

SOCIO-ECONOMIC SURVEY OF A SPECIFIC VILLAGE

**(KALLUR VADAKKUMMURY VILLAGE OF KALLUR VADAKKUMMURY
PANCHAYAT, TRICHUR DISTRICT, NEAR CHALAKUDY TOWN)**

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C E R T I F I C A T E

Certified that the thesis "Socio-Economic Survey of a Specific Village" (Kallur Vadakkummury Village of Kallur Vadakkummury Panchayat, Trichur District, Near Chalakudy Town) is a record of bona fide research carried out by Mr. Emmanuel A. Kadudose, under my supervision. The thesis is worth submitting for the degree of Doctor of Philosophy in Economics.

9th August 1989.


Dr. K.C. Sankaranarayanan

DECLARATION

I declare that this thesis is the record of bona fide research work carried out by me under the supervision of Dr. K.C. Sankaranarayanan, Professor and Head of the Department of Applied Conomics, Cochin University of Science and Technology, Cochin - 22. I further declare that this thesis has not previously formed the basis for the award of any degree, diploma, associateship, fellowship or other similar title of recognition.

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LIST OF ABBREVIATIONS AND GLOSSARY

ADB	- Asian Development Bank
BDO	- Block Development Officer
CDP	- Community Development Programme
DPAP	- Drought Prone Area Programme
DRDA	- District Rural Development Agency
DCB	- District Co-operative Bank
DRI	- Differential Rate of Interest
ESCAP	- Economic and Social Commission for Asia and Pacific
FD	- Fixed Deposit
GNP	- Gross National Product
HS	- High School
HYV	- High Yielding Variety
IESS	- International Encyclopaedia of Social Sciences
IRDP	- Integrated Rural Development Programme
ILO	- International Labour Organisation
IADP	- Integrated Area Development Programme
KSIDC	- Kerala State Industrial Development Corporation
LPS	- Lower Primary School
MFAL	- Marginal Farmers and Agricultural Labourers
NREP	- National Rural Employment Programme
NIRD	- National Institute of Rural Development

NES	- National Extension Service
PRI	- Panchayati Raj Institutions
PWD	- Public Works Department
RLEGP	- Rural Landless Employment Guarantee Programme
RBI	- Reserve Bank of India
RD	- Recurring Deposit
SSLC	- Secondary School Leaving Certificate
SFDA	- Small Farmers' Development Agency
SB	- Savings Bank
TADP	- Tribal Area Development Programme
T & V System	- Training and Visiting System
UPS	- Upper Primary School
VEO	- Village Extension Officer
Patta	- A local measure of size 45 cm x 30 cm x 30 cm rectangular in shape, used to measure Dung and Ash. The quantity and weight of the matters vary according to whether they are wet or dry. Dry ash and dung weight 8 Kgs. and wet 16 Kgs.
Para	- A common measure in the state used to measure paddy and rice. It is circular in form. A para full of paddy when de-husked will weigh 8 Kgs. of rice.
Bundle	- A bundle of green leaves weigh 15 to 16 kilograms.

Kandi - A local unit of measurement used to measure clay. It is clay contained in an area of 70 cms. length, breadth and depth.

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CHAPTER - I

PROLEGOMENON

Origin of Villages

International Encyclopaedia of Social Sciences (IESS) gives some information on the origin, nature, type and characteristics of the villages the world over under a historical perspective.

According to IESS although some times applied to any permanent small settlement more than a few scattered dwellings the term 'village' usually refers to a consolidated agricultural community ...
..... So defined the village was the predominant type of human community for over three millennia and continues to be so in most of Asia, Africa, Latin America, as well as in some parts of Europe.¹

The domestication of plants appeared in South Western Asia, perhaps as early as 10000 B.C., but the emergence of first true villages based on fully effective food production seems to have taken place almost 3000 years later, earliest

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1. International Encyclopaedia of Social Sciences.
The Macmillan Company & The Free Press, New York,
Collier - Macmillan Publishers, London, 1972,
reprint, Vol.15, P.318.

general date being 6750 B.C. for Jarmo in North Eastern Iraq in India about 2500 B.C. wherever the food producing revolution effectively replaced, earlier hunting and gathering patterns, village life became established. The techniques of domestication spread rapidly, even so to areas ecologically quite different from those in which they arose. Man's first serious attempt to shape his environment actively, rather than passively adapt to it, worked a new era of cultural development.²

The fullest achievement of this new era came only with what has sometimes been called the 'urban revolution', on the appearance of civilisation. Towns and cities emerged, based on the altered economic relationships. Paradoxically it was the appearance of the political, economic, social and religious developments associated with urban centres that brought village life to its full development" Between the folk culture of the village and the sophisticated culture of urban or quasi-urban settlements, there developed a multi-faceted interdependence that bound them, for all their contrasts, into a single socio-cultural whole. Most recent research on village life has focussed upon the analysis of this interdependence.³

Regarding the origin of villages and their constitution, G.R. Madan gives the following account -

The gregarious instinct among human beings, the tribal tie, the common danger from wild beasts and the use of mutual help and co-operation favoured the rise of compact village

2. Ibid.

3. Ibid.

communities. From very early periods, the village consisted of a cluster of houses and the surrounding lands cultivated by it. The village community mostly has been agricultural. For its every day needs it included a permanent hereditary staff of village artisans such as blacksmith, carpenter, barber, shoe-maker, potter and washerman, each of whom was paid annually an allowance in grain share at the time of harvest by each cultivator. They are known as servants of the community. There may also be the trader, the oilman, the weaver, the mason, the well-digger etc., in the villages. With the dawn of civilisation the people must have formed a government to administer their own affairs and led a new type of life.⁴

1.2 Types of Villages

It is the nature of people in different localities, their living conditions, the topography of the land, climate, rainfall, caste and communities, food habits, habitat and a host of other factors which together determine the nature, size and strength of the village. There is no common pattern for villages in different parts of the world. Even though there is a common sense norm regarding the pattern of village, it is not necessary that the different villages conform to that pattern. In fact they differ in many ways.

4. G.R. Madan, India's Developing Villages, Print House, India (Lucknow) 1983, P.

John Cornell and Michael Lipton try to reach out to an ideal type of village. They say that -

the ideal type of a village is a small, settled group of persons living in and forming almost all the population of a locality surrounded by open space. Two further characteristics relevant in less developed environments are that, at least two-thirds of families get most of their income from agriculture and that most economic, social, political and religious relationships are within the village.⁵

Cornell and Lipton finally dwell upon the idea that,

a village for our purposes must be sufficiently integrated and internalised that the majority of transaction relations (purchase and sale) are intra-village, whilst the majority of villagers work within the home village (on its lands) on an average working day.⁶

A World Bank study instead of trying to find a common set of norms, gives a loose definition so as to suit the varying situations in different countries of

5. John Cornell and Michael Lipton, Assessing Village Labour Situation in Developing Countries, Oxford University Press, Madras, 1977, P.2.

6. Ibid.

the world, and at the same time trying to identify village groups in different countries and different localities. According to this study, the village is a behavioural unit because -

the individuals tend to behave in a similar fashion in a given type of situation; similar villages contain similar proportions of different kinds of people in similar relations to one another; and the aggregate behaviour of one collection of sub-groups will resemble that of a similar collection in another village.⁷

1.3 Indian Context

In the Indian context a village is denoted as "an aggregate of several families sharing the same habitation"⁸, either in respect of ancient grama or medieval or modern Indian village, says Vivek Ranjan Bhattacharya. One of the most popular western definitions of a village is "an assemblage of houses larger than a hamlet and smaller than a town".⁹ Moreover the earliest Indian literature, Rig Veda, refers to village (grama) as an aggregate of several families sharing the same habitation.¹⁰

7. World Bank, Bangla Desh - Current Trends and Development Issues, Washington D.C., U.S.A., March 1979, P.2.

8. Vivek Ranjan Bhattacharya, New Faces of Rural India, Metropolitan Book Company, New Delhi, 1982, P.2.

9. Ibid.

10. Ibid.

The great epic Mahabharatha, gives an outline of the system of Indian village and inter-village organisations. According to it the village was the fundamental unit of administration and had as its head the Gramini, leader and chief spokesman; one of the major responsibilities of this head man was to protect the village and its boundaries in all directions within a radius of two miles. The administrative system was organised on the basis of grouping of villages, each group having its own recognised leader. Thus a group of ten villages was under a das-gramini, and this was the first unit of inter-village organisation. Two such groups used to be under a Vimsatipa. A group of hundred villages was headed by Satgramini or Grama Satadhyaksha. Finally a group of thousand villages was under an Adhipati.

Kautilya gives a clear and categoric definition of a village as follows:

Village consisting each of not less than a hundred families and not more than five hundred families of agricultural people of Sudra caste, with boundaries extending as far as a Krosa (2250 yards) or two and capable of protecting each other shall be formed.¹¹

11. Ibid., p.4.

In the U.K. or the U.S.A. the village is thought to be 'intermediate between the hamlet and the town'. A hamlet is defined there as a settlement with several families and some form of commerce but not with a big population. A settlement with more than thousand people is popularly known as a town. So it can be safely derived that a settlement in the U.S.A. with a population less than a thousand people and some sort of commerce is known as a village But the Indian Villages differ fundamentally from the villages in the west. Instead of each family living among its own fields, the Indian village is generally a concentration of many households with their holdings scattered over great distances. The village community in India is thus close and compact and generally larger than a village in Europe.¹²

It is further observed that -

Villages with a population of four or five thousand are not rare and there are occasionally villages with as many as ten thousand inhabitants By a skillful interweaving of agriculture and industry, and because of their comparatively larger population, the Indian village was still at the advent of modern age, largely self-sufficient and the home of a contented community.¹³

12. Ibid.

13. Ibid., p.5.

However,

All the six lakh and odd units, so called villages cannot be termed as such because tens of thousands of them consist of but a few houses, most of them having just a couple of houses the Commission (census of India) is believed to have suggested that a place with twenty families could perhaps be considered a village and defined as such.¹⁴

In this connection V.R. Bhattacharya points out that,

On its definition stands the political shape of the country, on its interpretation depends the economic progress of the nation. The description of an Indian village means, the narration of the face of the country. On its future steps depend the future of the nation.¹⁵

1.4. Ideal Village

The Gandhian concept of a village centres round a self-contained or self-reliant economy. Gandhi suggests this villagism or self-sufficient economy as the 'peaceful negation of exploitation.'¹⁶

Gandhi's picture of ideal village was of a 'republic' independent of its neighbours for its vital wants, yet interdependent in other ways, growing its own food and cotton, and if surplus land was available, money crops.¹⁷

14. Ibid., P.2.

15. Ibid.

16. Ibid., P.9.

17. B.R. Nanda, Mahatma Gandhi - A biography (Revised edition) Allen & Unwin 1975, Bombay, P.200.

1.5 South Indian Village

In South India according to historians - The largest administrative division was the Mandala, which was sub-divided into Valanadus or into Nadus and Kottams. The lowest administrative units were the Kurram (union of villages) and grama (Village) each under its own headman who was assisted by assemblies (Ur, Mahasabha). The village headman had his counterpart in the Nagarapati of cities. In certain rural areas the village Assembly consisted of the whole adult population, in others the Brahmanas or a few greatmen, who were selected by a kind of ballot.¹⁸

1.6 Economic Importance of a Village

The world over the economic importance of villages improved over time. It was at different points of time that villages in different parts of the world acquired importance which went beyond the boundaries of the villages. The state authorities began to show interest in the development of villages at this juncture. Christopher John Baker explains the political and economic life of South India as follows:

From the later medieval period onwards, the State authorities conspired to push forward the frontiers of the agrarian economy in order to provide the resources required for

18. V.R. Bhattacharya, op.cit., p.195.

warfare - namely food and other produce on the one hand, and manpower on the other. They encouraged more intensive use of established agricultural regions, and also urged colonisation in new areas. Both intensification and extension entailed some State investment in irrigation. The effect of the pressure was to multiply the numbers of small scale farmers, and to develop to a sophisticated level the practice of small scale agriculture based a labour-intensive production with multiple strains of crops, intensive patterns of mixed and multiple cropping, careful use of irrigation water and extensive coercion of available labour. Commerce developed alongside the agrarian economy but along special lines. First there was a network of local exchange necessary to provision a complex agriculture. Secondly there were networks of trade, transport and finance involved in the conversion of agricultural surplus into the resources required by the State. Thirdly there was a growth of overseas trade which was looked on as an additional source of revenue and a necessary device for acquiring many strategic materials there was a powerful though dispensed state system, a mass of basically unfree rural labourers, and a commercial system which was not directly controlled by the State but which served a society in which the State played a powerful role.¹⁹

The above passage brings to light the actions by the State to develop the rural economy though with an overwhelming motive of serving the strategic purpose of the State.

19. Christopher John Baker, An Indian Rural Economy, Oxford University Press, Delhi, 1984, PP.11-12.

1.7 The Indian National Scene after Medieval Period

During the medieval period while India was being ruled by five hundred and odd kings scant attention was paid to the maintenance and development of villages by these kings. It all depended upon the attitude and temperament of different kings and varied from kingdom to kingdom. The advent of Europeans and consolidation of India changed the scene and the Europeans themselves acquired the power of administration through provincial governments. European motive was at first revenue, but later they were forced to look into the problems of agriculture, as necessitated by severe famines. While the organised monopoly traders (East India Company) were interested in trade benefits and revenue benefits, a group of European free traders, who were also entrepreneurs and colonisers fought against this monopoly and made attempts to develop rural India. B.B. Misra points out that, rural development in modern India was initially the work of European free traders, a body of commercial entrepreneurs or colonisers, more especially from Britain, who were functioning in the second half of the 18th century, as an antithesis of the monopoly rights of the East India Company. In the absence of

adequate provision for security in the rural districts, they not only advanced loans to private entrepreneurs, but themselves got involved in development of such commercial crops as tea, coffee, jute, cotton, indigo and sugarcane. They functioned more or less as rural banks.²⁰

1.8 Development of Indian Agriculture

The above actions were only stray attempts to develop agriculture based on commercial crops and to benefit from the onward trade margin. It did very little to the general development of rural masses, except a few who were employed in the plantations. The importance of developing agriculture, the mainstay of the rural economy, and the direct responsibility of the State to provide it, came to be especially realised as a result of a series of famines that recurred in different parts of India in the 18th and 19th centuries.²¹ These famines provided in due course a conceptual framework related not only to

20. B.B. Misra, District Administration and Rural Development in India, Oxford University Press, New Delhi, 1983, P.5.

21. Ibid., P.67.

meeting distress, but more especially to positive aspects of rural development in terms of agricultural improvement on a continuous basis. These included central direction, statistical information and feedback and specialisation in development services involving the knowledge of science and technology.²² Co-operation of villagers was also sought and each village was to indicate the felt needs in respect of different sources of irrigation, supply of improved seed and green manure, of agricultural implements, bullocks and power.²³

1.9 Planning from Below

These actions could very well be termed as the first step towards organising and implementing planning from below, though confined only to agriculture sector. For implementing the programme the Government of India wanted, on the basis of this information collected from each village, 'a plan for the provision of the necessary facilities that can be drawn up for the kouny or the firka, then to be consolidated into the district plan.'²⁴

22. Ibid., P.83.

23. Ibid., P.227.

24. Ibid., P.278.

The agency involved in the collection of data and planning was, however, official. The collection of information along these lines was considered necessary, for, it is not enough to tell cultivators to grow more food, this has to be supplemented by providing necessary facilities for each village to enable it to do so, not only as a part of an immediate programme to produce the maximum quantity, but of a regular postwar development plan.²⁵

1.10 Villages - Since Independence

After independence in 1947, the main concern of the Government of India, was to provide food to the teeming millions. The national government also felt the need for all-round development of the national economy. Since more than 80 per cent of the people lived in villages, the development of villages is the key to the economic progress of the country. It appointed various committees to find out the causes of villages dragging behind towns and cities, in development. Finally the planners and the Government of India

25. Ibid.

have come to the conclusion that grass-root level planning starting from villages upwards is the panacea. To this end, the Government of India has introduced the Integrated Rural Development Programme (IRDP), National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEHP). All these steps were based on the report of the Ashok Mehta Committee on Panchayati Raj Institutions submitted in 1978, which draws heavily on valuable prior works on Decentralised Planning by Balwant Rai Mehta Study Team in 1957, the report of the Expert Working Group on Block level Planning in 1977 and the report of the Dantwalla Working Group of 1977, identifying the programme as susceptible to local level planning and execution.

Towering above all these, is the need for all-round development of the national economy through five year plans. It is basic data right from the bottom, which form the basis for the implementation of these national development programmes. This study is to be looked into, in the light of these current needs and the historical past.

1.11 Relevance of Village Studies:

Irrelevance of classical lesson

The classic lesson of the past - agricultural revolution preceding industrial revolution - is no more tenable. Many developing countries tried to emulate the developed, only to create developed pockets in largely underdeveloped areas. Robert S. McNamara, World Bank Governor, points out that, industrialisation through utilisation of agricultural surplus could no longer be condoned in view of the increasing unemployment and poverty in rural areas. Concentration of poverty in the country side of the 'developing nations' and investment limited to the modern sector increase disparities in income and therefore the necessity of reorienting development policy towards more equitable growth by increased investment in agriculture and rural development, focussing on the hundred million small families.²⁶

Arthur Lewis' model of economic development envisaging shift of labour from agriculture to industry, as economic development proceeds, is vitiated by

26. Robert S. McNamara, 'Address to the Board of Governors', Nairobi, Kenya, 24th September 1973, Washington, the World Bank, 1973.

the capital-intensive labour-saving western technology.

The Daltonian concept - that government is the best which governs the least; and Bastable's contention - it is better to take out and keep out of the pockets of the people, as little as possible, because all government expenditures are unproductive - are already dubbed as conventional fallacies. All these preclude a new approach to development.

In the international scene the trickle-down theory has failed to prove itself, and it was even found that development process did not spread from the town to the villages, but only produced backwash effects and not spread effects. Misra and Sharma point out that, the trickle-down theory has failed and now development must begin from the bottom with mobilisation of 'Loksakti' or people's power.²⁷ Consequently there has been a marked shift from the dominant, 'growth first redistribution later' approach to strategies promoting growth with equity and redirecting resources

27. S.N. Misra and Kushal Sharma, Problems and Prospects of Rural Development in India, Uppal Publishing House, 1983, P.44.

with a favourable bias towards the poorer 'target groups'; from industrialisation as core sector to priority for rural development simultaneously.

1.12 Circumstantial Specialities of Villages

A village is close to its people, their life, livelihood and culture, and its role as focal point of reference for individual prestige and identification are the primary specialities of a village.²⁸

A notable cause for village studies is that the 'village environment' is a major variable affecting the behaviour of villagers in less developed countries. The village in effect is a decision-making unit because of its socio-economic and physical assets and liabilities and their interpersonal distribution plus a degree of isolation, influence and are influenced by most decisions taken within the village.²⁹

28. McKim Marriot, 'Little Communities in an indigenous civilisation' in McKim Marriot (ed) Village India, Chicago, 1955 in Biplab Gupta (ed) 'Village Studies in third world'; Hudson Publishing Corporation, New Delhi, India, 1978, P.1.

