meeting of all political parties and they unanimously resolved to amend section 6 of the Act, which provides for the restoration of alienated tribal lands. The media eschewed comment. Non Governmental Organizations once again proved themselves as extensions of establishment.

Conclusion

This once again proves right what the United Nations Working Group of Indigenous Population observed in 1987 : "The Government, non-governmental organizations, and corporations as well as individuals, all have a role in changing the situation by reversing the course of history which continues to subject indigenous people to such injustice."

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ATTAKULANGARA - THIRUVANANTHAPURAM

പാപ്പനംകോട് സർവീസ് സഹകരണബാങ്ക്
കുളിപ്പ്തം നമ്പർ 1108, തിരുവനന്തപുരം-695 018, ഫോൺ: 79608

നിക്ഷേപങ്ങൾക്ക് ഉയർന്ന പലിശനിരക്കുകൾ ☺ സ്ഥിരനിക്ഷേപങ്ങൾക്ക് 14% വരെ പലിശ ☺ നിക്ഷേപങ്ങൾക്ക് ഇൻഷുറൻസ് ഗുറുണ്ടി.

1. ശക്തി നിക്ഷേപ പദ്ധതി: സർക്കാർ ഗുറുണ്ടി: ഒരു തിശ്ചിത തുക 57 മാസത്തേക്ക് നിക്ഷേപിച്ചാൽ കാലാവധിക്കുശേഷം ഇരട്ടിതുക നൽകുന്നു. (2) പെൻഷൻ നിക്ഷേപപദ്ധതി (3) ദർശനാ നിക്ഷേപപദ്ധതി:- വളരുന്ന സമ്പാദ്യം: മുതലായ ആകർഷകങ്ങളായ പുതിയ നിക്ഷേപ പദ്ധതികൾ. (4) 11 ഇരട്ടിവരെ തുക ലഭിക്കുന്ന വിവിധങ്ങളായ നിക്ഷേപപദ്ധതികൾ.

a) സ്വർണ്ണപ്പണയ വായ്പകൾ നൽകുന്നു. b) സേഫ് ഡെപ്പോസിറ്റ് ലോക്കർ സൗകര്യം. c) കാർഷികവും കാർഷികേതരങ്ങളായ എല്ലാവിധ വായ്പകളും നൽകുന്നു. d) ഒരുലക്ഷം രൂപാവരെ വായ്പ നൽകുന്ന വിവിധതരം പദ്ധതിവായ്പകൾ. e) നബാർഡ് സ്കീം. പദ്ധതിവായ്പകൾ. f) ആധുനിക സജ്ജീകരണങ്ങളോടെ നിർമ്മിച്ചിട്ടുള്ള ദർശനാ ആഡിറ്റോറിയം (കല്യാണമണ്ഡപം)

ആർ. ഗോപിനാഥൻ
(സെക്രട്ടറി)

വിശദവിവരങ്ങൾക്ക് ബാങ്കിൽ ബന്ധപ്പെടുക.

കെ.എം. ചാദർ
(പ്രസിഡൻ്റ്)

ആശംസകൾ

**കൊടകര ഗവ. ടീച്ചേഴ്സ്
കോ-ഓപ്പറേറ്റീവ് സൊസൈറ്റി**

R 294, കൊടകര

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PH: 52215

V. RAMAKRISHNAN
SECRETARY
PH: 23532

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M.P. Padmanabhan
Convener of Administrators

M.V. Madhusoodanan
Asst.Registrar/Secretary

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PIN 673571 PHONE 245

Paid up share Capital: Exceeds Rs. 14 lakhs, Working Capital: Exceeds Rs. 2.5 Crores

We are accepting deposits on attractive rates of interest and all kinds of Banking business transacted.

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President

K. Sreenivasan
Secretary

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THRISSUR 680 005

Class I as per section 80

Membership	9500	Loans	285 Lakhs
Share capital	13.75 Lakhs	Working Capital	375 Lakhs
Deposits	360 Lakhs		

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President

K.P. Polly
Secretary-in-charge

The Vaniamkulam Service Co-op. Bank

Ltd., No. P. 577
VANIAMKULM : : PALGHAT DIST.

PHONE: 41

ആശംസകൾ

സി. രാമൻകുട്ടി
സെക്രട്ടറി

പി. വി. പത്മനാഭൻ നായർ
പ്രസിഡണ്ട്

ശോഭനമായ ഭാവിക്കു, നിങ്ങളുടെ വഴികാട്ടി

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ക്ലിപ്തം നമ്പർ കെ. 343 കോട്ടയം. ഫോൺ 567532

സേവനം ഞങ്ങളുടെ ലക്ഷ്യം

സഹകരിച്ച് സ്വാശ്രയത്വം നേടുക

തോമസ് പോത്തൻ
പ്രസിഡൻ്റ്

ജോർജ് കുര്യൻ
സെക്രട്ടറി

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Phone:22242

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Telicherry Pier Road	Phone	22958
New Bus stand	"	20890
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Dharmadam	"	22106
New Mahe	"	33220
Chokli	"	33592
Evening Branch at Tellicherry	"	20890

Attractive Deposit Scheme to suit the needs of all types of people.