29. Ibid.

The village in practice is the unit of ultimate allocation for many types of rural resources. Hence policy makers need to note the cases of disparity in the growth of villages inspite of similar initial resources; which village develops with own resources and which village with other's help; which villages show high returns on which resources; and which villages can direct returns to the people. Here hypothesis testing and policy formulation meet.³⁰

Diverse socio-economic conditions are prevailing in different parts of the country. There is not one single characteristic shared by all villages, but rather a wide range of overlapping characteristics, each one found in many villages, but absent from some smallness, nucleation, agricultural emphasis and so on. The characteristics commonly found are agricultural livelihood and production, geographical differentiation of habitation, geographical differentiation of rights in land, work places for most people within the same geographically differentiated boundaries as those of their habitation, small population size, high proportion of internal transactions and some degree of administrative differentiation. Most people in most village

30. Ibid., pp.24,25.

in less developed countries can earn their living directly from agriculture producing bulk of their food, the remainder of the village population usually lives by providing goods and services as inputs to or in immediately processing the output of the agriculturists of the village.³¹

An extremely important role in the spatial structure of developing countries is played by regions - above all agricultural ones - where the dominant position is assumed by the traditional pattern of socio-economic relations, which is highly internally diversified.³²

Despite substantial intra-village activities, a village will have links with the outside world which does not make it an isolated unit. Further as economic

31. L. Wittgenstein, 'Philosophical investigations', Anscombe (ed), Oxford University Press, 1968-1 in J.S.Brara, the political economy of rural development - strategies for poverty alleviation, Allied Publishers, New Delhi, 1983, P.11.

32. Antoni R. Kuklinski, 'U.N. Programme for Research and Training in Regional Development', in R.P. Misra et.al (ed). Regional Planning and National Development, Vikas Publishing House, New Delhi, 1979, P.31.

and commercial activities in rural areas get strengthened tending to the growth of trans-village transactions, the linkage with the semi-urban centres will also develop, thus providing the needed rural-urban continuum.³³

The response pattern of a village to exogenously introduced sources of change is endogenously conditioned by factors such as character of the antecedent social structure and the history of the phenomenon undergoing change, as also the nature of the measures introduced.³⁴

1.13 Interest in village studies and village development:
International Scene

In the international scene, nearly all the major development-oriented international governmental organisations have sponsored research and publications, highlighting the need for a shift of priorities to poverty-oriented rural development projects.³⁵ Since the early seventies, International Labour Organisation (ILO) has

33. S.K. Basu (ed), Rural Development in India - some facets, NIRD, Hyderabad, 1979, P.14.

34. T.K. Oommen, Social Transformation in Rural India, Vikas Publishing House, 1984, P.24.

35. J.S. Brara, op.cit., P.9.

been involved with new labour intensive approaches to rural development - 'Growth from below', 'participation and employment oriented' strategies.³⁶ At its 31st session in New Delhi in 1975, Economic and Social Commission for Asia and Pacific (ESCAP) declared the 'highest priority to the rural disadvantaged'. ESCAP has been playing the role of co-ordinating and assisting other UN agencies as well as national governments for integrated rural development programme in Asia and Pacific Region. In several studies of the Asian Development Bank (ADB) and the ILO, the need for rural development and poverty alleviation forms the main theme.³⁷

Research institutions all over the world and many Universities both in India and outside are now interested in knowing the specific problems of villages. Hence they are engaged in conducting village studies - study of specific problems of a group of villages and studies of total situation of individual villages.

36. J.S. Brara., op.cit.

37. J.S. Brara, op.cit., P.11. For example, see the ILO Publication, Poverty and Landless in Rural Asia (1977) and A.D.B. Study, Rural Asia: challenge and opportunity since the mid 70s.

1.14 National Scene

The Imperial Government of India showed much interest in the development of Indian villages, during the last two decades of the 19th century and the first four and a half decades of the 20th century, for the sake of enough and assured supply of food and fodder, so as to avoid recurrence of rampant famines of the yester - years. Commensurate with this policy, in the second decade of this century, four foreign economists - Harold Mann, Gilbert Slater and Mrs. & Mr. Wiser, undertook village studies to get first hand information about some of the Indian villages.

In the inter-war years D.R. Gadgil and R.K. Mukherjee studied aspects of rural life, encouraged by C.N. Vakil and G.S. Ghurye. Henceforth village studies assumed added importance, as it was recognised as the right approach to national development through development of villages, and to assist policy makers with reliable data of the first hand type.

The situation with regard to village studies underwent a radical change after the end of world war II, when Indian social anthropologists trained abroad and

their foreign counterparts, began making systematic studies of villages in different parts of the country. These studies relied almost exclusively on the method of participant observation, and presentation of data was usually around a well defined theme of theoretical and comparative interest.

During the second half of the 20th century, Mahatma Gandhi, an avowed nationalist of the time and leader of the freedom movement and later Father of the Nation, passionately interested in rural development, propagated the slogan, "each village a self-reliant model republic", and showed intense dislike for industrialisation, as evident in his policy programme.³⁸ To understand the ethos of India, one must live in the village, and therefore he advocated the policy of return to the village to the elite of the nation.

Now, village studies of two types - studying a single village economy in its totality and studying the particular problems of a group of villages - are largely undertaken in the country. Recently a resurvey was conducted in the village "Iruvelpattu" in Tamil Nadu, which

38. J.S. Brara, op.cit., P.144.

was originally surveyed by Gilbert Slater's team, to note the changes which have taken place within the course of this time. Moreover, National Institute of Rural Development (NIRD) in Hyderabad is solely interested in rural development and related studies. Many other universities and institutions are engaged in studies relating to villages and rural problems.

1.15 Practical Interest

Economists who work as analysts and interpreters of secondary data must have a desire to come into close contact with the object of their concern.³⁹

A number of micro studies of villages can be used as checks against data collected from macro surveys.⁴⁰

The income gap between the town and the country is so wide that a pursuit of it will help us to come to grips with the real reasons of this sad situation.

The sheer size of the problem, 290 million people below poverty line in India according to the

39. Biplab Gupta (ed)., op.cit. p.7.

40. Ibid., P.38.

draft sixth plan (1978-83), necessitates a detailed and indepth study of this group of people, who are mostly villagers.

Many third world countries are engaged in economic planning, both to achieve quick economic development and to alleviate the problem of poverty. Since problem of poverty is more urgent, the solution recommended by experts is 'grass-root level planning', which needs grass-root level information. K.N. Raj remarked, "the kind of centralised planning India has had so far - with its reliance mainly on selected projects for building up overheads of development and on certain general policies and measures for mobilising and allocating resources - has had little visible impact on vast areas of the country."⁴¹

Governmental acceptance of the policy of grass-root level (village level) planning as evident from the introduction of IRDP in 1979, precludes the need for elaborate village studies programme.

The ethnic and cultural variations of Indian villages, accompanied also by various other differences

41. K.N. Raj, Planning from below, Working Paper No.1, Centre for Development Studies, Trivandrum, Kerala, July 1971.

necessitates study of Indian villages in their individual perspective.

1.16 Data Position in the Country

Presently economists and administrators are working on macro data of the economy - sector-wise, crop-wise, industry-wise and national averages. Even the current programme, IRDP is being implemented without enough data base. In the seventh plan period, surveys conducted in villages in different states to locate 300 very poor families, by official agencies, is at best partial. This cannot in any way give a total picture of the villages concerned. According to A.H.M. Abdul Hye, "local level planning needs collection of comprehensive data on resource availability, development potentials and priority needs."⁴² Further, according to K.N. Raj, culture and values were themselves moulded by economic compulsions and external conditions; hence it was these factors which are ultimately responsible for determining the regional differences in the absorption of educational services across the country. Accurate information on economic compulsion and external conditions therefore is the key to chalking out programmes of

42. R.P. Misra, op.cit., p.10.

rural development.⁴³ A data bank earmarking the needs of each village is as much a need of the hour.

1.17 Relevance of this Village

Grass-root level planning calls for data at the village level. Hence all villages merit indepth study.

In the state of Kerala, there are 1446 revenue villages, inhabited by 2,06,82,405 people forming 81.26 per cent of the total population of the State.⁴⁴ The average strength of population of a village is 14303. This huge size of population in each village, makes it an independent unit worthy of separate study.

*

However, there are some specific reasons for selecting Kallur Vadakkummury Village for the present study -

1. The researcher has long acquaintance with the village and therefore he will not be considered by many as an alien, and will not be repulsive to the people.

43. K.N. Raj, op.cit.

44. B.K. Venugopal (ed), A Handbook on Kerala, Department of Public Relations, Government of Kerala, Trivandrum, 1988, p.5.

2. Agriculture-orientation of this village (national character) and nearly complete utilisation of available land.
3. Coconut and paddy, are the two cardinal bulk produces of the village, which are also the major agriculture products of Kerala, and hence a representative village.
4. The poetic fancy of a village being supplied with water to its heart's content is quite true of this village.
5. This village has contributed sizeable number of workers to the gulf countries and a perusal of which will provide good information on the impact of gulf money on the village.
6. It has some historical importance. The earthen fortress and trenches built by the Raja of Travancore to quell the attack of Tippu Sultan, Mysore Tiber, a little before 1790 passes through this village, though now battered beyond shape by the passage of 200 years.
7. It has strong intervillage and intravillage activities making it a good representative of Kerala villages and therefore meriting an indepth study.

I.18 Research Epistemology

According to S.P. Ahuja, the basic task of economic research in a developing economy, like India, is to assist in economic policy and decision-making via. economic advice by accretion of knowledge and reduction of uncertainty. This ought to be done by a better collection and comprehension of library and field data and use of improved techniques of analysis, interpretation and prediction.⁴⁵

Village studies of the socio-economic survey type, of one village can be grouped into two main divisions:

1. Those which generate bench mark data about the socio-economic life of the people, which is an essential information input for launching development programmes.
2. Those which analyse the social, economic and political impact of development measures on different strata of society.

Village studies can be classified into further two divisions:

45. A.P. Ahuja, "What is Economic Research", in C.T.Kurien (ed) A Guide to Research in Economics, Madras Institute of Development Studies, India, 1973, p.346.

1. Where village is the unit about which generalisations are sought.
2. Where intravillage units of more than one village are studied, for seeking generalisation at a higher level of aggregation - District or State.

The present study is of the first type in both classifications, and it seeks to generate bench mark data and generalisations, which could be translated into a set of hypotheses to be tested by further studies.

1.19 Methodology

Both primary and secondary data were collected for the study. Primary data were collected with the help of specially designed schedules. Five per cent of the village households selected on the basis of the type of house owned or possessed by the households, using stratified random sampling method. For this purpose village households were divided into the following divisions -

1. Government assisted 'one lakh houses scheme' houses.
2. Houses with thatched roof.
3. Houses with tiled roof, single storey.
4. Houses with concrete roof, single storey; and
5. Double storey houses.

The researcher found this to be the best single criterion by which the village households could be differentiated, for the sake of economic class division of the people. The data collected are compressed into four economic class divisions - poor, lower middle class, upper middle class and rich.

Secondary data for the study were collected from village office, other institutions of local self government and the banking and financial institutions.

1.20 Study Design

For the purpose of analysis the thesis is divided into nine chapters. The first chapter introduces the subject of study and explains the significance of the study. It also provides the profile of the village.

Chapter two deals with the different aspects of agriculture in the village. The discussion includes division of land among major agricultural crops, methods of cultivation, income from different crops, gross income and net income from agricultural production, composition of factor inputs, cost structure and resource potential.

Chapter three discusses the problems of industrialisation in the village. The number and types of

institutions in the village, their input and output analysis, locally available resources, resource potential and future possibilities of industries also form part of this chapter.

Chapter four is on village administration. It elaborates on the services rendered by government machinery in facilitating the development of agriculture and industry in the village. The role of local self government in village development, the extent of decentralisation in village administration and the need for further decentralisation are also discussed in this chapter.

Chapter five explains the ways and means of marketing of village produce, both industrial and agricultural origin. It also explains the relevance of intra village connections in facilitating marketing.

Chapter six gives an account of the financial agencies working in the village, their respective roles and contributions in the upkeep and development of the village. It also mentions the total effects of the working of the different financial agencies in the village.

Chapter seven provides information regarding the income and expenditure pattern of the village. The nature

and type of consumption items and the respective percentages are put in juxtaposition.

Chapter eight is on village social life. It explains the social life of the villagers, including religious. Intervillage and intravillage connections of the villagers are also noted.

Chapter nine presents the findings of the study. It includes the net effect of agricultural operation in the village and its future prospects; the present state of industry and its future prospects; the strength of marketing system and the effect of the financial system. It also includes suggestions for improvements for further development of the village.

Village Profile

1.21 Location

The village, Kallur Vadakkummury belongs to Mukundapuram Taluk in Trichur District in Kerala State. The district lies more or less in the centre of the State. Mukundapuram Taluk has 53 villages.⁴⁶ This

46. Adoor K.K. Ramachandran Nair (ed) Gazetteer of India, Kerala, Trichur, Supplement, Trivandrum, 1980, p.5.

village Kallur Vadakkummury, is encircled by Mala Panchayat on the North western side, Chalakudy Municipality on the northern side, Melur Panchayat on the eastern side, Koratty Panchayat and Annamanada Panchayat on south eastern side and Kallur Thekkummury village on the southern side. This is a 'one village-one panchayat' administrative area.

It is 2.5 kilometres away from the nearby town, Chalakudy, and is connected to it by 1.5 kilometres of Public Works Department (PWD) road passing through Melur Panchayat and 1.0 kilometre through National High way (N.H. 47). Chalakudy river enters the village from Melur Panchayat and makes out into the village in the form of an 'inverted U', encompassing within it ward Nos.IV to X, whereas ward Nos. I to III are on the 'inverted U', dividing the village into two unequal portions.

1.22 Area and Size

Out of the total area of the state 38863 sq.kms.⁴⁷ the share of the district is 3032 sq. kms.⁴⁸ Mukundapuram

47. B.K.Venugopal (ed), op.cit. p.V.

48. T.N. Jayachandran (ed), District Hand Book, Trichur, Department of Public Relations, Trivandrum, 1987, p.41.

is the biggest taluk in the district, having an area of 1316 sq. kms. to which the village belongs. The average size of a village in the district being 12.63 sq. kms., this village with a land area of 17.63 sq. kms. is an above average village, by size.

The area of the village is comprised of 817.2514 hectares of parambu (raised land), 713.9474 hectares of paddy land (low-lying land), 230.8544 hectares of puramboke land (no man's land) and 78.4028 hectares of land being occupied by Chalakudy river, totalling 1840.456 hectares. The land area of the village is only 1.34 per cent of the total land area of the taluk. Conventionally the village is divided into eight karas/desoms - Annanad, Kadukutty, Kathikutom, Kalloor, Sampalloor, Cheruvaloor Koledom and Ambazhakad.⁴⁹

1.23 Land and its Utilisation

The land area of the village consists of high lands, midlands and low lands. High lands are situated on the eastern and southern side of the village. These are mainly utilised for cutting granite and laterite stones. Midlands are located on both banks of the river,

49. Government of India, Census Report 1981, pp.134 & 135.

and it includes all other areas other than low lands and high lands. Midlands form maximum land area of the village where coconut trees are grown and houses built. Part of high lands and midlands are utilised for construction of houses, shops and public institutions. The valleys of different pieces of high lands and midlands stretching from the eastern boundary of panchayat ward IV and adjacent areas of ward V, further passing through the middle areas of wards V, VI, VII and VIII, forming a 'U' belt, quite opposite to the 'U' bent of the river, form the low lands. It is utilised mainly for the cultivation of paddy.

Puramboke lands lie on both banks of the river and by the side of the main canal of the village by name, 'chāthanchāl'. Another major puramboke land is the 'kotta land', land raised by the erstwhile Maharaja of Travancore in 1789 to prevent the attack of Mysore Tiger, Tippu Sultan, which took place in 1790. Main PWD road of the village, Kadukutty - Muringood Road is mostly built on this 'Kotta'.

The legal owner of the puramboke land is the government. However, purambokes on both sides of the river are partly annexed by neighbouring owners and the rest encroached by the river; 'Kotta' puramboke lands partly utilised

for the above PWD road and partly occupied by landless people; and the puramboke lands near chāthan chāl and major part of the said canal are now occupied by the people and utilised for paddy cultivation. Now puramboke lands could be found only in the records of the village.

This village has neither any forest area nor any perennial pastures or grazing lands.

1.24 People

According to 1971 census the number of people in the village was 17316⁵⁰, and the density was 982 per sq.km. This is much higher than the state average density of 655 people per sq.km. in 1986.⁵¹ The survey leads to the following results. At the fag end of the calendar year 1986, the village had a population of 24,817, of which 13018 are men and 11799 are women.⁵² For every thousand men there are 906 women, a sex-ratio quite different from that of the State. Sex-ratio of the State at the time was 1032 females for 1000 males.⁵³ According to the survey the strength of employed people is 7636, which is 30.77

50. Adoor K.K. Ramachandran Nair, op.cit.

51. B.K. Venugopal, op.cit.

52. Survey data.

53. B.K. Venugopal, op.cit.

per cent of the total population. Therefore the dependency ratio is 1:2.25. This is in conformity with the small family norm of one earning member and three dependents.

Division of village population on the basis of age is presented in Table 1.1.

Table - 1.1

Age Group Division of Village People

Sl.No.	Age Group	No. of people	Percentage
1	0 - 15	6556	26.4
2	16 - 30	8763	35.3
3	31 - 50	4968	20.0
4	51 and above	4530	18.3
Total	--	24817	100.00

Source : Survey data.

Table 1.1 shows that aged dependents are less than young dependents. If groups 1 and 2 are put together, it can be seen that the population is top heavy and definitely

poised for further growth. The number of old aged non-earning dependents are quite low, roughly one in each household.

Regarding higher education, professional and technical training, it is found that 13.16 per cent (3266) of the people are students of technical training institutions, arts and science and professional colleges.

Table 1.2 gives the position of the village in this respect.

Table - 1.2

Course-wise Division of Students in the Village

Category	No. of students	Percentage of population
Arts & Science college education	2208	8.9
Technical Training Institutes	920	3.7
Engineering degree	92	0.37
Medical degree	46	0.19
Total	3266	13.16

Source : Survey data

It can be seen that the village is poised for growth in educational standards, particularly technical training. This can be termed as investment in human resources; and the present level of training itself will form a reserve of trained labour.

The population strength has gone up from 17316 in 1971 to 24817 in 1986. This shows a total growth of 43.32 per cent and an average annual growth of 2.89 per cent. This rate of growth of population is more than double that of the growth of population of the state (1.42 per cent) for the quinquennial period, 1981-86.

1.25 Housing Facilities

Taking area of the house, the basic living facility, as the major criterion, the houses of the village can be divided into four groups as presented in Table 1.3.

It could be noted from Table 1.3 that 43.7 per cent have insufficient dwelling facilities. Average dwelling facility (built in area) of 500 sq.ft. and 1000 sq.ft. are enjoyed only by 31 per cent of the households, and better living facility of 1000sq.ft and above built-in area is enjoyed by the rest 25.3 per cent of the households.

Table - 1.3Division of Houses into Built in Area Groups

Area of the house in sq. ft.	No. of houses	Percentage of total
100 - 499	1908	43.7
500 - 799	760	17.3
800 - 999	598	13.7
1000 and above	1104	25.3
Total	4370	100.00

Source : Survey data.

The first group in table 1.3 when further subdivided gives the following result:

Table 1.4 shows that the first two groups forming 21 per cent do not have sufficient dwelling facility and they need better housing. There are on average 5.68 people in each household. Such small houses as possessed by the first 21 per cent of households could not contain them even in a very rudimentary sense.