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Working Capital exceeds 12 crore

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General Manager
Phone:22242

Pandyala Gopalan
President
Phone:Off:20597
Res:382608

**CANNANORE TOWN
SERVICE CO-OPERATIVE BANK**
LTD. NO C 84
SOUTH BAZAAR, KANNUR-2

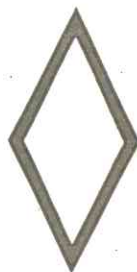
**BRANCHES:
KUZHIKUNNU THAYYIL**

VARIOUS KINDS OF DEPOSITS ARE ACCEPTED ON ATTRACTIVE TERMS

RATE OF INTEREST

FIXED DEPOSIT 13%

SAVINGS BANK A/C 6 $\frac{1}{2}$.



**T.M.JANARDHANAN
PRESIDENT**

**P.V.PREMACHANDRAN
SECRETARY**



ഏലംകുളം സർവീസ് സഹകരണബാങ്ക്

ക്ലിപ്തം, നമ്പർ-എഫ്.1536
പി.ഒ.കുന്നക്കാവ്, മലപ്പുറം ജില്ല

H.O.ഏലംകുളം

ഫോൺ:36337 ELM

അംഗങ്ങൾ: 7500

ഓഹരി.മൂലധനം: 15 ലക്ഷം

നിക്ഷേപങ്ങൾ: 250 ലക്ഷം

വായ്പ ബാക്കി നിൽപ്പ്: 275 ലക്ഷം

പ്രവർത്തന മൂലധനം: 325 ലക്ഷം

ഞങ്ങളുടെ പ്രത്യേകതകൾ:

ഉദാരമായ വായ്പാ വിതരണം, നിക്ഷേപങ്ങൾക്ക് ഉയർന്ന പലിശ സുരക്ഷിതത്വം,
നിക്ഷേപ സമാഹരണത്തിൽ തുടർച്ചയായി 4 തവണ അവാർഡുകൾ,
സേഫ് ഡെപ്പോസിറ്റ് ലോക്കർ (എല്ലാ ബ്രാഞ്ചുകളിലും),
വിവിധ സലകളിലുള്ള ചിട്ടികൾ, ലിഫ്റ്റ് ഇറിഗേഷൻ സ്കീം,
രാസവള വിതരണം, റേഷൻ ഷാപ്പ്, തുണി ഷാപ്പ്, കൊപ്ര-കശുവണ്ടി സംഭരണം,

കൂടുതൽ വിവരങ്ങൾക്ക് നേരിട്ടമ്പേഷിക്കുക

ബ്രാഞ്ചുകൾ

ഏലംകുളം	:	36337(ELM)
ചെറുകര	:	36340
മുതുകുറുശ്ശി	:	36240

എം.എം.അഷ്ടമൂർത്തി
(പ്രസിഡൻ്റ്)

ടി.ദാമോദരൻ
(സെക്രട്ടറി)

പെരിന്തൽമണ്ണ കോ-ഓപ് അർബുൻ ബാങ്ക്

ലി.നമ്പർ 1758 പെരിന്തൽമണ്ണ

ഡിപ്പോസിറ്റിന്മേൽ ഉയർന്ന പലിശനിരക്ക്, ഡിപ്പോസിറ്റിന്മേൽ ഇൻഷുറൻസ്
ഡിപ്പോസിറ്റിന്മേൽ നോമിനേഷൻ സൗകര്യം

46 ദിവസത്തേയ്ക്കുള്ള ഡിപ്പോസിറ്റ് 10% വാർഷിക പലിശ

1,00,000 രൂപവരെ ഡിപ്പോസിറ്റ് ഇൻഷുറൻസ്
നോമിനേഷൻ സൗകര്യം നിയമാനുസൃതം

കേരളത്തിൽ എല്ലാ പ്രധാന കേന്ദ്രങ്ങളിലേക്കും ഡ്രാഫ്റ്റ് സൗകര്യം
ചുരുങ്ങിയ പലിശനിരക്കിൽ വായ്പാ സൗകര്യം
എല്ലാവിധ ബാങ്കിംഗ് ഇടപാടുകളും നടത്തുന്നു

കൂടുതൽ വിവരങ്ങൾക്ക്

പെരിന്തൽമണ്ണ (ഫോൺ) 27346, കരിങ്കല്ലത്താണി (ഫോൺ) 31231
ശാഖകളെ സമീപിക്കുക.

പി.എസ്. രാജൻ
സെക്രട്ടറി

B.Com, HDC

പി. പി. വാസുദേവൻ
പ്രസിഡൻ്റ്

If you require quality Handloom goods and export variety fabrics from a
Premier Co-operative Institution

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M/s. The Kanhirode Weavers' Co-operative

P & S Society Ltd., No.LL 44

P.O.Kanhirode
KANNUR - 670 592
KERALA

Estd. 1952

Phone: 259 Anjarakandy

Fax: 0497-65800 (Attn. Kanhirode Weavers)

Telex: 0805 257 (" ")

Grams: "KANJIWEAVE" KOODALI

ചാല സർവീസ് സഹകരണ ബാങ്ക്

ക്ലിപ്തം നമ്പർ പി/1280

ചാല പടിഞ്ഞാറെക്കര, പി.ഒ.തോട്ടം ഫോൺ: 820484

കണ്ണൂർ ജില്ലയിലെ ഒരു പ്രമുഖ സർവീസ് സഹകരണ ബാങ്ക്

കാർഷിക ആവശ്യങ്ങൾക്ക് കുറഞ്ഞ പലിശ നിരക്കിൽ
എളുപ്പത്തിൽ വായ്പ ലഭ്യമാക്കുന്നു.

ശുപാപകരണങ്ങൾ വാങ്ങുന്നതിനും, വിഭേദിച്ച് പോകുന്നതിനും വാഹനങ്ങൾ വാങ്ങുന്നതിനും വായ്പ അനുവദിക്കുന്നു.

നിക്ഷേപങ്ങൾക്ക് ഏറ്റവും ഉയർന്ന പലിശ നിരക്ക്
മതിയായ സുരക്ഷിതത്വം.

ഗവ:ഗാരണ്ടി നൽകുന്നതിന് തിരഞ്ഞെടുക്കപ്പെട്ട പുരുഷ ബാങ്കുകളിലൊന്ന്
ചാല സർവീസ് സഹകരണബാങ്ക്.

പ്രസിഡൻ്റ്
ചന്ദ്രൻ കിഴുത്തള്ളി

സെക്രട്ടറി
ടി.പുഷ്പവല്ലി

ചിറയ്ക്കൽ സർവീസ് സഹകരണ ബാങ്ക് ലിമിറ്റഡ്

നമ്പർ.എഫ്.1148, പി.ഒ.ചിറയ്ക്കൽ കണ്ണൂർ-11

- ബ്രാഞ്ചുകൾ: 1) അലവിൽ (ഫോൺ നമ്പർ:65774)
2) കാട്ടാമ്പള്ളി
3) ഇവനിംഗ് ബ്രാഞ്ച് — പുതിയതെരുവ്

സ്ഥിര നിക്ഷേപങ്ങൾക്ക് കൂടിയ പലിശ 13%

സേവിങ്ങ്സ് നിക്ഷേപം 6½%

5 കൊല്ലം കൊണ്ട് നിക്ഷേപസംഖ്യ ഇരട്ടിക്കുന്ന അതുല്യ നിക്ഷേപപദ്ധതി
കുറഞ്ഞ പലിശ നിരക്കിലുള്ള വിവിധതരം വായ്പാ സ്കീമുകൾ
വാഹനങ്ങൾ വാങ്ങുന്നതിന് 5 ലക്ഷം രൂപ വരെ വായ്പ അനുവദിക്കുന്നു.

സെയിഫ് ഡിപ്പോസിറ്റ് സൗകര്യം

എല്ലാതരം ശുപാപകരണങ്ങളും ലോണായി വാങ്ങാനുള്ള സൗകര്യം
സ്റ്റെയിബിൾ സൗകര്യത്തോടുകൂടിയ കമ്മ്യൂണിറ്റി ഹാൾ വാടകയ്ക്ക്.

പ്രസിഡൻ്റ്
സി.എച്ച്.ബാലകൃഷ്ണൻ

സെക്രട്ടറി
പി.ബാലകൃഷ്ണൻ

The Palghat Co-operative Urban Bank Limited

**No.F.997
PALAKKAD - 678 001**

As on 31-3-94
(Subject to audit)

Share Capital	:	18.18 lakhs
Reserves	:	66.95 lakhs
Deposits	:	774.09 lakhs
Advances	:	623.26 lakhs

Locker facilities available at Head office
Insurance cover upto one lakh.
1/2% additional interest on deposits.
Service is our Motto

M.S.Gopalakrishnan
President

T.P.Krishnankutty
Secretary

With Best Compliments from

Tellicherry Public Servants Co-op.