Table - 1.4Housing Facility - First Group Subdivision

Area of the house in sq. ft.	No. of houses	Percentage of the total
100 - 199	306	7.0
200 - 299	611	14.0
300 - 399	481	11.0
400 - 499	511	11.7
Total	1909	43.7

Source : Survey data.

Houses with mud floors, leaf roof, wall and shutters need biennial replacement due to material degeneration, which eats into their income. Five times the construction cost of these houses if initially spent on building pucca houses for this group, their non-productive, recurring expenditure could be avoided.

1.26 Habitat

River basins are occupied mainly by the two upper classes, with comparatively larger areas of land under the ownership and possession of each family. These people are,

infact, early settlers. Irrespective of the community differences, it is the better offs who own these lands. This settlement pattern of early settlers is in conformity with the contention of the Ricardian theory that, man utilises first the most fertile and convenient land.

High lands and purambokes are occupied by the lower middle class and poor. These lands are away from the river and its catchment areas. Houses in highlands are few and far between; whereas there is congested living in 'Kotta' puramboke lands, the only puramboke lands used for dwelling purposes. Small parcels of low-lying lands which are generally utilised for paddy cultivation, now allotted to poor agricultural workers as 'Kudikidappu' land are being used for dwelling purposes by them.

Though this is the general pattern of habitat, the people in the village are living in community blocks as far as possible. Public institutions like schools, churches, temples and mosques are built in the concerned areas, particularly to serve the interests of the concerned community.

In big plots houses are built at prominent corners of those lands. In small plots houses are built at the centre of the plots.

There is a modern trend in habitat. It is construction of houses on lands on both sides of the main roads, in comparatively limited areas of lands. In this kind of living there is no community feeling and people of different communities live in adjacent houses.

Government introduced scheme of 'one lakh houses' is implemented in all panchayat wards of this village, except ward II. These houses are located in high lands in all wards. Village panchayat could not find a plot for this purpose in ward II. However ward II already has a colony of low caste and poor people, established much earlier.

Congested living is found only in the colonies of the poor. But this congestion is not seriously felt, as there are large areas of open land, near these colonies.

Construction of compound walls is only for beautification purposes and put up only in the front line boundary of the household lands. Other sides are fenced with green bushy plants. Security provided by compound walls is no consideration of the people, as they do not have a feeling of insecurity owing to the absence of compound walls.

1.27 Modes of Conveyance, Communication and Contact

Infrastructure:

Vehicles

Private transport bus is the most popular mode for commutation. They are filled to capacity from the starting point itself, jam packed when it reaches the middle of the village and overcrowded when it crosses the village boundary, during peak hours in the morning and evening. Long distance travellers on a daily basis are few. However there are a few permanent employees working at Alwaye and Ernakulam, who travel partly by bus and partly by train. There are some 24 buses plying through the different PWD roads in the village. Kerala State Road Transport Corporation is plying three buses connecting this village, with Chalakudy town and Alwaye town.

Travel inside the village from houses to work places or fields is commuted by foot or on bicycle. Very few villagers belonging to the lower middle class and upper middle class possess scooters, and a handful of the rich use cars.

Roads

This village has two types of roads - PWD roads

and panchayat roads. About 27 kilometres of PWD road connect the different parts of the village to the nearby villages and Chalakudy town. These are pucca roads with granite base and asphalt top. They are 6.1 metre wide.

There are 75 panchayat roads of a total length of 87.5 kilometres. These are the links connecting the different points within the village. These roads are made of laterite stone chips, built and maintained by the panchayat. These are non-motorable roads.

Kadavus

As the village is divided into two land masses by the river, it becomes necessary for the people to cross over at different points for both travel and transport of things. There are fourteen Kadavus in the village. The right to ply country boats linking two opposite Kadavus is auctioned by the panchayat for a period of one year at a time. The auctioneer charges a payment (10 ps) from the travellers. Goods and animals are charged extra.

Post Offices

Postal department of the Government of India is serving the village through four branch post offices,

located at four important places manned by extra-departmental staff. These post offices also maintain public telephone booths. These telephone booths are in addition to nearly 25 telephone connections to private houses and industrial institutions. These communication and contact infrastructure facilities make it possible for the people to meet their needs of communication comparatively speedily.

1.28 Hygeine and Sanitation

Hygeine

The people of the village being hardworking agricultural labourers and technicians, do not experience much of a problem of health. Large expanse of land and open space and comparatively pure atmospheric conditions create a highly congenial hygeinic condition in the village. Household wastes are instantly utilised as manure, as also animal wastes. Grand vegetation found all over the village further adds to the purity of air in this area. Further, availability of pure water is considered a blessing by the people of the village. The only disquieting feature is the smoke emanating from chimneys of tile factories.

Sanitation

Sanitary habits of the people of this area are presented in table 1.5.

Table - 1.5Sanitary Habits of the People

Economic group	Temporary latrine in the compound	Permanent latrine in the compound	Latrine attached to the house	Open space defecation	Total
Poor	115	253	92	690	1150
Lower middle class	46	437	253	414	1150
Upper middle class	46	529	345	230	1150
Rich	46	299	506	69	920
Total	253	1518	1196	1403	4370
Percentage	5.8	34.7	27.4	32.1	100

Source : Survey data.

Table 1.5 shows that 60 per cent of the poor class defecate in the open space. It is due to lack of facilities, and with every improvement in economic class, this practice is getting decreased and finally in the case of the rich class it is only 7.5 per cent. Attached latrine, a modern facility, is availed by more and more people as their economic position improves and the change is from 8 per cent to 55 per cent. Permanent latrine in the

compound, a condition mostly found among the upper middle class, is getting changed and it is substituted by latrine attached to the house in the case of the rich. The unhygienic habits of temporary latrine in the compound and open space defecation practiced by 37.9 per cent of the people, are mostly found among the poor classes. However, permanent latrine in the compound and attached latrines are used by 62.1 per cent of the people, who belong to the upper classes. So it can be safely presumed that with improvement in economic status, the sanitation of the village will improve to better levels. Panchayat authorities do not find any sanitary problem in the village, as of now, and there is no public sanitary facilities provided anywhere in the village. However, open space defecation as much as it affects the starting portions of the river bank is causing serious inconvenience and is also a health hazard to the people.

1.29 Medical Facilities

It has five hospitals - two of them run by congregations of catholic nuns, one by a medical practitioner and two by the government. These are located at different parts of the village, so as to serve mainly people of the respective areas. Information regarding the services of these hospitals is presented in table 1.6.

Table - 1.6Medical Facilities in the Village

Type of Hospital	No. of doctors	No. of nurses	No. of beds	No. of pay-wards	Para-medical staff	Out-patients per day
1. Government allopathic	1 general	2	12	Nil	2	100
2. Government Ayurvedic	1 specialist	Nil	Nil	Nil	2	60
3. Private Allopathic	1 general	2	20	5	1	65
4. Private Allopathic	1 general	2	30	4	3	60
5. Private Allopathic	1 general	2	7	7	1	50
Total	5	8	69	16	9	335

Source : Survey data.

Table 1.6 shows that the per day average number of out-patients is 67 per hospital. Seasonal variations are experienced, dry season witnessing a reduction and

wet season an increase. One third of these patients are reported to be patients visiting second or third time after contracting the disease. So it can be presumed that on an average 45 people are visiting each hospital as out-patients per day, as first time patients. Government allopathic hospital is experiencing maximum pressure of patients i.e. 100 on an average per day. Barring the second or third time visitors after contracting disease, average strength of new patients per day in this hospital is 67.

Treatment meted out in these hospitals is of primary type, both because of the lack of specialist doctors and advanced facilities. Except the ayurvedic doctor, all others are general practitioners. Only one hospital (private) has an advanced facility of X-ray machine and technician.

The poor of the village avail out-patient facility in private hospitals, the rich making use of payward facility, other things remaining the same. Facilities of both government hospitals are availed only by the poor and lower middle classes.

However, medical facilities available in the village are better than average medical facilities

enjoyed by the people of the state in general. State level position is given in table 1.7.

Table - 1.7

Average Medical Facility in the Village Compared to State average

	Average medical facilities in the State ⁵⁴	Average medical facilities in the village
Average number of persons served by one medical institution	17324	4963
Average number of persons attended by one doctor	828	4963
Average number of persons per hospital bed	783	292

Source : Survey data.

Common diseases found in the village are scabies, hook worm, asthma, diarrhoea and fever. According to allopathic physicians, anaemia due to gross malnutrition is the basic cause of the above diseases. According to Ayurveda Physician, rheumatism, urinary infection and skin

54. B.K.Venugopal (ed), op.cit., p.114.

disease are common ailments found among village people. A perusal of the records of different hospitals showed that out of the total patients 66 per cent are old aged people, 10 per cent children and 24 per cent others. Out of the total patients 65 per cent are women.

It has also been found that 8 homoeopathic doctors are also functioning in the village, treating mainly children below the age of ten.

.30 Education Infrastructure

This village has good infrastructure facilities with reference to education. It has six lower primary schools (LPS), three upper primary schools (UPS) and three high schools (HS). Altogether 156 teachers are working in these institutions - 21 in LPS, 23 in UPS and 112 in HS. According to Kerala Education Act 1958⁵⁵, LP Schools contain standards I to IV, UP Schools, V to VII and High Schools VIII to X. Further, "the terms secondary school' shall be taken to include upper primary and lower primary standards attached to them, if any, and the 'upper primary school' shall be taken to include lower primary

55. A.R. Prakasam, The Kerala Education Act 1958, Sanal Publishers, Cochin, India 1986, pp. 25 & 26.

standards attached to it, if any".⁵⁶ Again according to the said Act a 'standard' in a school can have more than one division according to the strength of pupils.

The pupil strength of all schools in the village taken together from 1980-81 to 1985-86 is presented in Table 1.8.

Table - 1.8

Comparative Position of Pupils between 1980-81 and 85-86

Academic Year	L.P.S.	U.P.S.	H.S.	Total
1980-81	2065	1755	1676	5496
81-82	1957	1785	1720	5462
82-83	1879	1641	1653	5173
83-84	1924	1760	1603	5287
84-85	1895	1690	1549	5134
85-86	1884	1607	1414	4905

Source : Survey data.

The differences in strength of pupils found among LP, UP, and HS point to drop outs at each level. However,

56. Ibid.

the trend is not all consistent, presumably due to the effect of various forces on the school life of children.

Parent-Teacher Associations are functioning in all schools. They finance the extra expenses of these schools - purchasing utensils for cooking noon meal, prize distribution to meritorious children and any other extra expenditure.

Academic brilliance of pupils, as is evident from SSLC results of previous years, is not bad. Average SSLC pass is around 60 per cent. Better results could not be achieved for want of extra coaching facilities.

1.31 Government administration, Development administration and self-government infrastructure

Revenue administration of the village is performed by the village office, manned by a village officer, two assistants and a peon. It keeps detailed account of lands put to different agricultural purposes. It also issues certificates of nativity, possession and enjoyment of landed properties, heirship, solvency, handicap, self-employment, floodloss and loss caused by any other natural havoc. Another function of this office is to distribute pension to - old aged, widows, and unemployed. All

administrative programmes of government relating to this village are implemented through this office.

Development administration of the village is effected through, two village extension offices, one agriculture extension office, two veterinary hospitals, one maternity and child health centre and an office of the Central Ground water commission.

Grass-root level planning introduced by Government of India in 1979 is implemented in the village through village extension officers. They have already prepared a list of three hundred prospective beneficiaries belonging to below poverty line group and they are being given loan assistance to viable economic programmes, recommending and channelling their applications through banks. These are all for self-employment programmes.

Agriculture extension office provides assistance to farmers in the forms of necessary advice and assistance, currently through 'Training and Visiting System' (T & V System). Scheduled castes and Tribes and other poor farmers are supplied with seeds, fertilizers and pesticides free of cost, being government assistance.

Veterinary hospitals take care of the cattle population of the village. They provide subsidised feed to cattle and poultry, artificial insemination and medical care to cattle and poultry. Calves and chicks of hybrid variety are also supplied through these hospitals.

Maternity and child health centre propagates the small family norm, provides advance assistance to women in family planning and helps women to take care of the health of their children.

Central ground water commission is an organ of the Government of India, whose branch is working in this village. It assists people to keep water pure and also helps them in finding ground water at different locations.

Village panchayat is the institution of self-government functioning in the village. Elected council assisted by executive officer and staff form the local self-government body. Major activities of this local self-government body are construction and maintenance of roads, public wells; financially assisting anganwadis, youth clubs and other cultural organisations and installation and maintenance of street lights. Any programme assigned to it by the State Government is also implemented

by it (currently 110 house plots under 'one lakh houses' scheme). Funds necessary for the implementation of these programmes and to meet the cost of day-to-day functioning are obtained through taxes, rates, licence fees and State Government assistance.

.32 Trade and Industry Infrastructure

This village is having fourteen trading centres located at important junctions, near all tile factories, ossein factory and churches. All these centres together have 106 trading shops - Tea shops (41), provision stores (39), fair price shops (6), textile stores (4), vegetable shops (12) and bakeries (4). Meat and fish are sold in temporary, make shift shops, in addition to the above. In addition to these there are a large number of petty shops and tailoring shops. Fish is also sold all over the village as door delivery item by vendors on cycles. However, bulk requirements of villagers are met by the nearest town market.

The village has no establishment to sell its surplus agricultural produce. They are all bought by visiting brokers from the production point itself.

There are 41 industrial establishments in the village, of which 16 are rice mills doing de-husking of

paddy, 2 oil mills, 5 tile factories, 2 aluminium utensil making units, 1 sea-shell processing unit, 1 bone-crushing unit, 1 thread rubber unit, 1 cola making unit, 1 match factory, 1 ossein producing unit, 4 carpentry work shops and 6 mechanical work shops. All these units except ossein producing unit, sell their products both within and outside the village.

1.33 Water Resource - Sources

This village has five sources for obtaining water - Dam water through major irrigation, river water through minor irrigation, river lift of individual land owners, public wells and ponds and private wells. Nearly 70 per cent of the water utilised for irrigation purposes is from own well lift and own river lift. Major irrigation water obtained by the people is practically nil as it is the fag end of the canal which reaches the village. Paddy land is practically fully irrigated through minor irrigation. The nature of irrigation is shown in table 1.9.

Drinking water is obtained solely from own well lift and water from neighbour's wells. Because of pollution, river water could not be used for drinking purposes.

TABLE 2.1.3

Irrigation - High land and Midland

	Group of households				Land in Hectares				Land in each group	Land area Percentage
	I	II	III	IV	I	II	III	IV		
No irrigation	713	345	253	92	12.14	105.65	145.31	18.60	179.64	10.19
Manual irrigation	161	69	23	-	9.78	16.53	15.52	-	16.94	0.96
Own well lift	46	138	460	437	3.37	55.02	396.86	1066.70	616.17	34.97
Sharing well lift	144	253	138	69	15.18	69.86	96.70	156.95	137.12	7.78
Own river lift	-	63	46	230	-	16.87	76.62	1422.14	613.62	34.82
Sharing river lift	-	46	23	-	-	7.43	27.34	-	14.08	0.80
Minor irrigation facility	23	184	92	207	3.37	66.57	99.57	67.50	95.96	5.45
Pond irrigation	-	23	23	46	-	7.41	44.39	99.57	61.28	3.48
Soil retaining wetness	-	23	-	-	-	12.14	55.36	-	27.33	1.55
									1762.14	100.00

Source : Survey data.

Table - 1.9

Irrigation - High land and Midland

	Group of households				Land in Hectares				Land in each group	Land area Percentage
	I	II	III	IV	I	II	III	IV		
No irrigation	713	345	253	92	12.14	105.65	145.31	18.60	179.64	10.19
Manual irrigation	161	69	23	-	9.78	16.53	15.52	-	16.94	0.96
Own well lift	46	138	460	437	3.37	55.02	396.86	1066.70	616.17	34.97
Sharing well lift	144	253	138	69	15.18	69.86	96.70	156.95	137.12	7.78
Own river lift	-	63	46	230	-	16.87	76.62	1422.14	613.62	34.82
Sharing river lift	-	46	23	-	-	7.43	27.34	-	14.08	0.80
Minor irrigation facility	23	184	92	207	3.37	66.57	99.57	67.50	95.96	5.45
Pond irrigation	-	23	23	46	-	7.41	44.39	99.57	61.28	3.48
Soil retaining wetness	-	23	-	-	-	12.14	55.36	-	27.33	1.55
									1762.14	100.00

Source : Survey data.

Moreover, panchayat has provided 56 wells at different places in the village to provide drinking water. Since the panchayat has not taken effective steps to maintain these wells, only the newly built wells in housing colonies (10 Nos.) are in use.

.34 Religious Infrastructure

Material evidence of the religious sentiment of the people of this area is edified into the form of temples, churches and mosque. Five temples, seven churches and one mosque are situated in this village. Temples of old are remnants of old grandeur with their 'Nalu kettu'. Financial constraints make the upkeep and maintenance of temples very difficult, their annual festivals are conducted by raising special contribution from believers. Temple feasts are mixture of religious ceremonies and cultural feasts.

All churches are constructed in western style. Except Sampalloor church and Ambazhakad church, all other churches are new constructions. The financial position of churches is much better than that of the temples, as they have income from their own landed property and expenses of annual festivals are met by some believer willingly, and he even makes a contribution to the church.

The sole mosque situated in the village at a muslim concentration area is built and maintained by the contributions of believers. Believers contribute according to their income and since there is religious mandate regarding the contribution of each individual, the mosque has no financial difficulties.

1.35 Social and Cultural Infrastructure

Social and cultural activities of the village, as far as youngsters are concerned, reverberate through 10 sports clubs and 4 arts clubs. They organise intervillage and intravillage sports and arts competitions.

There are five reading rooms in the village providing newspapers and magazines in Malayalam. Literature in any other language is not available, as it is beyond the comprehension of majority of the people. Facilities of public reading rooms are mostly enjoyed by the poor.

CHAPTER - II

AGRICULTURE

Agriculture is the mainstay of the village economy. The land area of the village measures 17.63 sq. kms.¹, excluding river area of 78.4028 hectares. The village records divide the total land area into agriculture and puramboke lands. Table 2.1 presents this information.

Table - 2.1

Data on Land Utilisation

Agricultural land:

Paddy	713.9474 Ha.
Coconut	817.2514 Ha.
Puramboke land	230.8544 Ha.
Total	----- 1762.0532 Ha. =====

puramboke land is annexed to adjacent land and is being used by the people. Hence no puramboke land exists at present.

1. Adoor K.K. Ramachandran Nair (ed), op.cit., p.35.

On the basis of the survey conducted, the whole land area in the village is divided into three categories, on the basis of land use pattern in the village. The division is presented in Table 2.2.

Table - 2.2

Land Utilisation Pattern

Paddy field	-	477.6829 Ha.
Coconut land	-	1074.7024 Ha.
Household land	-	209.6679 Ha.

Total		1762.0532 Ha.
		=====

Source : Survey data.

2.1 Ownership Pattern - General

As per the village records there are 4066 registered land holders in the village. On that basis the average holding of a registered land holder comes to 0.43 hectare. According to the panchayat records there are 4370 households in the village. Hence the average ownership per household comes to 0.40 hectare. Village records also show that, there are 233 land holders (5.73 per cent), including institutions who hold more than one hectare. Their total possession comes to 381.64 hectares,

which constitute 21.66 per cent of the total land area of the village. Their average holding is 1.64 hectares approximately.