**Bank Ltd. No.F-437
Thalassery-1**

C.C.Aravindakshan
(Secretary)

P.K.Damodaran Nambiar
(President)

ചൊർണൂർ കോ-ഓപ്പറേറ്റീവ് സർവീസ് ബാങ്ക് ക്ലിപ്തം

നമ്പർ പി. 578, ചൊർണൂർ-1
എച്ച്.ഒ. ചൊർണൂർ ഫോൺ: 2592

ബ്രാഞ്ചുകൾ:

ചൊർണൂർ
മെയിൻ ബ്രാഞ്ച്: ഫോൺ 2438
പ്രഭാതസായാഹ്ന ശാഖ: ഫോൺ 2261
വാടാനാം കുറുശ്ശി ശാഖ: ഫോൺ 2291
ഓങ്ങല്ലൂർ ബ്രാഞ്ച്: ഫോൺ 33241

പ്രവർത്തന മൂലധനം - 578 ലക്ഷം
നിക്ഷേപങ്ങൾ - 480 ലക്ഷം
വായ്പകൾ - 483 ലക്ഷം

ആകർഷകമായ പലിശ നിരക്കിൽ നിക്ഷേപങ്ങൾ സ്വീകരിക്കുന്നു.
കാർഷിക - കാർഷികേതര വായ്പകൾ മിതമായ പലിശനിരക്കിൽ നൽകുന്നു.
എല്ലാവിധ ബാങ്കിംഗ് ഇടപാടുകളും നടത്തി വരുന്നു.
ചൊർണൂർ മെയിൻ ബ്രാഞ്ചിൽ സേഫ് ഡ്രപ്പോസിറ്റ് ലോക്കർ സൗകര്യം ലഭ്യമാണ്.

കെ. നാരായണൻ മാസ്റ്റർ
പ്രസിഡൻ്റ്

പി. മൊയ്തു
സെക്രട്ടറി

Best Compliments of

Ulloor Service Co-operative Bank Ltd No. 1230

Pongummoodu, Thiruvananthapuram - 11

Safe deposit Locker facility
Attractive interest rate on deposits
Insurance coverage for all deposits
Monthly chitty upto R.S. 25000/-

V. Mani .
President

P. Saraswathi Amma
Secretary In Charge

ആശംസകൾ.... ആശംസകൾ

നാട്ടിക ഫർക്ക സഹകരണ റൂറൽ ബാങ്ക് ലിമിറ്റഡ് നമ്പർ എഫ് 1251

ഹെഡാഫീസ് വലപ്പാട് ഫോൺ: 641231

ശാഖകൾ	ഫോൺ
എങ്ങണ്ടിയൂർ	790322
വാടാനപ്പിള്ളി	63375
തളിക്ക്കുളം	641627
തൃപ്രയാർ-(സായാഹ്നം)	641931
എടത്തിരുത്തി	848217
കയ്പമംഗലം	870430
പെരിഞ്ഞനം	870230
മതിലകം	870278
കോതപറമ്പ്	602813

ഭൂപണയ വായ്പ, സ്വർണ്ണപണയവായ്പ, ഹയർപർച്ചേഴ്സ് വായ്പ: ഓവർ ഡ്രാഫ്റ്റ്,
എന്നിവ വിതരണം ചെയ്യുന്നു.
ആകർഷകമായ പലിശനിരക്കിൽ നിക്ഷേപങ്ങൾ സ്വീകരിക്കുന്നു.

പി.എം. അഹമ്മദ്
പ്രസിഡൻ്റ്

കെ.പി. നാരായണൻ
ഡെപ്യൂട്ടി രജിസ്ട്രാർ സെക്രട്ടറി

Best Wishes



**THE ERNAKULAM DISTRICT GOVERNMENT
SERVANTS' HOUSING CO-OPERATIVE SOCIETY
LIMITED NO: E-321
WARRIAM ROAD, KOCHI-16**

**HOUSE BUILDING ADVANCE
EXCLUSIVELY FOR THE GOVERNMENT SERVANTS
AND TEACHERS
THE ONLY ONE INSTITUTION OF THIS TYPE
IN ERNAKULAM DISTRICT**

C.T.JOSE
(PRESIDENT)

K.J.PADMAVATHY
(SECRETARY)

ആശംസകൾ

ഇളങ്ങും സർച്ചീസ് സഹകരണ ബാങ്ക്

ക്ലിപ്തം നമ്പർ 3576

H.O. കുരാലി, കോട്ടയം ജില്ല. ഫോൺ: 721294

(Class-1 Special Grade Bank)

മാവേലി സ്റ്റോറുകൾ
റബ്ബർ സംഭരണ
കേന്ദ്രങ്ങൾ
വളം വിതരണം
ഫോട്ടോസ്റ്റാറ്റ് കോപ്പികൾ
എല്ലാ തുറകളിലും
മുൻപന്തിയിൽ