Table 2.3 presents division of households according to the strength of their land holding.

Table - 2.3

Class-wise Division of Land in the Village

Sl. No.	No. of households in the class	Class division in hectare	Percentage of households	Area of total land	Per-centage of total land	Average land holding
1	920	below 0.041 ha.	21	22.9067 ha.	1.3	0.0248 ha.
2	920	between 0.042 - 0.0984 ha.	21	65.1960 ha.	3.7	0.0708 ha.
3	920	between 0.0985 - 0.205 ha.	21	181.4915 ha.	10.3	0.1973 ha.
4	920	between 0.206 - 0.615 ha.	21	433.4651 ha.	24.6	0.4711 ha.
5	690	above 0.616 ha.	16	1058.9939 ha.	60.1	1.5348 ha.
Total 4370			100	1762.0532 ha.	100	0.4032 ha.

Source: Survey data.

From table 2.3 it can be seen that 16 per cent of the households own 60.1 per cent of the land area and 80 per cent of the households own only less than 40 per cent of the land area. A further break-up shows that 42 per cent of the households own only 5 per cent of the land area. This shows that the land distribution in the village is quite inequitable. But the fact remains that there is no scope for redistribution of land in the village, as the richest class in the village is holding on an average 1.5348 hectares only.

Categorisation of possessions of agricultural land by the agricultural department of the Government of Kerala - agricultural labourers (below 0.203 ha.), marginal farmers (between 0.203 to 1.016 ha.), small farmers (between 1.016 to 2.032 ha.) and big farmers (above 2.032 ha.) - if applied to this village, one finds that 63 per cent of the households belongs to agricultural labourers, 21 per cent to marginal farmers and 16 per cent to small farmers.

A further sub-division of the last group will reveal that 5.5 per cent of them belong to the category of big farmers as their average holding constitute 2.56 ha. There are certain institutions in this category (three churches, one mosque and an industrial organisation) which own land

much above 2.56 ha. But they are classified separately as holders of paddy land and coconut land, and they fall under the category of small farmers in relation to each crop. It may be noted that coconut is a cash crop and paddy, a food crop and as such they cannot be clubbed together except for the purpose of computing the income of the households.

Table 2.4 shows that the first three poor groups, forming 31.5 per cent of the households have no paddy land at all. In the fourth group only one-fourth of them have paddy lands (average 0.4 ha.). The fifth group possesses still less area of paddy land (average 0.06 ha.). Considering the other groups, there is a successive increase in the area of paddy land owned, showing a better economic status. The final group consisting of only 5.5 per cent of the households, has a higher average possession of paddy land (0.81 ha.). This is the only group owning paddy land which can produce a little surplus for sale.

Table 2.4 also gives details of coconut land ownership. As far as coconut land is concerned, every household has a few coconut trees. Therefore all villagers are producers of coconut in the strict sense of the term. However, those who possess only household lands could not be

Table - 2.4

Classwise and Major Crops-wise Division of Village Land

Sl. No.	Group of farmers	No. of households	Percentage of households	Area or household land in ha.	Area of paddy land possessed in ha.	Percentage of paddy land possessed	No. of possessing paddy land	Percentage of coconut land possessed in ha.	Area of coconut land possessed in ha.	Percentage of coconut land possessed in ha.	Total land possessed in ha.	Percentage of total land	No. of possessing both lands	Average of total land in ha.
1.	I	463.8	10.5	7.84	Nil	Nil	Nil	Nil	Nil	Nil	7.75	0.44	Nil	0.016
2.	II	"	"	15.24	Nil	Nil	Nil	Nil	Nil	Nil	14.98	0.86	Nil	0.032
3.	III	"	"	20.19	Nil	Nil	46	6.88	6.88	0.64	26.78	1.5	Nil	0.057
4.	IV	"	"	19.13	115	13.28	2.78	6.66	6.66	0.62	38.76	2.2	23	0.083
5.	V	"	"	22.50	23	1.53	0.30	49.11	49.11	4.6	72.60	4.1	Nil	0.15
6.	VI	"	"	23.71	207	29.85	6.25	55.13	55.13	5.13	108.54	6.2	115	0.23
7.	VII	"	"	26.04	299	55.51	11.62	120.80	120.80	11.24	202.46	11.5	276	0.43
8.	VIII	"	"	26.23	322	63.0	13.2	141.11	141.11	13.13	230.47	13.1	322	0.49
9.	IX	"	"	30.80	414	127.49	26.7	311.77	311.77	29.0	470.47	26.7	414	1.014
10.	X	195.8	5.5	17.93	230	187.01	39.15	383.02	383.02	35.64	588.52	33.4	230	3.00
Total		4370	100	209.6679	100	477.6829	100	1074.7024	100	1762.0532	100	100	1380	0.40
<u>Groups</u>														
Average area of coconut land in ha.		I	II	III	IV	V	VI	VII	VIII	IX	X	Total		
Average area of paddy land in ha.		Nil	Nil	0.15	0.09	0.11	0.17	0.27	0.30	0.67	1.66	0.44		
		Nil	Nil	Nil	0.11	0.06	0.14	0.18	0.19	0.30	0.81	0.28		

Source : Survey data.

considered as coconut cultivators. It is the third to the tenth group, who are coconut cultivators in the village. Their respective possessions of average area of coconut land are - 0.15 ha., 0.09 ha., 0.11 ha., 0.17 ha., 0.27 ha., 0.30 ha., 0.67 ha., and 1.66 ha. The quantity produced and the marketable surplus are substantially high in the case of the ninth and tenth groups. The tenth group is producing double that of the ninth group.

2.2 Major Crops in the Village

The village has a large number of crops to its credit, which could be divided into two main divisions - perennial crops and seasonal crops. Perennial crops are - coconut, arecanut, cashew, clove, cardamom, jack fruit, mango, tamarind and cocoa. Seasonal crops are - paddy, banana and plantain, tapioca, pepper, sesamum and limited quantities of vegetables, tubers, pulses and ginger. These do not exhaust the list because there are a large variety of other fruits produced in the village, but only in very limited quantities.

2.3 Perennial Crops

Coconut

This crop occupies more than double the area utilised for paddy, the main seasonal crop. This is a long

standing crop, having a maximum of seventy five years of life, yielding from fifth year of its planting, but full bearing capacity attained from tenth year onwards. A healthy tree can produce the highest number of nuts, during its life period, from tenth to fortieth year, after which bearing capacity declines.

The village has mostly new cross-bred type (T x D) coconut trees. Annual planting depends on vacant space available in coconut groves and household land. Cost of planting saplings varies between midlands and low lands.

2.4 Cost of Planting a Sapling - Midland

As a labourer can be hired either for half day or full day, and as he can dig pits for three saplings, usually three saplings are planted at a time. Labour and material costs of planting are as follows:

	Rs. Ps.
1. Labour cost of a day	30.00
2. Cost of river sand and ash for three pits	15.00
3. Cost of three saplings	18.00

Total cost	63.00

Average cost of planting a sapling	- 21.00

Source : Survey data.

2.5 Cost of Planting a Sapling - Paddy land

Planting of coconut saplings in paddy lands takes place, because there is substantial conversion of paddy land to coconut land, in the village. Since paddy lands are low-lying and water-logged areas, planting is done on a sand mount created for the purpose. The indivisible item of cost in this kind of planting is that of river sand, of which one full lorry load only could be bought which could be used for planting four saplings. Hence usually four saplings are planted at a time. Cost structure for this is as follows:

Item	Cost in Rs.
Cost of one lorry load of river sand	120.00
Cost of ash	8.00
Cost of the saplings	24.00
Cost of four days' labour	120.00
Total cost	----- 272.00 -----
Average cost of planting one sapling	68.00

Source: Survey data.

2.6 Annual Maintenance of Coconut Trees

Items of Cost

1. Annual loosening and digging the soil around the tree
2. Adding manures and fertilizers
3. Closing the shallow pit around the tree
4. Irrigation during the dry season (6 to 7 months)
5. Plucking of coconuts (8 times an year)
6. Clearing the top of the tree of dry particles (once an year)
7. Tying the unsupported bunches (once an year), and
8. Using pesticides (only when there is infection).

A labourer can loosen the soil around ten trees in a day. The rate of wages per day is Rs.25/- plus food, which will work out to Rs.30/-. The work of adding manures and fertilizers could be done for twenty trees by a worker in a day. The survey data show that out of the total labour involved in this line the farmers' own labour constitute 18 per cent and 24 per cent respectively.

All farmers who cultivate coconut trees add natural manure - green leaves, dung and ash. Some add fertilizers in addition to natural manure.

Farmers obtain green leaf from three sources - engaging women to cut small bushes and fencing plants,

paying Rs.8/- per half day; engaging men to cut branches of big trees, paying Rs.30/- per day (inclusive of food); and occasionally buying bundles of green leaf at the rate of Rs.4/- per bundle. The different costs work out to Rs.4/- per bundle.

Dung is obtained either from own cattle or from sundry agents at the rate of Rs.4/- per 'pāṭṭa'.

Farmers secure ash either by burning dry leaves in their own compound or from others. Some buy ash from tile companies at the rate of Rs.1000/- per metric ton.

To these natural manures, rich farmers add either ground-nut cake, bone meal or fowls' excreta. Chemical fertilizers are used only as supplements to natural manure. Commonly used chemical fertilizers are factamphos, coconut mixture and NPK in an annually alternate manner.

Irrigation is done only during summer season. Rich farmers use attached labour paying Rs.25/- per day (inclusive of food). One labourer can irrigate two acres in a day. Others use own labour for irrigation. The pattern of irrigation is that, a tree will be irrigated twice a week.

Plucking of coconuts is both an act of reaping the yield, as well as maintenance. Cutting of leaves is done

only thrice a year. Concerned workers are attached labourers to a number of farmers. They are paid @ Re.1/- per tree and one coconut for every ten trees climbed. Clearing the head of the tree needs an extra payment of 20 ps. per tree.

Some coconut bunches on some trees might not get enough support from the leaf stem. To tie these bunches to the leaf stems an extra payment of 20 ps. per tree climbed is to be made.

Pesticides are used only when some infection is detected. Therefore this cost is not an essential item.

Survey shows that there are 170 trees per hectare. This include both mature and tender ones. Of the total number of trees 71.6 per cent are mature and 28.4 per cent, tender; that is 122 and 48 numbers respectively. All trees need maintenance except that tender trees need no climbing. The soil of the village being laterite, it can accommodate 247 trees per hectare.² This means that the capability of the soil is not fully utilised by the farmers.

2. A.G.G. Menon, Package of Practices, Recommendations, Kerala Agricultural University, Mannuthy, Trichur, Kerala, 1986, p.48.

2.7 Annual cost of maintenance of coconut trees in a hectare of land is given below:

	Rs. Ps.
1. Loosening the soil @ 10 trees per day per worker at a wage of Rs.30/- per day	510.00
2. a) Green leaf - 0.4 bundle per annum per tree @ Rs.4/- per bundle	272.00
b) Dung - 1.4 patta per tree per annum @ Rs.4/- per patta	952.00
c) Ash - 0.83 patta per tree per annum @ Rs.4/- per patta.	564.00
d) Bonemeal - 1.53 Kg. per tree per annum @ Rs.2.20 per kilogram.	572.22
e) Factomphos - 1.5 Kg. per tree per annum @ Rs.2.5 per kilogram.	637.50
3. Closing the pit after adding manure and fertilizer @ 20 trees per worker per day paying Rs.30/- per day.	255.00
4. Irrigation labour @ 2 acres per day, twice a week, for six months, paying Rs.25/- per day	600.00
5. a) Plucking of coconuts (122 trees) @ Re.0.50 per tree, plus one coconut per ten trees, eight times an year.	728.00
b) Full day labour for a female worker @ Rs.20/- per day for 8 climbings	160.00
6. a) Additional payment for annual clearing of trees @ 20 ps. per tree	24.40
b) Additional payment for unsupported bunches @ 20 ps. per tree	24.40
c) Cost of coconut fibre rope, 15 Kgs. @ Rs.7/- per kilogram.	105.00
Total cost	5404.52

Source: Survey data.

2.8 Cost Structure in Brief

	Rs.	Ps.	<u>Percentage</u>
Labour cost	2301.80		42.59
Cost of manures	2360.22		43.67
Cost of fertilizers	637.50		11.80
Cost of other materials	105.00		1.94
	-----		-----
	5404.52		100.00
	-----		-----

2.9 Fixed Cost Structure

The fixed cost of developing coconut groves includes the cost of land, wells, electric pumps and related installations, and cost of conversion of paddy land into coconut land. These costs which are sunk into the system are not a matter for analysis in this case. Even the opportunity cost of these items is not looked into, lest it should vitiate the study.

2.10 Conversion of Paddy Land

As per the records the village has 713.9474 ha. of paddy land. But the survey shows that there is only 477.6829 ha. of paddy land in the village at present. This means that substantial amount of conversion of paddy land has already taken place. "The conversion of green

paddy lands for more remunerative crops like coconut gardens started in the early 70's."³ Total cost of conversion excluding cost of land at 1986 rates comes to Rs.27,31,218.00.

2.11 Variable Costs - Detailed Analysis

Variable costs in money terms is already explained. The material content of the variable costs could be analysed as follows - Maintenance of coconut trees (one hectare) needs 107 days of male labour per annum and 8 days of female labour. The division of male labour for different activities is - loosening the soil around the trees 17 days; closing the loosened soil 8.5 days; plucking of coconuts 20 days; clearing the head parts of the tree 1.25 days; tying unsupported bunches 1.25 days; irrigation 59 days - all to be hired in most cases. For loosening the soil the farmers themselves contribute 18 per cent of the labour and the rest (82%) is hired. For closing the loosened soil 24 per cent of the labour is contributed by the farmers themselves and the rest is hired. Loosening and closing put together work out to 21 per cent of own labour and 79 per cent of hired labour. Since the better offs in the village forming 37 per cent of the households own and possess 90.97 per cent of the coconut land, the same 90.97 per cent of

3. "State Paddy Cultivation Dwindling Rapidly", Indian Express, Cochin edition, 13-4-1989. Vol.LVII, No.160.

labour in this line is hired labour, of which the first 21 per cent of the farmers use temporary hired labour and the balance 16 per cent, attached labour. Climbing the tree, clearing the head parts of it and tying the unsupported bunches are only division of a combined activity performed simultaneously by experts, and no farmer could do this. Irrigation labour forms 55 per cent of the total male labour in this line. Eighty four per cent of the farmers use own or household labour for irrigation, balance 16 per cent of the farmers (rich farmers) use hired labour. Since they (rich) possess 64.6 per cent of the total coconut land, the same percentage of labour used for irrigation is attached, hired labour.

Farmers prefer manure to fertilizer in rearing coconut trees and the proportionate costs to total maintenance cost are 43.67 per cent and 11.8 per cent. Manuring and adding fertilizers involve no additional labour. It is done along with closing the loosened soil.

2.12 Yield from Coconut tree

Coconut tree is named 'Kalpaka Vriksha' in early Kerala literature, since all products of it - the kernel, the shell, husk of the nut, leaves and dry parts of the

leaves and bunch - could be put to different uses. Kernel yields oil and oil cake, shell used for handicraft purposes and as fire wood, husk used for making ropes and mats, leaf used for thatching and fencing, stem used for house construction and other dry parts used as firewood.

There is difference in yield of nuts per tree among different economic groups. First three groups (poor and lower middle class) forming 63 per cent of the households get an annual yield of 35 nuts per tree. The fourth group (upper middle class) forming 21 per cent of the households secure an average yield of 37.5 nuts per annum per tree. The fifth group (rich class) forming only 16 per cent of the households earn annually 46 nuts per tree. Taking the very rich (part of the rich class) forming 5.5 per cent of the households, get an average yield of 57.5 nuts per tree per annum. All groups together get an average annual yield of 39.5 nuts per tree. Reasons behind the high yield of the richest class are that their lands are located by the side of the river and are properly looked after with manure, fertilizer and irrigation.

Table 2.5 gives details regarding economic classwise division of coconut land, their yield and the surplus available for sale. It can be seen from the table that around

Table - 2.5

Economic Classwise Division of Coconut Land, Yield, Numbers Consumed and Sold

Group	Percent- house- holds	Coconut land in hectares	Percent- tage of land area	No. of yield- ing trees	Percent- tage of yield- ing trees	No. of non- yield- ing trees	Percent- tage of non- yield- ing trees	No. of nuts produ- ced	Percent- tage of nuts produ- ced	No. of nuts consum- ed	Percent- tage of nuts consum- ed	No. of nuts sold	Percent- tage of nuts sold by the group
I	21	1411	0	1380	1.02	1978	3.64	53692	1.02	26205	5.48	27487	51.19
II	21	13.54	1.26	1650	1.25	650	1.21	65209	1.25	68763	14.38	3554	-5.45
III	21	104.35	9.71	12723	9.61	5006	9.35	502568	9.61	94203	19.7	408364	81.25
IV	21	262.01	24.38	31959	24.13	12574	23.49	1262393	24.13	119834	25.06	1142559	90.5
V	16	694.80	64.65	84758	63.99	33347	62.31	3347951	63.99	169183	35.38	3178768	94.9
Total	100	1074.70	100	132451	100	53526	100	5231813	100	478188	100	4753624	90.9
Very rich 5.5 per cent	5.5	383.01	35.64	46727	35.28	18385	31.6	1845732	35.28	93964	19.65	1751768	94.9

Source : Survey data.

88 per cent of the coconuts is produced by 37 per cent of the village households consisting of the rich and upper middle class. Again, the very rich households forming 5.5 per cent produce around 35 per cent of the coconuts. It can also be seen that the share of the lower classes, both in production and consumption is very low.

2.13 Income from one hectare of Coconut land per annum

Coconut is finally sold in the form of copra (dried kernel) husk and shell. Other products sold are leaves and cut balance of leaf stems. The earnings from a hectare of coconut land are as follows :

	Rs. Ps.
1. No. of nuts per hectare x weight of copra per kernel x price of copra per quintal (4819 x 0.185 kg. x $\frac{1666}{100}$)	14,852.64
2. Selling husk @ Rs.10/- per hundred (4819 x $\frac{10}{100}$)	481.90
3. Selling shell @ Rs.10/- per hundred (4819 x $\frac{10}{100}$)	481.90
4. Selling leaf @ Rs.40/- per hundred (584 x $\frac{40}{100}$)	233.60
5. Selling cut balance of leaf stem @ Rs.16/- per hundred (584 x $\frac{16}{100}$)	93.44
Total income (a)	16,143.48

1. Cost of maintaining one hectare of coconut land	5,404.52
2. De-husking, cutting and drying of kernel @ Rs.25/- per thousand	120.47
3. Sundry expenses - building, transporting etc.	175.00

Total expenses (b)	5,699.99

Net income - (a - b)	10,443.49

Total net income of the village from coconut trees

10443.49 x 1074.70 1,73,49,397.20

Note : Coconut trees found in the village are mostly 'T x D' variety which has a copra weight of 185 grams.

Source : Survey data.

The poor and lower middle class together producing 11.88 per cent of the coconuts, earn only 30.64 per cent less than their due share. This difference is enjoyed by the upper middle class who convert coconut into copra. They (the poor and lower middle class) gain the conversion cost of coconut to copra, which is only 5.18 per cent of the total cost. This loss is in addition to lesser average yield per tree secured by them.

However, part of the coconuts produced in the village (9.1 per cent) is consumed by the households. So is

the case with other products obtained from the coconut tree. Still all these form part of the village income in value terms.

2.14 Arecanut

This crop is found only in certain parts of the village where there is irrigation facility. Material and labour costs involved in planting arecanut saplings are negligible. Rearing is done mainly through irrigation. Manure and fertilizer are seldom used. Irrigation is done along with coconut trees and hence no separate cost.

A tree produces on an average 500 nuts per annum. It is sold at a price of Rs.3/- per hundred, when they are tender. The buyers process the kernel and sell at a price between Rs.15/- to Rs.17.50 per kilogram. Kernel will weigh 2/3 of the wholesome nut.

Arecanut growers earn their income without much expenditure. Apart from growers there is a handful of households (0.045 per cent) who buy and process it.

Ownership pattern and income from arecanut are presented in table 2.6.

Table - 2.6

Ownership Pattern and Income from Arecanut

Group	Percentage of households	Economic Class Division	Number of trees	Percentage of the total	Annual income per tree	Total annual income	Percentage of income
I	42	Poor	650	2.05	15.00	9750	2.05
II	21	Lower Middle Class	1794	5.65	"	26910	5.65
III	21	Upper Middle Class	5037	15.86	"	75555	15.86
IV	16	Rich	24282	76.44	"	364230	76.44
Total	100		31763	100	"	476445	100

Source : Survey data.

2.15 Cashew

There is no systematic cultivation of cashew in this village. Spontaneously growing cashew trees are allowed to grow, where other trees cannot be grown for lack of irrigation. There is no replanting or new planting. A

cashew tree produces on an average 12 to 13 kilograms of nuts, which is sold at a price of Rs.16/- per kilogram. Cashew apple is a delicacy consumed by children, but has no sale value. The pattern of ownership and income from cashew is given in table 2.7.

Table - 2.7

Cashew - Pattern of Ownership and Income

Group	Percentage of house-holds	Economic Class	Number of trees	Percentage of total trees	Average annual yield per tree	Price per Kilogram	Total annual income	Percentage of income
I	42	Poor	46	25	12 Kg.	16.00	8832	25
II	21	Lower Middle Class	138	75	"	"	26496	75
III	21	Upper Middle Class	Nil	Nil	"	"	Nil	Nil
IV	16	Rich	Nil	Nil	"	"	Nil	Nil
Total	100	--	184	100	--	--	35328	100

Source : Survey data.

Clove

There are 37 clove trees in the village.⁴ These

4. Department of Statistics, Taluk Supply Office, Irinjalkuda, Trichur District, Kerala State, Tabulation Sheet, 1986.

trees are grown with special care in specially allotted areas in coconut groves, seasonally irrigated and heavily manured along with coconut trees. These are possessed solely by the rich. They produce flowers - annually once, amounting to about 850 grams per tree when dried. Dry clove flowers fetch Rs.175/- per kilogram in the market. Total income earned by the villagers from clove trees is $175 \times 37 \times 0.850 = \underline{\text{Rs.5503.75}}$. There is no local sale of this produce among villagers, as household consumption is very negligible. However, this tree is not grown strictly for income earning purpose, but as a curiosity.

2.17 Nutmeg

This tree is more commonly found than clove, grown in coconut groves, near houses. It is systematically planted and seasonally irrigated and manured. No separate costs could be ascertained as they are irrigated and manured along with coconut trees. A tree yields nuts, which weigh three to three and a half kilograms, when dried. It is the nut inside the thick fruit which is valuable, which fetches Rs.175/- per kilogram. This is sold in the town market, as there is no local market for the same.

The pattern of nutmeg cultivation and the income earned from the same is presented in table 2.8.

Table - 2.8Nutmeg - Pattern of Cultivation and Income

Group	Percentage of households	Economic Class	Number of trees	Annual yield per tree in Kgs.	Price per Kilogram in Rs.	Annual income per tree in Rs.	Total annual income in Rs.	Percentage of income
I	42	Poor	Nil	3 Kgs.	175	525	Nil	Nil
II	21	Lower Middle Class	115	"	"	"	60375	26.32
III	21	Upper Middle Class	Nil	"	"	"	Nil	Nil
IV	16	Rich	322	"	"	"	169050	73.68
Total	100	--	437	--	--	"	229425	100

Source : Survey data.

2.18 Jack Tree

Survey shows that there are 2450 Jack trees in the village. It is generally found in large individual compounds, above one-fifth of a hectare or more. It is allowed to grow at the edges and corners of coconut groves and household compounds.

Average yield of a grown up jack tree (15 to 20 years) is around 20 compound fruits. Only 4 per cent (1960)

is consumed at home. Middlemen buyers coming from outside the village pay Rs.2/- per fruit. Money value of the total number of fruits amounts to Rs.98,000/-. Timber of jack tree is used for house construction; its leaves and small branches are seasonally cut and used as manure.

2.19 Mango Tree

Survey data show that there are 3475 mango trees in the village, belonging to three to four species mainly. Just like jack tree, these trees are also allowed to grow only at edges and corners of house hold compounds. Average yield of a matured mango tree (15 to 20 years) is around 700 mangoes per annum. Since people cut leaves and small branches for manuring, the trees yield only biannually. Only 5 per cent of the total produce is consumed and the balance sold to visiting middlemen buyers. Money value of the total number of mangoes produced in the village annually is

$$\frac{3475}{2} \times 700 \times \frac{35}{100} = \underline{\underline{\text{Rs. } 3,64,875.00.}}$$

2.20 Tamarind

Survey data show that there are 621 tamarind trees in the village. It is not planted but allowed to grow under natural condition at edges and corners of compounds. A mature tree yields on an average 8 kilograms of ripe fruit, which fetches Rs.12/- per kilogram. Leaves of this

tree are not used for manuring, and hence it yields annually. Annual income of the village from these trees amounts to - $621 \times 8 \times 12 = \underline{\text{Rs.}59,616.00}$.

There is an assortment of other trees and bushy plants like cocoa, palm trees, supporta, coffee plant, papaya etc., which do not fetch any notable income to the village.

Seasonal Crops:

2.21 Paddy

Valleys of high lands and midlands form the major paddy lands of the village. It is the major food crop produced and consumed in the village. The seasons of cultivation are autumn, winter and summer and the respective names of crops are virippu, mundakan and punja. But all lands are not cultivated during all three seasons, a year; some lands are cultivated only twice and some only once. Utilisation or otherwise of land depends on climatic condition, lay out of the land and the will of the farmer. Table 2.4 highlights the essential facts in relation to distribution of both paddy and coconut lands. The following table 2.9 adapted from the above table explains the distribution pattern of paddy land among the major economic classes.

Table - 2.9Distribution Pattern of Paddy Land

Group	Economic Class	Number of households	Percentage of households	No. of possessors	Percentage of possessors	Area of land possessed in ha.	Percentage of land
I	Poor	1840	42	115	6.25	13.28	2.78
II	Lower middle class	920	21	230	25.00	31.38	6.57
III	Upper middle class	920	21	621	67.5	118.52	24.81
IV	Rich	690	16	644	93.3	314.50	65.84
	Total	4370	100	1610	36.84	477.68	100

Source : Survey data

Table 2.9 shows that, of the total 42 per cent poor households, only 6.25 per cent own paddy land and their total possession accounts only 2.78 per cent of the total paddy land in the village. Likewise, only 25 per cent of the lower middle class households, own 6.57 per cent of the total paddy land. From among the upper middle class, 67.5 per cent own paddy land which constitute only 24.81 per cent of the total paddy land. It is the rich, forming only 16

per cent of the households, among whom more than 93 per cent are paddy land owners, who own 65.84 per cent of the total paddy land in the village. Considering only the actual owners, one gets the following average possession of paddy lands by households in different groups - first group 0.12 ha., second group 0.14 ha., third group 0.19 ha., and the last group 0.49 ha. First three groups are to be termed as agricultural labourers and the last group as marginal farmers, according to the classification made by the agricultural department, Government of Kerala. All these owners together form only 36.84 per cent of the village households, whereas 63.16 per cent do not own any paddy land at all.

2.22 Pattern of Cultivation

Cultivation of paddy starts with preparation of seed bed, followed by tilling of the soil, adding manure and fertilizer at three stages of cultivation, and use of pesticides in case of need, all performed according to the conventional pattern. Virippu and Mundakan crops need advance preparation of seed bed, as the fields at the time are flooded with rain water whereas for Punja the seeds are broadcast direct to the field.

Labour required for the cultivation of paddy is contributed both by men and women, again according to conventional pattern. Tilling, adding manure and fertilizer,

levelling, broadcasting of seeds and flooding and spraying of pesticides are done by men. One or two men with necessary accessories perform the jobs utilising the required number of days. Women do the works of uprooting the seedlings, transporting them to the field and finally harvesting. Women's jobs are completed within one half day or full day engaging as many women as required. In fact women move in blocks from field to field completing each day the work in one field. Though harvesting is done solely by women, in threshing and winnowing they are assisted by their men.

Cost of Cultivation of one hectare of Paddy land is as follows:

2.23 Preparation of seed bed

a) Material cost -

1)	Cost of green leaves - 5 bundles @ Rs.4/- per bundle	- 20.00
ii)	Cost of dung - 5 pattas @ Rs.4/- per patta	- 20.00
iii)	Cost of ash - 5 pattas @ Rs.4/- per patta	- 20.00
iv)	Price of seed - 17.5 paras @ Rs.24/- per para	- 420.00

	Sub total (a)	480.00

b) Labour cost -		
i) Cost of tilling and levelling - 5 days labour @ Rs.40/- per day	-	200.00
ii) Cost of broad casting @ Rs.12.50 per one hectare worth seed	-	12.50
iii) Cost of uprooting and bundling of seedlings - 20 full days @ Rs.13/- per day	-	260.00
iv) Cost of transporting seedlings to the field - 8 half days @ Rs.7/- per half day	-	56.00

	Sub total (b)	528.50

2.24 Cost of Cultivation at the Field

c) Labour Cost -		
i) Cost of tilling, levelling and flooding 10 days @ Rs.40/- per day	-	400.00
ii) Cost of planting seedlings - 25 half days @ Rs.9/- per half day	-	225.00
iii) Cost of adding fertilizers - 3 stages 5 hours each @ Rs.5/- per hour.	-	75.00
iv) Irrigation labour cost - lump sum payment for a crop	-	125.00
v) Cost of weeding - 18 half days @ Rs.8/- per half day	-	144.00
vi) Cost of harvesting - 25 persons full day @ Rs.15/- per day	-	375.00
vii) Cost of transporting, threshing and winnowing - 25 persons, full day @ Rs.15/- per day	-	375.00

	Sub total (c)	1719.00

Source : Survey data.

d) Material Cost -

1) Green leaf - 50 bundles @ Rs.4/- per bundle	- 200.00
ii) Dung - 125 pattas @ Rs.4/- per patta	- 500.00
iii) Ash - 100 pattas @ Rs.4/- per patta	- 400.00
iv) Urea - 100 kilograms @ Rs.2.75 per kg.	- 275.00
v) Factamphos or complex - 125 Kgs. @ Rs.2.5 per kilogram	- 312.50
vi) Potash - 67 Kgs. @ Rs.1.35 per Kg.	- 90.45
Sub total (d)	1777.95

e) Cost of irrigation water -

1) Water cess - @ Rs.100 per hectare per annum - proportionate cost $\frac{100}{3}$	33.95
--	-------

f) Food Cost -

i) Men - 19 full days @ Rs.5/- per day	95.00
ii Women 139 half days @ Rs.2/- per half day	278.00
Sub total (e)	406.35

Grand total cost - a + b + c + d + e -

480 + 528.50 + 1719 + 1777.95 + 406.35	4911.80

Source : Survey data.

2.25 Structural Division of Costs

	<u>Rs. Ps.</u>	<u>Percentage to total cost</u>
Labour cost	2620.50	53.35
Manure cost	1160.00	23.62
Fertilizer cost	677.95	13.80
Seed cost	420.00	8.55
Water cost	33.35	0.68
	-----	-----
	4911.80	100.00
	-----	-----

Cost of Cultivation of all Paddy Lands

	Area in hectares	Cost per hectare in Rs.	No. of times cul- tivated per annum	Rs. Ps.
Single crop land	-16.83	4911.80	1	= 82665.59
Double crop land	-282.90	4911.80	2	=2779096.40
Treble crop land				
a)	-175.11	4911.80	2	=1720210.50
Treble crop land				
b)	-175.11	4431.80	1	= 776052.49
(Punja no seed bed preparation cost)				-----
				5358024.98

2.26 Yield from one Hectare of Paddy Land

Yield of paddy from one hectare of paddy land per crop on an average is 283 paras. This land also yields -

2090 bundles of hay. Price of paddy being Rs.25/- per para and price of hay being 50 ps. per bundle, total income from one hectare is as follows :

	Yield in paras hectare	Price per para in Rs. -----	Rs. Ps.
Paddy yield	283	24	6792.00
Hay yield in bundles	2090	0.50	1045.00

	Gross Total income		7837.00
Average cost of production per hectare per crop			4835.76

	Net income		3001.24

The practice of paying the agriculture labourers for harvest and attached works in the form of one-seventh of the produce of paddy changes the cost benefit position. Money payment to harvest and attached works amounts to Rs.750/-, whereas when it is in the form of paddy it amounts to Rs.970/-, causing a deduction of Rs.220/- from the net income of paddy land owners from one crop. Harvest paid in terms of grains is the only acceptable mode of payment to more than 95 per cent of agricultural workers. Hence net income to paddy growers from the paddy lands per annum is as follows:

Source : Survey data.

No. of crops cultivated per annum	Net income from one crop in Rs.	Total income Rs. ps.

(area of land x number of crops)		
1107.96	2781.24	= 30,81,502.67

2.27 Economic Class-wise Cropping and Yield Pattern of Paddy are presented in table 2.10.

Table 2.10 shows economic class-wise cultivation of paddy land, the number of crops taken per annum, yield obtained and the quantities consumed and sold. Only 6.5 per cent of the poor households own paddy land and they consume only around 35 per cent of the paddy they produce, the rest being sold. Lower middle class has no saleable surplus, but an insignificant deficit in production. Upper middle class and rich have substantial surpluses to sell. The village sells nearly 50 per cent of its annual paddy production.

Among the different cropping patterns, it is double cropping that is preferred by around 60 per cent of the farmers, followed by 37 per cent preferring treble cropping. Single crop land is only 3.5 per cent of the total paddy land. Like-wise double cropping produces 51 per cent of the

Table - 2.10

Economic Classwise Cropping and Yield Pattern of Paddy

Group	Per-centage	Single Crop		Double crop		Treble Crop		Net Total yield	Percentage	Quality consumed	Percentage	Quality sold	Percentage	Internally bought
		Land	Net yield	Land	Net yield	Land	Net yield							
I	42	3.74	907	12.99	6302	N11	N11	7209	(2.68)	2554	(35.41)	4656	(64.59)	
II	21	3.74	907	6.54	3173	12.9	9387	13467	(5.01)	13475	(100.06)	N11		8 (0.06)
III	21	N11	N11	52.26	25353	57.22	41639	66992	(24.93)	39083	(58.34)	27909	(41.66)	
IV	16	9.35	2268	211.11	102418	104.99	76403	181089	(67.38)	80241	(44.31)	100848	(55.69)	
Total	100	16.83	4082	282.9	137246	175.11	127429	268757	(100)	135077	(50.26)	136680	(49.74)	

Source : Survey data.

Land - in hectares Yield-in paras

1 para - 8 Kg. of rice.

paddy; 47.5 per cent from treble cropping and 1.5 per cent from single cropping. Survey showed that 17.03 ha. of land forming 3.6 per cent of the paddy land in the village is not available for cultivation as it is used for excavating clay to make bricks. If all paddy lands could have been utilised for all three crops an year, production could have increased by 28.57 per cent. This would have formed an addition of 57 per cent to the present saleable surplus, as home consumption needs are already fully met. Man days of work to the existing agricultural labourers could have been increased as well.

2.28 Banana and Plantain

Part of the coconut land is set apart annually for the cultivation of banana and plantain. Rarely single crop paddy land is also utilised for the purpose. The size of the area set apart by each farmer depends on the number of plants he proposes to cultivate.

Pattern of labour use - own and hired - is the same as that of coconut cultivation. Labour is required for planting and irrigation. There are two plantings in a year - in January and April - in separate areas. Natural calamities break the plants, and infected plants are usually cut off.

It is found that part of the fruits produced is consumed at home, the exact quantum consumed is not known as the farmers themselves are not sure of it. However, the better offs consume more than the poor, poor are more interested in selling the fruits. Home consumption is around 25 per cent of the produce.

An average size banana bunch of 40-45 fruits fetches Rs.15/- and a plantain bunch of 225 - 250 fruits fetches Rs.20/-. Local sale of banana and plantain is limited. Middlemen buyers from outside the village buy the fruits; though recently there is a trend among farmers to take their produce to the town market.

2.29 Economic Class-wise production Pattern of Banana and Plantain is given in table 2.11.

The rich cultivate more of banana and the poor more of plantain. Since the contribution of the poor to total production is around 20 per cent, the money value of banana is taken for computing income from this source also. Assuming that poor and lower middle class are cultivating plantain only, the variation in income will be only around 7 per cent. Land distribution and banana cultivation could not be linked together, as farmers use

Table - 2.11Production Pattern - Banana and Plantain

Group	Class of people	No. of households	Percentage	No. of plants	Percentage	Money value in Rs.	Percentage of income
I	Poor	1840	42	3634	8.06	54510	8.06
II	Lower middle class	820	21	5566	12.35	83490	12.35
III	Upper middle class	920	21	8832	19.59	132480	19.59
IV	Rich	690	16	27048	60.00	405720	60.00
Total		4370	100	45080	100	676200	100

Source : Survey data.

only a very small area of their total land for this purpose. It is in fact very much dependent on labour and irrigation.

2.30 Tapioca

This crop is cultivated in 117.91 hectares, of which midlands and highlands together form 28.37 ha., and low lands 89.54 ha. Poor and lower middle class cultivate

it in their household yard, the upper classes in low lands as a protective crop to coconut seedlings from stray cattle.

Technically a hectare of land can hold 2000 tapioca cuttings,⁵ but the number of cuttings planted in the village is much lower. It also varies between low land and other lands - high land 1488 and low land 850 cuttings per hectare. The rich sell the crop mainly to incoming buyers and the poor eat their produce. Home consumption is 6962 kilograms a year.

The poor make use of household labour for planting and the rich hired labour, and in both cases fertilizer, manure or irrigation are not applied.

Highest production possible per cutting is 20 kilograms of tuber.⁶ Average yield obtained in the village is 5 kilograms per cutting. Production pattern and income from tapioca are presented in table 2.12.

5. A.G.G. Menon, op.cit., p.147.

6. Ibid., p.151.

Table - 2.12Tapioca - Pattern of Cultivation and Yield

Class of people	Land in hectares	Cuttings per hectare	Average yield per cutting	Price per kilogram in Rs.	Income in Rs.
Poor	28.37	1488	5	0.50	105536.4
Upper classes	89.54	850	5	0.50	190272.5
Total	117.91	--	--	--	295808.9

Source : Survey data.

2.31 Pepper

This is an intercrop in coconut groves and household compounds and therefore separate land area could not be ascertained. However the number of households growing pepper vines is 219, which forms 5 per cent of the total households. Of these 90 per cent grow only three or four cuttings around a single supporting tree. Others grow it on commercial lines. The first group cultivates mainly for consumption and the second group mainly for sale.