ബ്രാഞ്ചുകൾ

കുരാലി: മെയിൻ ഫോൺ	721102
വഞ്ചിമല ഫോൺ	721103
പനമറ്റം ഫോൺ	721104
തച്ചപ്പുഴ ഫോൺ	721105
പ്രഭാത-സായാഹ്ന ബ്രാഞ്ച് ഫോൺ	721107
പന്തമാക്കൽ ഫോൺ	Chglm 492
അംഗങ്ങൾ	7500
ഓഹരി മൂലധനം	36,50,000
നിക്ഷേപങ്ങൾ	10.50 കോടി
പ്രവർത്തന മൂലധനം	12.50 കോടി
വായ്പ പകരം	9.50 കോടി

സ്വന്തമായ കമ്പ്യൂട്ടർ സംവിധാനത്തിലൂടെ ബാങ്കിംഗ്

ഇടപാടുകളിൽ കൃത്യതയും വേഗതയും

സമ്പൂർണ്ണതയും കൈവരിച്ച കോട്ടയം ജില്ലയിലെ

ഏക സഹകരണ സ്ഥാപനം

നിങ്ങളുടെ സന്തുഷ്ടമായ കുടുംബ ജീവിതത്തിന്
ഒരു ഉത്തമ ബന്ധു.

STD - ISD സൗകര്യം

24 മണിക്കൂറും പ്രവർത്തിക്കുന്നു.

പ്രസിഡൻ്റ്

പി.എ. മദനമോഹനൻ കർത്താ

സെക്രട്ടറി

എം. ഗോപിനാഥൻ നായർ

മിനങ്ങാടി സർവീസ് സഹകരണ ബാങ്ക്

ക്ലിപ്തം നമ്പർ എഫ്.1061

മിനങ്ങാടി, വയനാട് ജില്ല

പ്രവർത്തനമൂലധനം - 1.2 കോടി രൂപ

നിക്ഷേപങ്ങൾക്ക് ഉയർന്ന പലിശനിരക്ക്

കാർഷിക കാർഷികേതര വായ്പകൾ
മിതമായ പലിശ നിരക്കിൽ നൽകുന്നു.

കൂടുതൽ വിവരങ്ങൾക്ക് നേരിട്ട് അന്വേഷിക്കുക.

പി.വി.വർഗ്ഗീസ് വൈദ്യർ
(പ്രസിഡൻ്റ്)

കെ.പി.രാഘവൻ നായർ
(സെക്രട്ടറി)

With best compliments from:

APCO INDUSTRIES

(P.O.) MOORIYAD, KUTHUPARAMBA - 670 643

കേവലം വർഷങ്ങൾക്കൊണ്ട് ഉപഭോക്താക്കളുടെ പ്രശ്നം പിടിച്ചുപറ്റിയ

ആപ്കോ ബനിയനുകൾ, ജട്ടികൾ,
ബ്രാസിയറുകൾ, പാൻറീസുകൾ

മുതലായവ ഇറക്കുമതി ചെയ്ത ആധുനിക ഉപകരണങ്ങൾക്കൊണ്ട് വിദഗ്ദ്ധരായ
തൊഴിലാളികളാൽ നിർമ്മിതമായതിനാൽ മറ്റേതിനെക്കാളും കിടപിടിക്കുന്ന
ഗുണനിലവാരമാണ് അതിന്റെ പ്രശസ്തിയുടെ നിദാനം.

സ്റ്റെയിറ്റിന് പുറമെ ഏജൻസികളില്ലാത്ത സ്റ്റെയിറ്റിലേക്ക്
പരിചയസമ്പന്നരിൽ നിന്നുള്ള അപേക്ഷകൾ സ്വീകരിക്കുന്നതാണ്.

നിർമ്മാതാക്കൾ:-

ആപ്കോ ഇൻഡസ്ട്രീസ്, പി.ബി.നമ്പർ-8, കൂത്തുപറമ്പു

PHONE:STD CODE: 049844 Factory: 481, Office: 217 Residence: 217
FAX 0498424277 TELEX: 857248 APCO

A LEADING GOVT. EMPLOYEES SOCIETY IN KERALA STATE

THE CHITTUR GOVT. SERVANTS CO-OPERATIVE SOCIETY LTD.

NO. 160, CHITTUR - PALAKKAD. 678 101,
Estd: 1 102 (M.E) Phone: H.O. 223 18, Branch: 62281
Working Hours: 10 am to 2 pm, 3 pm to 5 pm

WE ADVANCE: Surety Loan, Hire-Purchase Loan, Gold Loan, Mortgage Loan, Cloth Loan and CHITTY
Total Sala. of Rs. 40,000/- to Government Employees in Revenue Taluk of Chittur.

WE ACCEPT: Fixed Deposit (Maxium Rate of Interest : 13%)
Swoyamvardhini Deposit (Doubling in 60 Months)
Recurring Deposit, Monthly Savings Deposit and Savings Bank Deposit.