The first group uses own labour and the second group hired labour. Rearing is limited to irrigation

along with other crops. Surplus producers sell their produce in the town market. Class-wise division of number of pepper vines grown, yield obtained and income earned are given in table 2.13.

Table - 2.13

Pepper - Pattern of Cultivation and Yield

Group	No. of Pepper vine growers	Percentage of total	No. of vines grown	Average No. of vines per house-hold	Average produce per vine in Kgs.	Price per Kilogram in Rs.	Money value in Rs.
I	197	90	631	3.2	0.5	30.00	9465
II	22	10	1715	77.95	0.5	30.00	25725
Total	219	100	2346	--	--	--	35190

Source : Survey data.

National average yield per vine is 1.39 kilograms of dry pepper. Production of pepper berries in the village is only 36 per cent of this level, because cultivation is not done on commercial lines. Out of the total yield of 1173 kg., 242.3 kg. (20.7 per cent) is consumed at home.

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7. R.T. Ravi Varma, Kurumulaku (Malayalam), Directorate of Extension, Kerala Agricultural University, Mannuthy, Kerala, India, 1985, p.8.

2.32 Sesamum

Single crop paddy land is utilised during one season (summer) for cultivating sesamum. It needs only harrowing and addition of some dung and ash and farmers use their own labour for this purpose. Costs of cultivation and income per hectare of sesamum are as follows :

	Rs.	ps.
1. Harrowing - 5 days labour @ Rs.30/- per day (imputed value)	150.00	
2. Dung - 12.5 pattas @ Rs.4/- per patta	50.00	
3. Ash - 12.5 pattas @ Rs.4/- per patta	50.00	
4. Seeds - 7.5 kilograms @ Rs.15/- per kg.	108.75	
Total cost	358.75	
Yield per hectare being 123 kgs., and the price obtained per kg. Rs.15/-, net income per hectare is		
(1845 - 358.75)	1486.25	
Total Net income from 16.83 ha.	25013.59	

The produce is sold in the town market. It is used for extraction of oil.

2.33 Other Crops

Certain other minor crops are grown in the village,

using household labour. They are - vegetables, tubers (colocasia), yams, pulses and ginger. The following are the respective land areas utilised for these crops.⁸

Vegetables	-	4.84 ha.
Tubers and Yams	-	5.38 "
Pulses	-	10.22 "
Ginger	-	1.79 "

Total		22.23 ha.

All these products except ginger are consumed at home as supplementary to the main cereal food, rice. Ginger is sold in the town market.

Role of Government Agencies in Developing Agriculture in the Village and its Impact

Agriculture development of the village received a boost after the introduction of the five-year plans. The main contributions of the five year plans were the provision of irrigation from Thumpoormuzhi dam (major irrigation) and minor lift irrigation from nine points at the Chalakudy river, within the limits of this village and two neighbouring villages. The major irrigation could not provide enough

8. Tally Sheets - Taluk Statistical Office, Irinjalakuda, Trichur District, Kerala, India.

water to the paddy lands of the village, as it is 18 kms. away from the village, and it is only the fag end of the canal which is reaching the village. The minor lift irrigations are serving the paddy cultivation in the village well. As a result the third crop of all three croplands is made possible.

Informed sources of the village pointed out that, electricity reached the village only after 1951, and it made possible the creation of 'own river lift irrigation' and well-lift irrigation. These facilities provided an impetus to the cultivation of coconut trees, though it cannot be strictly termed as a plan scheme.

Currently agriculture development of the village is taken care of by two wings of the same department. The two wings are agriculture Development Unit and agriculture Extension Unit. Agriculture Development Unit is currently implementing the following schemes -

1. Bio-gas plant construction.
2. Coconut rejuvenation.
3. Distribution of plant protection chemicals to coconut tree growers and renting of sprayers.
4. Distribution of coconut and paddy seedlings.
5. Recommending short-term loans.
6. SC & ST beneficiaries scheme - Distribution of mini-kits, which includes seeds and fertilizers.

7. Renting of agricultural implements to SC & ST beneficiaries.
8. Providing irrigation units to SC & ST colonies.
9. Natural calamity aid to a minimum area of 25 acres (around 10 ha.) suffering 50 per cent or more loss).
10. Any special schemes in the year concerned.

The function of Agriculture Extension Unit is to provide information assistance. A few years before, it was the scheme of holding a community nursery in different circles of the village (village divided into eight circles of paddy cultivation by the Government Department). Now it is the 'Training and Visiting System' according to which the officials contact the farmers of these circles and provide necessary information on cultivation.

It is the Agriculture Development Unit that provides material assistance to the farmers. General assistance is in the form of supply of cross-bred paddy seeds and coconut seedlings free of cost to SC/ST farmers and at concessional price to others, according to demands assessed sufficiently early. SC/ST farmers are also given minikits containing both fertilizers and seeds (pulses), number and quantity depending upon allocation from the Government. The quantities of different items supplied to SC/ST farmers

and others during the three years, 1984-85, 1985-86 and 1986-87 are given in table 2.14.

Table - 2.14

Items	Class of farmers	1984-85		1985-86		1986-87	
		No.	Weight of seeds	No.	Weight of seeds	No.	Weight of seeds
Cross-bred Coconut seedlings	SC/ST	774	--	70	--	336	--
-do-	Others	474	--	492	--	290	--
Mini-kits (pulses and fertilizers)	SC/ST	48	4 kg.	53	2 kg.	Nil	
		48	2 kg.				
Mini-kits pulses only (sesamum)	SC/ST	14	4 kg	11	2 kg.	Nil	

Minikits include fertilizers also. But the quantity and variety of fertilizers vary from year to year. In 1984-85 kit number one included 30 kgs. of factamphos + 3 kgs. of potash and kit number two included 15 kgs. of ma-sooriphos + 1.5 kgs. of potash + 3 kgs. of urea. In 1985-86

some kits included 13 kgs. of urea + 10 kgs. of potash + 5 kgs. of masooriphos; whereas other kits included 10 kgs. of factamphos + 6 kgs. of superphosphate + 1.5 kgs. of potash.

Impact of Government Assistance

Paddy seeds do not find a place in the table as it is not demanded by farmers. Regarding coconut seedlings, they are mostly used as replacement to spoiled coconut trees, except SC and ST beneficiaries, who used them for new planting. As regards supply of pulses, the survey does not yield evidence to their full utilisation, except the use of sesamum in single crop paddy lands. Community nursery programme to help improve the paddy cultivation is of little interest to the farmers. People are used to making use of conventional types of seeds.

Therefore it can be seen that coconut rejuvenation and distribution of sesamum have substantial impact on the agriculture sector in the village. Government have stopped supply of minikits from 1986-87. It is found that poor farmers are accepting Government assistance, but not utilising it to the expected extent.

2.34 Conclusions

Full utilisation of land found in the village points to the enterprising nature of the people. The

conditions of general average holding being 0.40 ha. and that of the rich few 1.5 ha. show that there is no scope for redistribution of land. It can even be surmised that there is excessive sub-division of land in the village.

Reduction in paddy land by 33 per cent has taken place owing to the non-profitability of paddy cultivation and better income from coconut cultivation. But for the high cost of planting coconut seedlings in low-lying land, the trend of conversion of paddy land to coconut land would have been speedier. Labour cost of paddy cultivation (53.35 per cent) is nearly one-fourth more than that of coconut (42.59 per cent) which very much deters paddy cultivation. Fiftynine per cent of the paddy land is only now double cropped, if converted into treble cropping land, production of paddy could be increased by 28 per cent which will all be saleable surplus, as the consumption needs of the village are already fully met.

During the planting of virippu and mundakan crops, it is the excess water in the fields that necessitates seedbed preparation and accompanied costs. Pumping out of this water if made possible, the cost of seed-bed preparation and transplanting could be avoided. Agricultural office in the village can take up this function on no-profit no-loss basis.

The number of coconut trees per hectare is 29 per cent less than what is technically feasible. Planting more seedlings will raise the income as well as help full utilisation of land.

Inter-cropping of coconut with either seasonal or perennial subsidiary crops would help increase village income and employment. It is noted that intercropping of coconut with plantain and banana increase the yield of coconut trees also.

Considering production of major crops - paddy and coconut, it is found that the state average production of paddy is 1.73 metric tonnes per hectare.⁹ In the village it is 2.264 metric tonnes per hectare.* Average production of coconut in the state is 4797 per hectare,¹⁰ whereas in the village it is 4868** per hectare. In the case of paddy production the difference is more than 30 per cent, whereas in the case of coconut it is only 1.5 per cent. As regards all other crops, since they are not cultivated either according to strict farming lines or commercial lines, they merit no comparison with state level averages.

9 & 10. Government of Kerala, Kerala Economy, 1987,
Department of Economics and Statistics,
Trivandrum, 1987.

*, ** Source: Survey data.

Gross cropped area in the State during 1975-76 through 1985-86 were as follows :

	11 1975-76 -----	12 1979-80 -----	13 1980-81 -----	14 1985-86 -----
Area		2880	2884	2866
Percentage	76.73	71.1	74.2	73.2

Gross cropped area in the village, 1552.3853 ha., (88.1%) out of 1762.0532 ha., in 1986 is better utilised than the State average.

11 & 12. K.C. Sankaranarayanan and V. Karunakaran, Kerala Economy, Oxford and I.B.H., New Delhi, 1985, pp.44, 45.

13 & 14. Kerala Economy, 1987, op.cit.

CHAPTER - III

INDUSTRY

The economic development of a country largely depends upon the development of industries. This can be true in the case of a village also.

As per the village records this village has a large assortment of small scale industrial units and a large industrial establishment. To verify this information, the industrial establishments were personally visited and details obtained. As per the information collected the industrial units in the village can be divided into the following broad categories :

3.1 Industrial Units in the Village

1. Extractive and mining industries -
 - a) Granite stone quarrying.
 - b) Laterite stone quarrying.
2. Primary products processing industries -
 - a) Tile manufacturing units.
 - b) Brick-making choolas,
 - c) Coconut oil mills,
 - d) Paddy de-husking mills,

- e) Sea-shell processing units,
 - f) Copra-making units, and
 - g) Furniture workshops.
3. Metal processing and shaping industries -
 - a) Casting foundries,
 - b) Steel fabricating units,
 - c) Metal shaping industry (steel) and
 - d) Aluminium industrial units.
 4. Bone crushing and processing industries -
 - a) Kerala Chemicals and Proteins, and
 - b) Bone-meal making unit.
 5. Food Industries -
 - a) Cola making unit, and
 - b) Bakeries.
 6. Other industries -
 - a) Thread rubber making unit,
 - b) Plastic products making units, and

c) Match dipping un

it.

y different types of industrial
 illage. Except one large scale
 hers are small scale units, owned
 individuals. Systematic analysis
 ture could be made, only in the

There are twent
 units working in this v
 industrial unit, all ot
 and operated by private
 of cost - benefit struc

case of some major industrial units, which have continuous production arrangements. In other cases, required information could not be got as the owners themselves are not very clear about their units.

3.2 Granite Stone Quarrying

Granite quarries are rock hills available in the village. There are six rock hills in the village, of which only two are now worked up. All the hills are 12 to 15 metres high and occupy around 0.06 to 0.08 hectare of land. At the village level it fetches Rs.25,000/- to Rs.30,000/- as price of stone. A quarry in the village contain on an average 2500 lorry loads of granite.

Quarry operator, a petty trader-cum-businessman buys the hill paying the above amount. He employs labour to break the hill, reduce the size of broken stones and to fill the lorries for transportation. Necessary instruments to work with - hammers, drills, and chisels are also procured by him. Transportation is also arranged by him by hiring a lorry at the rate of Rs.650/- per day.

Dynamiting the rock hill, reducing the size of broken hill parts and further reduction of size of some of the rubbles into small, 2.5 centimetre size are performed

by hired labour on daily wage basis. Making of small size stones and part of the head load work are done by women. Unloading work at the purchase point is done by local organised labour.

Working of a quarry depends on demand for rubble and small stones arising from in and around the village. It is quite seasonal, dampening the demand during rainy season. During summer when constructions take place mostly, granite stone is in demand. The quantity demanded and sold though could not be estimated accurately, on an average, around 625 lorry loads are sold from a quarry in a year.

The demand ratio between granite and small stones in a year is 20:3.

Granite is charged based on cost and profit. The cost of one lorry load of granite is as follows:

	Rs.
Cost of rubble	- 55.00
Cost of loading	- 20.00
Cost of transport	- 130.00
Cost of unloading	- 30.00
Profit expected	- 50.00

Total cost price	- 285.00

One lorry load of small stones is charged double than that of rubble, because one lorry load of it will contain double the quantity of granite than rubble and it requires substantial amount of labour of women in addition.

Though there are six rock hills in the village, only two are worked upon. Based upon their average annual working, the following is the cost-benefit structure of a granite quarry.

Granite Rubbles

	Rs.	ps.
Cost of granite - 545 lorry loads - @ Rs.55/- per load	29,975.00	
Cost of loading per lorry for 545 - lorries @ Rs.20/- per load	10,900.00	
Cost of transport of 545 loads - @ Rs.130/- per load	70,850.00	
Cost of unloading @ Rs.30/- per load	16,350.00	
Profit expected @ Rs.50/- per load -	27,250.00	
Total cost, including profit (a) -	1,55,325.00	

Small Granite Stones

Cost of granite - 80 lorry loads - @ Rs.110/- per lorry load	8,800.00
---	----------

Labour cost of making small stones @ Rs.145/- per load	-	11,600.00
Cost of loading the same @ Rs.40/- per load	-	3,200.00
Cost of transport @ Rs.130/-	-	10,400.00
Profit expected @ Rs.100/- per lorry load	-	8,000.00
Total cost including profit (b)	-	<u>42,000.00</u>
Total annual turn over in a quarry	-	<u>1,97,325.00</u>
Annual rate of profit of a quarry	-	<u>17.86 per cent</u>

Since there are four more granite hills waiting for exploitation of stock, the village is having 200 per cent additional capacity of granite stones waiting to be exploited and utilised. It is the demand position in the village and around, that keeps this stock, as such.

3.3 Laterite Stone Quarrying

Hard red stone lands which could not be used for cultivation are worked upon as laterite stone quarries. It is the poor and lower middle class, who are found to occupy these lands, and it is they who cut laterite stones using their own labour. They use it for their own house

construction and sell to other villagers for the construction of wells.

The raw material is the land and the labour is that of the owner-producer. Labour used is idle labour, at food cost. This being the real cost, the opportunity cost is the imputed wage value. The exact quantum of produce per day could not be known as the work is performed at leisure. The price charged by the producer is only the labour cost. However, middlemen charge the price on the basis of lorry load.

At present there are ten quarries of this type in this village. Double of this or even more quarries could be opened a-new, according to demand.

3.4 Tile Industry

Historical Background

Technology of tile production was brought to the village in the 1920s from Feroke in Calicut by a grandfather of the present owners of major tile factories in the village. Surplus income from agriculture, cheap and abundant availability of tile class clay, availability of cheap labour and abundant supply of water are the circumstances which prompted the early entrepreneurs to enter

into this industry. The first tile factory in the village took shape in 1926. It was followed by new factories in 1952, 1956, 1972 and 1985 by members of the same family. The only exception to this ownership position was the starting of a tile factory in the co-operative sector in 1977, under the aegis of the Khadi and Village Industries Board, for the economic uplift of traditional clay workers, Kusava community.

3.5 Structure of Fixed Capital and Circulating Capital

Standard requirements of fixed capital items and their costs at current level are as follows:

	Area/Quantity	Price per Unit in Rs.	Cost in Rs.
	-----	-----	-----
1. Land for factory	1.25 acres	250000 per acre	3,12,500
2. Cost of factory shed	3000 sq.ft.	Rs. 25/-	75,000
3. Electric motors, fittings, dye set, tables etc.	--	--	40,000
4. Wooden racks	--	--	40,000
5. Clay land	5 acres	5000 per acre	2,50,000
6. Two year's worth stock of clay at the factory	43680	2.88	1,25,798.4

	Total Fixed Cost		8,43,298.4

Annual requirement of circulating capital for the running of a factory at the present rate are as follows :

Material Cost

1. Cost of clay, 21840 Kandis @ Rs.2.88 per kandi.	-	62,899.20
2. Cost of clay transport @ Rs.550/- per day for 7 months	-	1,00,100.00
3. Cost of fire wood, 1404 metric tonnes @ Rs.375/- per unit	-	5,26,500.00
4. Cost of oil, 15600 litre @ Rs.2/- per litre	-	31,200.00
5. Electricity charges @ Rs.275/- per month	-	3,300.00

Total material cost	-	7,23,989.20

Labour Cost

1. Men and women (25) permanent workers, daily wages @ Rs.22/- for 7 months	-	1,00,100.00
2. Above men and women half day wages @ Rs.11/- for 5 months	-	35,750.00
3. Above men and women overtime wages @ Rs.4.50 for 105 minutes per day for 7 months	-	20,475.00

4. Bonus to the above @ 20 per cent of their full day basic pay of Rs.18/- and of half day Rs.9/- for 7 months and 5 months respectively	22,230.00
5. Wages to men, (25) temporary employees @ Rs.20/- for full days and Rs.10/- for half days for 7 months and 5 months respectively	59,280.00
6. Overtime wages to the above @ Rs.4.50 for 105 minutes per day for 7 months	20,475.00
7. Annual Bonus to the above @ 20 per cent of full day basic pay of Rs.16/- and half day basic pay of Rs.9/- for 7 months and 5 months respectively	9,796.80
8. Wages to 33 women (temporary) @ Rs.17/- for full day and 8.50 for half day for 7 months and 5 months respectively	1,38,567.00
9. Overtime wages to the above @ Rs.4.50 for 105 minutes per day for 7 months	27,027.00
10. Annual bonus to the above @ 20 per cent of full day basic wages of Rs.13.60 and half day basic wages of Rs.6.80 for 7 months and 5 months respectively	22,170.72

Total labour cost	4,55,871.52

11. Cost of management, accounting and auditing @ 5 per cent of the variable cost	58,993.00

Total variable cost + management cost	12,38,853.72

Total Annual Production Expenses

1. Material cost	-	7,23,989.20
2. Labour cost	-	4,55,871.52
3. Cost of Management	-	58,993.00
4. Cost of depreciation @ 5 per cent of fixed capital	-	42,164.92

Total production expense		12,81,018.64

3.6 Organisation of Production

Organisation of tile production starts with securing clay lands (paddy field). Formerly paddy fields in the village were utilised for the purpose. Now, clay is obtained from nearby villages - Āloor, Annallur and west Chalakudy. The five tile company owners, belonging to the same family tree, possess on an average 25 acres (above 10 hectares) in the above villages. They stock in the company premises, clay to the extent of 2 years' requirement and transport clay every year from the fields to the company, during summer season. Clay is stocked in the company premises, so that its acidity is shed by actions of atmosphere on it.

A tile company engages 7 men and 7 women a day, paying a daily wage of Rs.27/- and Rs.19/- respectively to excavate clay and fill the waiting lorries. They are supplied with pick-axe, spade and basket by the company. Owners also arrange to drain the field of water. Six lorry loads of clay will be excavated per day. In case of additional requirement, another two lorry loads will be excavated at a rate of Rs.2.88 per Kandi. A lorry load contains 20 Kandis of clay.