Working Capital : 1.5 Crores

"We are growing, Let your money also grow with us"
The Chittur Govt. Servants Co-operative Society Ltd. No. 160
"Opens The Path To Your Prosperity"

T. Muralikrishnan
President

Harry Nicholas
Secretary

C. Parameswaran
Manager

ആശംസകൾ!

കോട്ടയം റബ്ബർ മാർക്കറ്റിംഗ് സഹകരണസംഘം
ലിമിറ്റഡ് നമ്പർ കെ. 778, ഫോൺ: 570584

കഞ്ഞിക്കുഴി, കോട്ടയം - 4

ബ്രാഞ്ചുകൾ: പള്ളിക്കത്തോട്, ആർപ്പക്കര, കുരോപ്പട, മീനം.

സഹകരണ റബ്ബർ വിപണന രംഗത്ത്

ഒരു മാതൃകാ സ്ഥാപനം

മെച്ചമായ വില.....

കർഷകർക്ക് ഉറ്റ മിത്രം.

"നിങ്ങളെ സേവിക്കാൻ ഞങ്ങളോട് സഹകരിക്കുക"

റ്റി. രാമൻഭട്ടതിരിപ്പാട്
പ്രസിഡണ്ട്

തോമസ് ജോയി
മാനേജിംഗ് ഡയറക്ടർ

With the best compliments of:

**THE NEDUPUZHA SERVICE CO-OPERATIVE BANK LTD
NO. 555**

P.O. NEDUPUZHA, THRISSUR - 680 015

H.O. NEDUPUZHA
Phone: 22856

BR. KANIMANGALAM
Phone: 25540

MEMBERS: 9500

Share Capital: 15.5 Lakhs

DEPOSITS: 295 Lakhs

LOAN OUTSTANDING: 211 Lakhs

WORKING CAPITAL: 310 Lakhs

ACCEPT ALL KINDS OF DEPOSITS AT ATTRACTIVE RATE OF INTEREST

SAFE DEPOSIT LOCKERS ARE AVAILABLE
AT OUR HEAD OFFICE

K. GOVINDAN KAIMAL
President

I.A. VARGHESE
Secretary

ചീമേനി സർവീസ് സഹകരണ ബാങ്ക്
നമ്പർ: സി. 30/94

ഓഫീസ്: ചാനടുക്കം, പി.ഒ. പെട്ടിക്കുണ്ട്.
ബ്രാഞ്ച്: പുലിയനൂർ, ഫോൺ: 309

ഊഷ്മളമായ അഭിവാദനങ്ങൾ

1. നിക്ഷേപങ്ങൾക്ക് ആകർഷണീയമായ പലിശ നിരക്ക്, പൂർണ്ണസുരക്ഷിതത്വം.
2. എല്ലാ വിധ ബാങ്കിങ്ങ് ഇടപാടുകളും നടത്തിവരുന്നു.
3. നിത്യോപയോഗ സാധനങ്ങൾ മിതമായ നിരക്കിൽ നൽകിവരുന്നു.
4. കാർഷികോല്പന്നങ്ങൾക്ക് ഉയർന്ന വില നൽകി സംഭരിക്കുന്നു.

വിശദവിവരങ്ങൾക്ക് ബന്ധപ്പെടുക ഫോഡ് ഓഫീസ് ചാനടുക്കം, ബ്രാഞ്ച് ഓഫീസ് പുലിയനൂർ

കെ.പി. ചന്ദ്രൻ
സെക്രട്ടറി

പി. ജനാർദ്ദനൻ
പ്രസിഡണ്ട്

With the best compliments of:

PEOPLE'S URBAN CO-OPERATIVE BANK LTD
TRIPUNITHURA - 682 301. Phone: 776446



(Coming under the purview of the Banking Regulation Act, 1949)

Branches:	Tripunithura,	Vyttila,	Palarivattom,	Eroor	Nettoor
Phone:	777367	311188	345358	778247	805754

Rates Of Interest

Term deposits

46 days and above but below 1 year	:	10 ¹ / ₄ %
1 year and above	:	10 ¹ / ₂ %
Savings Bank account	:	6%
Current account	:	1 ¹ / ₂ %

N.G. KRISHNAN
CHAIRMAN

E.P. SREEKUMAR
SECRETARY

രാമനാട്ടുകര സർവീസ് സഹകരണ ബേങ്ക് (ക്ലിപ്തം)

നമ്പർ 7721 :: പോസ്റ്റ്: ഫാറൂക്ക് കോളേജ്, ബ്രാഞ്ച്: രാമനാട്ടുകര
ഫോൺ: 422385, 440025

3¹/₂ കോടിയിലധികം പ്രവർത്തന മൂലധനമുള്ള
കോഴിക്കോട് ജില്ലയിലെ ഒരു ക്ലാസ് വൺ ബാങ്ക്

എല്ലാവിധ ബേങ്കിങ്ങ് ഇടപാടുകൾക്കും പുറമെ കൺസ്യൂമർ,
റേഷൻ, വളം, കൊപ്ര, കശുവണ്ടി എന്നിവയും കൈകാര്യം ചെയ്യുന്നു.