Lorry transport is arranged either in company - owned lorry or a hired one, paying Rs.550/- per day. In case a tile company does not own clay land, delivery of clay at the factory site could be arranged at a rate of Rs.10.50 per Kandi. This cost will work out to be nearly the same as that of the other.

Labour required at the factory is recruited, as far as possible, from among the local people. Permanent and temporary workers are employed in a tile company. Permanent workers do technical work like pressing the tile and baking it. Temporary workers do all accessory works. Men and women are employed in both categories. A tile company with a single revolving press employs around 70 workers, of which 36 per cent is permanent and 64 per cent temporary. Addition of one more revolving press needs doubling the strength of workers.

Fire wood and oil, the other raw materials required are obtained from outside the village. Oil is used at the time of pressing the tiles to avoid sticking of clay to the frame, and a litre of oil is needed to embalm 150 tiles. Fire wood used for baking is required at the rate of 6 metric tonnes per ten thousand tiles. Tile companies usually stock fire wood during summer, when its price is low.

It is the tile press with its technology that decides the production capacity of a firm. A revolving press (existing best technology in the village) can turn out 7000 tiles per day; whereas a hand press can turn out only half of this number. Overtime production added to this, it needs a choola with seven baking rooms with a capacity of 4000 each. Choolas are normally fired twice a week at the interval of three days. Pressed wet tile, dried on the racks, after baking in the choola is ready for sale, after a little natural cooling.

All companies pay the same rate of wages to its permanent workers, whereas in the case of temporary workers, women are paid less than men, and the temporary workers' wage rate is 20 to 25 per cent less than that of permanent workers. However, permanent and temporary workers are given bonus at the same rate.

Tile companies produce different types of tiles - roof tiles, smoke tiles, valley tiles, ridges and floor tiles - to meet the different needs in the construction of a house. Diversifications being tried are earthen sanitary pipes, wire bricks and flower pots. A newly started co-operative tile factory is producing only floor tiles, both plain and ornamental.

Tiles are sold both inside and outside the village. Sales inside and nearby the village is quite minimum. Maximum quantity is sold to Tamil Nadu buyers. There is no dearth of demand for tiles, what is produced is fully sold.

3.7 Income of a Tile Company

Income to a tile factory is from the sale of tiles. According to the present trend, a tile company produces maximum of tiles during summer season. A tile company with a single revolving press produces tiles as follows :

Summer season production during normal working hours (7000 x 26 x 7)	12,74,000
Overtime production during summer (1750 x 26 x 7)	3,18,500
Wet season production, working only half day (3500 x 26 x 5)	4,55,000

	20,47,500

Average sale price being Rs.1100/- per thousand tiles, a company earns Rs.22,52,250/- annually. All working costs add upto Rs.12,81,018/-. After deducting the annual interest @ 15.5 per cent on total capital, which amounts to Rs.3,13,589.60, the net annual profit will work out to Rs.6,57,642.40, a profit rate of 51.33 per cent approximately. Though a tile company's annual production is to be totally accounted, there is an average breakage of 5 per cent of the tiles produced, which has to be deducted from the profit. The companies adjust the breakage by securing fire wood at a lower price and using company's lorry to carry clay, both of which will reduce cost.

3.8 Problems of the Industry

1. Increase in the price of fire wood.
2. Sagging of wooden racks, causing damage to drying tiles.

Possible solutions are - use of electrically fired furnace to heat the choola, and replacement of wooden racks with steel racks. Further suggestion is use of trawler to the rack and choola and back to the stock yard. This will reduce labour cost.

3.9 Future Prospects

Availability of known clay stock which is sufficient for 50 to 60 years assures the continuance of existing factories. And even starting of new factories is possible. Since the demand is increasing over the years, two or three new tile companies can be started. Cost reduction as suggested earlier can raise the profit rate to higher levels. Doubling the capacity of existing tile companies can be thought of, as it will raise the per unit income, if not the rate, without much addition to fixed capital.

3.10 Brick Choolas

Brick choolas are make shift, temporary arrangements, organised by experts, well versed in all aspects of this enterprise. It is a seasonal operation and during summer they organise making and baking of two choolas of bricks. After this operation they wait for the next favourable season.

This business enterprise is located in paddy fields, since clay is the basic raw material. Labourers are recruited locally; even women and children are employed according to availability and requirement. The village has the required supply of this kind of labour who do other works or remain idle, during rainy season.

3.11 Fixed Capital

Since the business enterprise is a make-shift and temporary one, there is no much fixed capital involved in it. The tables, on which bricks are made, a thatched shed built above the choola and the wooden brick frames form the fixed capital, which together will cost around Rs.2500/-.

4. Cost of transport @ Rs.550/- per day for 5 trips of 6000 bricks each, to carry all bricks to purchase point	9,166.00
Total material cost (a)	----- 29,791.00 -----

Labour Cost

Table 3.1 illustrates the structure of labour cost involved in the production of bricks.

Table - 3.1

Brick-making - Structure of Labour Cost

Name of Work	No. of Tables	No. of Workers	Rates of wages per day	Days per Choola	No. of Choolas	Rs. ps.
Clay excavation	3	x 2	x 20	x 20	x 2	4800.00
" carriers	3	x 4	x 12	x 20	x 2	5760.00
" mixers	3	x 2	x 30	x 20	x 2	7200.00
" rollers	3	x 1	x 17	x 20	x 2	2040.00
Brick cutting	3	x 1	x 30	x 20	x 2	3600.00
" carriers	3	x 4	x 12	x 20	x 2	5760.00
" stacking (females)	3	x 4	x 17	x 20	x 2	8160.00
" stacking (males)	3	x 2	x 30	x 20	x 2	7200.00
		----- 20 -----		----- 40 -----	Total labour cost(b)	----- 44520.00 -----

Total circulating capital - a + b = 74311.00

3.13 Organisation of Production

Production process, leasing of land, excavation of clay, mixing, rolling and cutting of bricks are arranged by employing 20 labourers. It takes 20 days to produce bricks to make one choola, at a rate of production of around 4200 bricks per table, working three tables. Choola making and baking follows. One choola contains about 2.5 lakh bricks. It will take three days to cool down. Only after sales contracted, transport arranged and full stock sold, next choola work starts and the same continued.

Bricks are sold at a price of Rs.325/- per thousand, loading and unloading charges are extra.

3.14 Income from a Brick Choola

All the bricks produced are not available for sale. Part of the bricks produced will break, which is around 5 per cent. Only the balance is available for sale. Income from brick making is as follows:

	Rs.	ps.
Sale income from bricks @ Rs.325/- per thousand	475000 x $\frac{325}{1000}$	1,54,375.00
Total labour and material cost		74,311.00
Net income		80,064.00

Rate of profit is 48 per cent. This is the personal income of the choola organiser for the year, and he waits for the next season to come to restart operations.

Improvement in production, mechanisation of production or even a continuous establishment could not be thought of, as this is a purely temporary and seasonal activity. Since no substitute type bricks are produced nearby, production of these bricks will go on. The village has at the time three such brick-making choolas, providing employment and income to a few people.

Coconut Oil Mills

3.15 Historical Background

The village had in the past, several oil mills extracting oil from copra, operated as household enterprises, using old technology and animal energy. Oil extracted was quite low but sufficient to meet the needs of the villagers. The old technology is now replaced by mid-level and in some cases high-level technology. Today there are four oil mills in the village, of which two use medium technology and the other two modern technology. These mills are located at different points and cater to the needs of the village and outside.

3.16 Structure of Fixed Capital

The cost structure of the mills varies, depending upon the technology and the Table gives information regarding the cost structure of medium and modern technology mills. (Table 3.2)

Table - 3.2

Fixed Cost Structure of Oil Mills - Technology-wise

<u>Medium Technology</u>		<u>Modern Technology</u>	
1. Land, 0.16 ha. @ Rs.6175/- per 0.01 ha.	98,800	Land, 0.16 ha. @ Rs.6175/- per 0.01 ha.	98,800
2. A permanent shed	30,000	Permenent shed	30,000
3. Funnel like motor grinder, 2 sets of three each and access- ories.	50,000	Medium size expeller	50,000
4. Raised wooden platform	5,000	No platform required	--
5. Electric motor 25 H.P.	15,000	Electric motor 25 H.P.	15,000
6. Electrical accessories	1,500	Electrical accessories	1,500
7. Weighing scale of a maximum capacity of 100 kg.	3,000	weighing scale of maximum cap- acity of 100 kg.	3,000
Total fixed cost	2,03,300	Total fixed cost	1,98,300

The table 3.2 shows that fixed capital content is higher in the case of medium technology mills. But the availability of second hand machines, reduces the capital expenditure by more than 10 per cent. Capacity of machines of both types being 12 quintals of copra per 8 hour day, the following is the annual requirement of variable capital.

3.17 Structure of Variable Capital

Annual requirement of variable capital to one oil mill in the village, based on installed capacity is as follows :

	Rs.	ps.
1. Copra @ 12 quintals per day for 280 days a year at the average market rate (12 x 280 x 1666)	55,97,760.00	
2. Cost of electric energy @ Rs.200/- per month	2,400.00	
3. Wage cost @ Rs.35/- to 2 skilled workers and @ Rs.20/- to 2 unskilled workers for an year of 280 days.	30,800.00	

Annual requirement of variable capital	56,30,960.00	-----

3.18 Organisation of Production

Buying copra and selling oil and oil cake are continuously done. The time gap between buying the raw material

and selling the products is the minimum time required by the production process, say a week. Stocking of either raw materials or finished products is not done because of capital shortage and unexpected fluctuation in market price.

Sales take place both inside and outside the village. Local sale is minimum and town market could absorb any quantity of oil and oil cake and prices are determined by the national market, controlled from Bombay. August, September and October are lean months of coconut production, and hence prices soar high during these months, and especially in October.

3.19 Annual Income of an Oil Mill in the Village

The village is producing only 8927 quintals of copra, which forms 66.42 per cent of the requirement, considering the crushing capacity of oil mills in the village. Oil content of the copra produced in the village being 70 kilograms per quintal¹, the average price of copra being Rs.1666/- per quintal, the average price relationship between copra and oil being 2:3 and the price of oil cake being 11 per cent of oil price; the average annual income of an oil mill in the village, using medium technology, is as follows:

1. A.G.G. Menon, op.cit., p.62.

3.20 Cost of Production - Medium Technology

	Rs.	ps.
1. Quantity of copra crushed per annum x price (2231.75 qu. x Rs.1666)	37,18,095.50	
2. Annual average wage bill for 66.42 per cent capacity utilisation	20,457.36	
3. Cost of electricity	1,594.08	
4. Wear and tear @ 5 per cent of fixed capital	10,165.50	

Total cost	37,50,311.94	

Income

1. Income from oil	$\frac{2231.75}{100} \times 70 \times 2499$	39,04,000.20
2. Income from oil cake	$\frac{2231.75}{100} \times 30 \times 274.89$	1,83,983.87

		40,87,984.07

Therefore net annual income		3,37,672.13

Percentage of profit	- 9	
	=====	

Seasonal variations in price and nominal transportation cost involved and interest on working capital might

reduce the profit rate, a little. In the case of mills using modern technology, the cost benefit position is as follows:

3.21 Cost of Production - Modern Technology

	Rs.	ps.
1. Quantity of copra crushed per annum x price	37,18,095.50	
2. Annual average wage bill for 66.42 per cent capacity utilisation	20,457.36	
3. Cost of electricity	1,594.08	
4. Wear and tear @ 5 per cent of fixed cost	9,915.00	

Total cost	37,50,061.94	-----

Income

1. Income from oil @ 77 kgs. per quintal of copra	42,94,400.30	
2. Income from oil cake @ 23 kgs. per quintal of copra	1,41,101.72	

	44,35,502.02	-----
Therefore net annual income	6,85,440.08	-----
Percentage of profit - 18.28	=====	

Again, seasonal variations in price and nominal transportation cost involved and interest on working capital might reduce the profit rate, marginally.

3.22 Problems of the Industry

Use of medium technology reduces the rate of profit of half the units by more than 50 per cent. Secondly, the quantum of circulating capital required per month is more than 150 per cent of the fixed capital, which if not provided by the banks, the industry will be crippled further. Market price fluctuation adversely affects the rate of profit.

3.23 Solutions

The following solutions are recommended to solve the problems faced by the oil mills:

1. Modernisation of half the industrial units
2. Concessional bank finance towards circulating capital and
3. Formulation of a proper price policy.

Future prospects of the industry depend on availability of raw material, which could be solved only by increasing the production of coconut in the village.

3.24 Copra-making Units

There are three copra-making units in the village, working as family enterprises, involving antiquated technology. Fixed capital involved for this activity amounts to Rs.3000/-. This is to prepare a thatched shed with cement flooring to provide working space for the labour involved in this process.

The quantum of circulating capital required by this industry is determined by the availability of coconuts and the prevailing price. A rough estimate of circulating capital per unit works out to Rs.2.5 lakhs. However, since the purchase and sale are effected 8 times an year, based on felling of coconuts by land owners, around Rs.35,000/- will be sufficient as circulating capital at a particular point of time.

3.25 Organisation of Production and Sale

Based on annual average availability of coconuts per unit (1,45,283) and the processes involved (de-husking and cutting of coconuts, sun-drying and de-shelling) the following is the form of working of a unit:

Fixed Capital

	Rs.	ps.
Thatched shed, cement floor and plastic net	3,000.	00

Variable Capital

1. Price of coconut	$\frac{145283 \times 1666}{1000}$	2,42,041.47
2. Wage cost @ Rs.25/- per 1000 for all these processes together	$\frac{145283 \times 25}{1000}$	3,632.08
Total variable cost		<u>2,45,673.55</u>

Copra is sold by weight. Copra of coconuts produced in the village weigh 0.185 grams a nut.² Income depends on weight of copra per coconut, which could vary according to the variety of coconut produced. Hence the following is the income per annum per unit.

	Rs.	Ps.
1. Sale of copra	$\frac{145283}{1000} \times 185 \times \frac{1666}{100}$	4,47,776.73
2. Sale of husk @ Rs.10/- per hundred		14,528.30
3. Sale of shell @ Rs.10/- per hundred		14,528.30
Total sale income		<u>4,76,833.33</u>
Therefore net income		<u>2,31,159.78</u>
Annual rate of profit		<u>94 per cent</u>

2. A.G.G.Menon, op.cit.

Cost of transport of copra to the oil mill, interest on loan if any, and impact of any adverse effect of price variation might reduce the rate of profit. However, the fact remains that net income includes wages to the organiser and his household labour as well.

Future prospects of these units of production are not bright, since this household industry is surviving on distress sale of coconuts by the poor, which may not last long.

3.26 Paddy De-husking Mills

The village has 16 paddy de-husking mills, run as household enterprises and assisted by attached labour. These are spread in all panchayat wards, serving on an average 273 households. In all cases, it is a source of additional income to other agriculture incomes.

The fixed capital items involved are - a shop room or a permanent shed, a machine called huller and an electric motor of 10 H.P. capacity and its accessories. Structure of fixed capital is as follows:

3.27 Fixed Capital Structure

	Rs.	Ps.
1. Cost of shop room (land otherwise possessed already)	5,000.00	
2. Cost of huller	8,000.00	
3. Cost of electric motor and accessories	7,500.00	

Total fixed cost	20,500.00	-----

It needs no notable variable capital except the cost of electricity. It is the paddy used for household consumption in the village that is de-husked in these mills. It amounts to 1,35,077 paras. De-husking charge per para is Re.1/-. Therefore all these mills together get Rs.1,35,077/- as their total annual income, of which the unit share is only Rs.8,442/-.

Some of these mills combine grain grinding with de-husking, temporarily converting their hulling mills to grinding mills by changing the blade. The exact income earned from grinding is not known, as the mill owners themselves are not sure about that.

In addition to these, three petty shop owners are found doing machine - powdering of rice also. Their income is known to be negligible.

3.28 Shell Processing Units

The village has two sea-shell processing units, run as family enterprises, working only for 8 months an year. Capital expenditure for this is limited to that of a choola, temporary shed, three showels and three metal pans, altogether costing Rs.3,500/-. Each unit hires two expert workers, paying wages on the days of work only. The demand for the product comes from house builders, belonging to the poor and lower middle class groups, who construct tiled roof houses. Lime mixed with river sand is used as mortar, since it is cheaper than cement.

3.29 Structure of Variable Capital

The raw materials used are raw sea-shell, coking coal, charcoal and coconut shell. Sea-shell is processed using the heat energy produced by burning other materials. The following is the structure of variable capital per unit, based on the demand position in 1986.

	Rs.	Ps.
1. Raw shell, 150 pattas (1 patta = 10 kgs.) twice a month for 8 months @ Rs.6.50 per patta.	15,600.00	
2. Cost of coking coal, 25 pattas @ Rs.5/- per patta for the above period.	2,000.00	

3. Cost of wood charcoal, 25 pattas @ Rs.4/- per patta for the above period.	1,600.00
4. Cost of coconut shell, 300 full shells @ Rs.10/- per hundred for the above period.	480.00
5. Transportation cost @ Rs.150/- per trip, for the above period.	2,400.00

Total variable cost	22,080.00

3.30 Income

Production @ 150 pattas biweekly for 8 months, sold @ Rs.13/- per patta (150 x 2 x 8 x 13)	31,200.00

Net income of a unit per annum	9,120.00

The producers belong to the upper middle class group. This provide a supplementary source of income. There is substantial price difference between cement and lime and that attracts the poor and lower middle class to this product. As such the future of this product is quite uncertain.

3.31 Furniture Workshops

There are two furniture workshops in the village,

owned and operated by individuals, who manage them as household enterprises. Both are one man shows, combining all operations connected with the work shop. One shop has obtained IRDP loan assistance of Rs.5,000/-. Capital expenditure of a workshop comes to around Rs.1,000/- constituting simple implements for shaping hard wood. Things turned out are tables, chairs and other furniture items, mostly according to order. Production for stock is quite minimum. The owner - worker proposes to earn income equal to daily wages.

However the performance of these workshops is not economical. Demand is highly erratic. Securing work for 6 days a week is quite difficult. Strong competition from better quality, town market products is felt. Moreover, wooden articles meant for house construction are made at the user's cost and at his premises, by freelance carpenters. Future of these workshops is also uncertain.

3.32 Casting Foundries

These industrial units are founded and operated by expert workers (technicians) - one trained in industrial training institute and the other two expert technicians. These experts are businessmen, contractors and mastercraftsmen, all in one. Though every unit is capable of doing all

types of casting work, each unit specialises in one field only. These units cater mainly to the needs of units working in the Alwaye - Kalamassery industrial belt.

3.33 Fixed Capital

Three casting foundries are functioning in the village, of which two are small scale units (SSI) registered and one unregistered. The SSI units have capital expenditure worth Rs.35,000/- and Rs.50,000/- respectively. Each of them is equipped with a casting furnace and implements. Third one is working on a low key and is in the process of accretion of capital instruments.

3.34 Circulating Capital

Circulating capital requirement depends on the nature of work secured, the quantity of raw material required, number of days of work, number of assistants employed etc. All these units have employed trainees (two each) paying Rs.15/- per head per week.

In the case of the SSI units, the essential raw materials are available to them at concessional price, through Government quota system. In the case of the other unit, since not registered as SSI unit, raw materials are supplied by the intending firm.

It may be noted that, the income obtained by each unit is labour charges for the works performed - canvassing the work, providing expert labour and organising the work. Strict profit calculations could not be made. Exact calculations of annual turnover and profit also could not be done, as the owners themselves are not sure of these.