നിക്ഷേപ ഗാരണ്ടി സ്കീമിൽ ഉൾപ്പെട്ട സ്ഥാപനം
തുടർച്ചയായി ലാഭത്തിൽ പ്രവർത്തിക്കുന്നു.

പ്രസിഡൻ്റ്
പള്ളിയാളി ശ്രീധരൻ

സെക്രട്ടറി
എം. അപ്പുക്കുട്ടൻ

ആലപ്പുഴ ഗവ: സർവ്വൻസ് സഹകരണബാങ്ക്
ക്ലിപ്തം നമ്പർ എ-208

കളക്ടറേറ്റ് ജംഗ്ഷൻ, ആലപ്പുഴ - 688 001

ഫോൺ: 62165, 60515

**ആലപ്പുഴ ജില്ലയിൽ സർക്കാർ ജീവനക്കാരുടെ
ഏറ്റവും മികച്ച സഹകരണ സ്ഥാപനം!**



**ആകർഷകമായ പലിശ നിരക്കിൽ
വിവിധ തരം നിക്ഷേപങ്ങൾ സ്വീകരിക്കുന്നു.**



ജൂബിലി സർട്ടിഫിക്കറ്റ്

61 മാസം കൊണ്ട്

നിക്ഷേപ തുക ഇരട്ടിയാകുന്നു.

സൗഭാഗ്യ സർട്ടിഫിക്കറ്റ്

103 മാസംകൊണ്ട്

നിക്ഷേപ തുക മൂന്നിരട്ടിയാകുന്നു.



എൽ.ഡി.മുരളീമോഹൻ
പ്രസിഡൻ്റ്

വി.രാജശേഖരൻനായർ
സെക്രട്ടറി

With best compliments from:-

Kaviyoor Service Co-operative Bank Ltd No: A 707

H.O. Kaviyoor

Branches:

Kaviyoor: Phone-Thiruvalla 20182

Thottahagom: Phone-Thiruvalla 22875

Padinjattumcherry: Phone-Thiruvalla 21110

P.V. Narayana pillai
President

K.G. Narayana Pillai
secretary

Best Compliments from

Pattiam Service Co-operative Bank Ltd

No. C. 1464

P.O. Pathayakunnu, Kannur Dist.

President
V. Rajan

Secretary
Mohandas

The Kuttiattoor Panchayath Service Co-operative Bank Limited

No. C. 817

P.O. CHEKKIKULAM, (Via) KOODALI, KANNUR - 670 592

"One of the leading Bank on Kuttiattoor Panchayath"

Transacts all kinds of Banking Business

Accepts all kinds of deposits at attractive rates of interest

H.O Chekkikulam. Branch: Kuttiattoor

President
P. Mukundan

Secretary
M.V. Damodara Marar

THE EZHOME SERVICE CO-OPERATIVE BANK LIMITED

No. C. 1508

EZHOME, P.O. EZHOME, KANNUR, PIN: 670334

BRANCHES: NARIKODE, NERUVAMBRAM (EVENING)

Attractive rates of interest on Fixed Deposit ranging from 9% to 13%

"Swayam Vardini" - Double the amount after 5 yrs.

Lower interest rates for agricultural loans & for weaker sections

Distributing Chemical fertilizers

A BANK DEVOTED TO SERVE YOU

C.V. Kunhiraman
President

K.V. Balakrishnan
Secretary

മടിക്കൈ സർവീസ് സഹകരണ ബാങ്ക് ക്ലിപ്തം നമ്പർ എൽ 351 പി.ഒ. ഏച്ചിക്കാനം വഴി. ആനന്ദാശ്രമം

എച്ച്. ഒ. മടിക്കൈ, അമ്പലത്തുകര ഫോൺ: 2754 കാഞ്ഞങ്ങാട്
ബ്രാഞ്ചുകൾ (1) ബങ്കളം ഫോൺ: 640489 നീലേശ്വരം

(2) ചാളക്കടവ് ഫോൺ: 640289 നീലേശ്വരം

ആകെ മെമ്പർമാർ : 5053

നികുഷപങ്ങൾ : 4 കോടി

നില്പ് വായ്പ : 4 കോടി 50 ലക്ഷം

പ്രവർത്തന മൂലധനം : 5 കോടി 50 ലക്ഷം

എല്ലാവിധ നിക്ഷേപങ്ങളും സ്വീകരിക്കുന്നു!

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നിങ്ങളുടെ മിച്ചം മടിക്കൈ സർവീസ് സഹകരണ ബാങ്കിൽ!!!

പി.വി. ഭാസ്കരൻ
സെക്രട്ടറി

ടി.വി. കുഞ്ഞാമൻ മാസ്റ്റർ
പ്രസിഡണ്ട്

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K.Kannapuram:
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- ★ 68 വർഷത്തെ സേവനപാരമ്പര്യമുള്ള സ്പെഷ്യൽ ഗ്രേഡ് ബാങ്ക്
- ★ ഓഹരിമുലധനം 85 ലക്ഷം, നിക്ഷേപങ്ങൾ 2378 ലക്ഷം, അംഗങ്ങൾ 65059
- ★ പരിപൂർണ്ണ ഇൻഷുറൻസ് പരിരക്ഷ, നിക്ഷേപങ്ങൾക്ക് ഗവൺമെന്റ് ഗ്യാരന്റി
- ★ ചിട്ടി ഞങ്ങളുടെ പ്രത്യേകത: ദിവസവും ചിട്ടിയിൽ ചേരാവുന്നതാണ്. ചിട്ടിപ്പണം പറ്റാൻ ലാലുവ്യവസ്ഥകൾ മാത്രം.
- ★ 40 മാസവും 20 മാസവും കൊണ്ടുവസാനിക്കുന്ന ചിട്ടികൾ. 25,000/- രൂപ സല. വരെ. ചിട്ടിപിടിച്ചും പണം പറ്റിയ ആൾ മരിച്ചാൽ റിസ്ക് ഫണ്ടിൽ ചേർന്നിട്ടുള്ളവരാണെങ്കിൽ ബാക്കി തുക ജാമ്യക്കാരിൽ നിന്ന് ഈടാക്കുന്നതല്ല.
- ★ 1-1-91 ന് ശേഷം പതിനായിരം രൂപ സാധാരണ വായ്പയെടുത്തിട്ടുള്ളവർക്കും റിസ്ക് ഫണ്ടിൽ ചേർന്നിരുന്നാൽ ഇതേ ആനുകൂല്യം ലഭിക്കുന്നതാണ്.
- ★ ★ അനശ്വര പെൻഷൻ പദ്ധതി: 100 രൂപാവീതം 65 മാസം അടയ്ക്കുന്ന ഒരാൾക്ക് 66-ാം മാസം മുതൽ കല്പാതകാലം വരെ ഒരു നിശ്ചിത തുക പെൻഷൻ ലഭിക്കുന്നു.
- ★ സാകല്യ: കുട്ടികൾക്കുള്ള പദ്ധതിയാണ്. നൂൽകെട്ട് ദിവസം 900 രൂപ നിക്ഷേപിച്ചാൽ 18 വയസ്സ് പൂർത്തിയാകുമ്പോൾ തുക പതിനായിരമായി കുട്ടികൾക്ക് ലഭിക്കുന്നു.
- ★ ശേഷക്രിയാ നിധി: ഈ നിധിയിൽ ചേരുന്നവർക്ക് മരണാനന്തര കർമ്മങ്ങൾക്ക് ആയിരം രൂപ എത്തിക്കുന്നു.
- ★ ക്യാഷ് സർട്ടിഫിക്കറ്റ് സ്കീം: നിങ്ങളുടെ നിക്ഷേപം 63 മാസം കൊണ്ട് ഇരട്ടിയായി മടക്കി നൽകുന്നു.
- ★ സ്വർണ്ണപ്പണയം: 25,000/- രൂപ നൽകുന്നു. പലിശ 16 ശതമാനം. (നൂറുരൂപയ്ക്ക് 1 മാസം 1.33 പൈസമാത്രമാണ് പലിശ)
- ★ ★ നിരവധി സാമൂഹ്യക്ഷേമ പ്രവർത്തനങ്ങൾ:
- ★ ഒരു വീട്ടിൽ ഒരു അടുക്കളത്തോട്ടം. സൗജന്യവിത്തും വളവും വിതരണം.
- ★ മാതൃകാ കേരകൃഷികേന്ദ്രങ്ങൾക്ക് സഹായം. നിർമ്മനരായ ആയിരത്തിലധികം വിദ്യാർത്ഥികൾക്ക് സൗജന്യമായി പഠനോപകരണങ്ങൾ നൽകി വരുന്നു.
- ★ ശ്രീ ചിത്രാഹോമിലെ അന്തേവാസികളിൽ വിവാഹിതരാകുന്നവർക്ക് സഹായം നൽകുന്നതിനുള്ള പദ്ധതിയും ആസൂത്രണം ചെയ്തിരിക്കുന്നു.

കൂടുതൽ വിവരങ്ങൾക്ക് ബാങ്കുമായി ബന്ധപ്പെടുക.

എസ്. സുകുമാരൻ, കല്ല്യവിള
പ്രസിഡൻ്റ്

പി. ബാലകൃഷ്ണൻ നായർ
സെക്രട്ടറി

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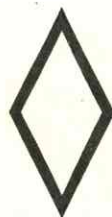
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