3.35 Annual Income and Future Prospects

Each unit is earning Rs.25,000/- to Rs.35,000/- per annum, after meeting expenses, except the cost of depreciation. They expect their income to go up in the years to come and also accretion of more capital equipments.

3.36 Steel Fabricating Workshops

A contingent of five 'engineering workshops', according to their terminology, are functioning in the village housed in rented sheds. They are, in fact, minor metal-fabricating workshops, producing iron gates and grills, used in the construction of houses. Each of these workshops is owned and managed by a master craftsman, well versed in cutting and welding of metals. The fixed capital structure of the steel fabricating workshops is as follows:

3.37 Fixed Capital Structure

<u>Name of Machine</u>	<u>Cost in</u>	
	<u>Rs.</u>	<u>Ps.</u>
1. Welding machine	5,000.00	
2. Flexible grinder	3,000.00	
3. Lathe	25,000.00	
4. Five H.P. Motor	3,500.00	
5. Drills, hammers, files, welding glass, vice, chisel and anvil		850.00

Total cost	37,350.00	

Two of these work shops are aided by banks to the tune of Rs.20,000/- each, under the self-employment scheme. Only one workshop has the facility of lathe.

These workshops turn out on an average 5 tonnes of worked up steel. On this basis, the annual requirements of variable capital are worked out as follows

3. Building rent @ Rs.100/- per month for one year	1,200.00
4. Cost of annually worked up raw steel, 5 tonnes @ Rs.8,000/- per ton.	40,000.00
5. Capital depreciation @ 5 per cent on minimum capital (except lathe)	617.50

	46,209.50

3.39 Annual Income and Future Prospects

Five tonnes of worked up steel @ Rs.11.50 per kilogram	57,500.00

Annual net income	11,290.50

House construction trend is such that new houses have a larger quantum of fabricated steel used, than earlier. Hence future prospects of these units of production are better. However, scope for new workshops of the type is limited.

3.40 Metal shaping Industry (Steel)

A very old workshop, equipped with a hand blower and few simple implements, is the sole, representative.

unit of this industry. Current value of all capital instruments of this unit is only about Rs.2,500/-, which forms the fixed capital.

Steel plate pieces bought from the town market, charcoal and the labour of the owner-worker form the circulating capital. What is produced is, two types of steel spoon of grand old design. Due to lack of demand for the product, very little production is taking place. Market for steel spoons is nearly fully captured by modern spoons.

Income earned is only a pittance and not any substantial amount can be expected from the operation of this workshop. Therefore, it has no future.

3.41 Aluminium Industrial Units

Two industrial units, using aluminium as the raw material are functioning in the village. Both are Small Scale Industry units (SSI) registered, started in 1978 and 1985 respectively. These are organised as joint-stock enterprises and partly financed by banks.

3.42 Structure of Fixed Capital

Fixed cost items are more or less than same in the case of aluminium units since the production process and the

goods produced are the same. Following is the structure of fixed capital of these industrial units :

	Rs.	Ps.
1. Land and shed	12,500.00	
2. Three electric motors of 0.5 H.P., 1.0 H.P. and 5 H.P. capacities	6,000.00	
3. Lathe	25,000.00	
4. Cutting machine	3,000.00	
5. Flexible grinder	3,000.00	
6. Wooden dye set	1,500.00	
7. Drill	500.00	

Total fixed cost	51,500.00	

3.43 Structure of Variable Capital and Annual Income

The quantity of products turned out being different, the amounts of variable capital differ between firms. This can be seen from the data given with respect to the two firms in Table 3.3.

Table - 3.3Variable Cost Structure of Aluminium Industrial Units

<u>Firm I</u>		<u>Firm II</u>	
1.	Aluminium sheet rolls @ 50 Kgs. per day for 300 days @ Rs.32/- per kg.	480000/-	25 kilograms of aluminium sheet 240000/-
2.	Skilled labour @ Rs.70/- per day for 300 days	21000/-	Skilled labour @ Rs.50/- per day for 300 dyas 15000/-
3.	Untrained Labourers (4) @ Rs.6/- per day for the same period	7200/-	Untrained labo- urers (2) @ Rs.6/- per day for the same period. 3600/-
4.	Electricity charges @ Rs.200/- per month	2400/-	Electricity char- ges @ Rs.100/- per month 1200/-
5.	Depreciation charges @ 5 per cent on fixed capital	2575/-	Depreciation charges 2575/-
6.	Interest on bank loan of 50000/- @ 15.5 per cent	7750/-	Interest on loan 7750/-
	Total variable capital	520925/-	Total variable capital 270125/-

Sale income from finished products 50 x 300 x 43	645000/-	Sale income from finished products 25 x 300 x 43	322500/-
Net annual income	124075/-	Net annual income	52375/-
Percentage of gain	23.8 =====	Percentage of gain	19.4 =====

Though fixed capital is the same, full utilisation of that capacity is made only by the first firm, as noted from the difference in the rates of gain.

3.44 Future Prospects

There is strong demand for the products of these industrial units. There is no marketing problem, and what is produced is automatically sold. This experience has prompted the first firm to start another firm using the same raw material, but in a different form, aluminium ingots. It has already laid the foundation to produce aluminium sheets, with a bank loan of Rs.23 lakhs. This new unit proposes to reach the level of full capacity utilisation by 1991. Acquisition of raw material and marketing of the finished product are to be made outside the village.

3.45 Kerala Chemicals & Proteins Ltd.

This is a joint-sector public limited company, started in 1979 sponsored by Kerala State Industrial Development Corporation (KSIDC) with Japanese technical collaboration (Mitsubishi Corporation) with a capital investment of Rs.3 crores. It is located in this village considering the backward position of the village and the copious availability of water from the Chalakudy river. It is financed partly by KSIDC and partly by a number of institutional agencies and public.

This factory is producing ossein (processed animal bone) and a by-product dicalcium phosphate (a fertilizer) from naturally dried animal bone, obtained mainly from North India. Bones of slaughtered animals available in the State are not used, because it is not naturally dried and degreased.

The company employs 82 workers in the factory, 25 office workers at its head office at Ernakulam, all recruited from outside the village, because of non-availability of qualified persons in the village. However, the company employs 10 casual workers recruited locally.

The main product, ossein is totally exported to

Japan, under the collaboration agreement and the by-product is sold in India, as fertilizer. Available raw material is fully utilised, but the quantity available varies from time to time. However, the company works round the year. It is making use of 6 lakh litres of water per day.

Ten per cent of its capital investment is used for the treatment of affluent water, which was formerly discharged without treatment and caused damage to paddy and animals and caused abrasions on the skin of people contacting it.

Benefits enjoyed by the village from this factory are - employment to 10 persons as casual labourers and an amount of money as profession tax to the Panchayat. In addition, the company is offering a few prizes, amounting to Rs.1,200/- per annum to meritorious winners of SSLC examination, hailing from the village. Due to the backwardness of the village and non-availability of adequate facilities for the education of children, company employees are living outside the village and therefore village economy is not benefited on that count.

The company is running on a profit. Balance sheets of the company for the period 1981-82 to 1986-87 show that

it is earning an average annual profit of Rs.47.5 lakhs, in addition to creating factory development fund.

3.46 Bone-meal Making Unit

This village has a bone-crushing mill to meet the needs mainly of coconut cultivators in the area. Capital equipments used for this purpose are a shed and a store room, an electric motor, a crusher and its accessories and a weighing scale. Unbroken bone is heaped in the open ground, and it is only the crushed bone, that is stored in the store-room.

3.47 Structure of Fixed Capital of the Bone-meal Unit

	Rs.	Ps.
1. Cost of shed and store room	8,500.00	
2. Electric motor and accessories	2,400.00	
3. Cost of crusher and its accessories	5,700.00	
4. Weighing scale	3,000.00	

Cost of fixed capital	19,600.00	

3.48 Structure of Variable Capital

	Rs.	Ps.
1. Raw bones (99650 Kg.) @ Rs.1.70 during the year	1,69,405.00	

2. Labour cost for two workers for 122 days a year @ Rs.15/- and Rs.22/-	4,514.00
3. Cost of electric energy @ Rs.125/- per month	1,500.00
4. Maintenance and depreciation charges @ 10% per annum	1,960.00

Total variable cost	1,77,379.00
Sale income from crushed bones (99650 x 2.2)	2,19,230.00

Net income per annum	41,851.00
Percentage of net profit	23.59

3.49 Future Prospects

There is ready demand for crushed bones during the peak seasons, April - May and August - September, when agriculturists add manure to coconut trees. Rich agriculturists even pay money in advance, assuring their quantity of crushed bones. Supply of raw bone from parts of Trichur District and Ernakulam District slaughter houses conditions the tempo of this business.

Continued working of the mill is a certain possibility. As long as cattle from Tamil Nadu is coming to the

slaughter houses in Kerala, the industry can survive. Cattle originating in the State of Kerala and slaughtered, are quite minimum, which will in no way be anywhere near the requirement to run this mill.

3.50 Soda-cum-Cola (local variety) making Unit

This village has an industrial unit producing aerated plain water (Soda), and essence mixed water (cola or crush). These products have substantial demand during summer and winter seasons (nearly 9 months). This unit is financed under IRDP scheme. Capital structure of Soda-cum-Cola unit is as follows :

3.51 Structure of Fixed Capital

	Rs.	Ps.
1. Bottling machine with meter	1,540.00	
2. Two carbonic gas cylinders @ Rs.1485/- per cylinder	2,970.00	
3. Forty cases of empty bottles (1 case = 24 bottles) @ Rs.4/- per bottle	3,840.00	
4. Forty wooden bottle cases @ Rs.8.75 per case	350.00	
5. Two tanks (drums) @ Rs.200/- per tank	400.00	

6. One bottle filling table	1,000.00
7. Two cycles (second hand) @ Rs.500/- per cycle	1,000.00
8. One corking machine	850.00

Total fixed cost	11,950.00

3.52 Structure of Variable Cost

The demand for Soda and Cola is accentuated by festivals and holidays. Soda is demanded 5 times more than crush or cola. Sales is effected through petty shops in different parts of the village. Estimated total sale of soda is 90625 bottles and crush 22750 bottles per annum. Hence the variable cost structure is as follows:

	Rs.	Ps.
1. Carbonic gas cylinder (11 Kg. gas) @ Rs.81/- per cylinder, which can fill 750 bottles ($\frac{113375}{750} \times 81$)	12,244.50	
2. Cork @ Rs.40/- per Kg. (which numbers 400 approx.) $\frac{113375}{400} \times 40$	11,337.50	
3. Fruit essence @ Rs.65/- per Kg. which can fill 425 bottles ($\frac{22750}{425} \times 65$)	3,479.40	

4.	Cost of labour @ Rs.2/- per case filling, distribution and taking back empty bottles $\frac{113375}{24} \times 2$	9,448.00
5.	Rent of shop room @ Rs.50/- per month	600.00
6.	Depreciation and maintenance charge @ 10 per cent of fixed cost	1,195.00

	Total variable cost	38,304.40

3.53 Income

1.	Sale income from Soda @ 30 ps. per bottle	27,187.50
2.	Sale income from crush @ Re.1/- per bottle	22,750.00

	Gross income	49,937.50

	Net annual income	11,633.10
		=====
	Percentage of profit	30.37

3.54 Special Features & Future Prospects

This production unit provides employment to two persons, a self employment scheme. Though continued

existence of the unit can be expected, demand for crush may be adversely affected by substitute products of more popular brand names.

The producer's success depends on the number of shops he can canvass, to keep stock of his product. This producer has canvassed 30 shops, and that is considered to be substantial. This covers 5 to 6 kilometers area of the village, which means only one-third of the village is served. Hence there is scope for two more production units of the type.

3.55 Food Products Baking Units

Four bakery units are functioning in the village, located at different points. These are family units, providing employment and income to family members only. In all cases the oven and sales counter are attached to the house or part of the house. These units are providing both income and occasional food to the family. Fixed costs incurred by three units are quite low compared to one newly started unit. The capital structure of the food products baking units is as follows :

3.56 Structure of Fixed Cost

	Old Units in Rs.	New Unit in Rs.
	-----	-----
1. Cost of baking oven	3,000.00	5,000.00
2. Moulds, trays, weighing balance and knives	1,200.00	2,000.00
3. Show case	1,800.00	3,400.00
	-----	-----
Total fixed cost	6,000.00	10,400.00
	-----	-----

3.57 Structure of Variable Cost

These units are producing cakes, biscuits, bread and bun. It is all produced according to demand, during season and off time. Bread is produced in sufficient quantities, biscuits at intervals and cakes during festivals. Based on this scheme of production the variable cost requirements of a bakery unit are as follows :

	Rs.	Ps.
1. Maida, wheat flour, sugar, yeast, hydrogenated oil, egg, salt, essence, flavours etc. @ Rs.500/- per month	6,000.00	
2. Fuel, coconut shell @ Rs.20/- per month		240.00
3. Packing and other materials @ Rs.10/- per month		120.00

Total variable cost		6,360.00

The products are priced in such a manner that double the variable cost is recovered from them so as to include labour and other costs. Only 75 per cent of the produce is found to be sold, balance 25 per cent consumed at home.

3.58 Income of one Unit is as follows :

	Rs. Ps.
Sale income from 75 per cent of the produce	9,540.00
Home consumed 25 per cent produce cost of production value	1,590.00

	11,130.00

Net gain in money terms	4,770.00

Percentage of profit	75

This is roughly the cost of family labour and it need not be considered as net gain, in the strict sense of the term.

3.59: Thread Rubber Making Unit

The village has a thread rubber producing unit started in 1979 using raw rubber as the main raw material.

Thread rubber is used for re-threading worn out tyres. Nativity of the owner and availability of water in plenty are the main reasons behind the location of this production unit in this village. The following items of fixed cost have been already incurred at the inception of this production unit.

3.60 Structure of Fixed Capital

	Rs.	Ps.
1. Land, 0.1585 ha. @ Rs.2,000/- per 0.1 ha.	31,700.00	
2. Permanent shed of built in area, 3000 sq.ft. @ Rs.35/- per sq.ft.	1,05,000.00	
3. Mixing mill	79,860.00	
4. Extruder	15,436.00	
5. Calendering machine	40,000.00	
6. 40 H.P. motor	27,000.00	
7. Electrical fittings	16,538.00	
8. Small implements	1,165.00	
9. Second hand tempo van	35,000.00	

Total fixed cost	3,51,699.00	

3.61 Structure of Variable Capital

Major items of raw material used are raw rubber and carbon black. Mixing of other raw materials like reclaimed rubber and china clay are used to reduce cost. It employs two permanent and two temporary workers, and produces 4 tonnes of thread rubber per month. A driver is employed on the basis of pay on the day of work. However, he is employed on an average of 2 days per week. The owner himself is the manager and expert employee and imputes a monthly wage. The following are the items of variable cost per annum.

	Rs.	Ps.
1. Raw rubber, 30 metric tonnes @ Rs.18,000/- per ton	5,40,000.00	
2. Carbon black, 18 metric tonnes @ Rs.19,000/- per ton	3,42,000.00	
3. Cost of diesel, @ Rs.5/- per litre, 10 litres per week	2,600.00	
4. Annual payment of wages to permanent employees (500 x 12 + 300 x 12)	9,600.00	
5. Annual labour cost of temporary employees (25 x 300 + 20 x 300)	13,500.00	

6. Wages to van driver (35 x 2 x 52)	3,640.00
7. Wages to the owner-employee (2000 x 12)	24,000.00
8. Electricity charges @ Rs. 350/- per month	4,200.00
9. Depreciation charges @ 10 per cent of fixed capital per annum	35,169.90

Total annual variable cost	9,74,709.90

Income

Sale of thread rubber 48 tonnes @ Rs. 22,500/- per ton	10,80,000.00
Net income per annum	1,05,290.10

Rate of profit	10.8 per cent

3.62 Future Prospects

Production of this unit is according to order received/canvassed from Trichur, Tirunelveli and Tuticorin. There is, even permanent excess demand for the product. To satisfy the existing order, the production unit is working one shift of 8 hours per day. Doubling

of the number of employees and working two shifts a day, are being thought of. It is, even feasible to start a new unit altogether, since availability of raw materials is not a constraint, and marketing of the product is not a problem at all.

However, working of this production unit seems to be a health hazard, as the factory and premises are very much contaminated by carbon dust.

3.63 Plastic Industry Unit

A plastic industry unit is being organised in the village, acquiring about 0.10 hectare of land and building a permanent shed. A total investment of Rs.3 lakh is envisaged. Proposed products are - plastic shoes of steel chairs, bushes to be fixed under wooden chairs and sofas and certain other simple products. Expected employment possibility is - two expert male workers and four female apprentices. It is a small scale industry unit (SSI) and expecting a bank loan both to meet capital expenditure and circulating capital. Both original and reclaimed plastic are proposed to be used.

The working of this production unit depends very much on the ability to organise sales of these products,

since already there are such products in the market. The firm proposes to establish its stand, by paying a slightly higher rate of margin to traders.

3.64 Match Dipping Unit

There is a match dipping unit in the village run by a person, who already has acquired knowledge in the field, by running another match dipping unit for three years. Early experience prompted him to start a like unit, again. It was shortage of finance which compelled him to close the earlier unit.

This new unit is started with financial assistance of Rs.50,000/- from the State Bank of Travancore. This unit is registered with the Khadi and Village Industries Board as a Small Scale Industry unit. He is already having 0.24 hectare of land and building, now utilised as the factory shed. The structure of fixed capital of the unit is as follows:

3.65 Structure of Fixed Capital

	Rs.
1. Stoves - 2 numbers @ Rs.350/-	700.00
2. Blow lamps - 2 numbers @ Rs.225/-	450.00
3. Mixing, dipping equipments	2,500.00
4. Grinder	2,500.00

5. Tables - 3 Nos. @ Rs.500/-	1,500.00
6. Balance	150.00
7. Racks - 98 Nos. @ Rs.50/- per one	4,900.00
8. Frames 42 Nos. @ Rs.150/-	6,300.00
9. Other accessories	6,000.00

Total fixed capital	25,000.00

This unit employs 12 girls, who were paid Rs.100/- per month as trainees, now being paid Rs.9/- to Rs.10/- per day, varying between this range, according to the quantum of work performed by them. Lining up the sticks in the holes of the frame is the work entrusted to the girls, as piecerate work. Dipping of the stick ends in the chemical mixture is done by the owner-organiser or his wife. Making the boxes, rubbing the paste of chemicals on the sides of the box, packing etc. are also done by himself and his wife at the factory. The following is the requirements of variable capital per annum, monthly production being 1000 to 1200 gross match boxes.

3.66 Requirements of Variable Capital

	Rs.
1. Cost of chemicals, veneer, splints, match paper and labels and packing paper per annum	1,19,299.00
2. Fuel @ Rs.200/- per month for one year	2,400.00

3. Tax, insurance, interest to loan and miscellaneous expenditure	76,401.00
4. Wages @ Rs.10/- per day to 12 girls for 270 days per annum	32,400.00

Total variable capital	2,30,500.00

3.67 Sale Income

	Rs.	Ps.
Sale income from 1100 gross match boxes per month @ Rs.20/- per gross for one year	2,64,000.00	

Net annual income	33,500.00	

Rate of gain	14.53 per cent	

The wage rate of the owner-manager (Rs.1,500/- per month) and his wife (Rs.500/- per month) takes away a sizeable portion of the profit and the final profit is thereby reduced to (4.12 per cent)

3.68 Future Prospects

This industry is highly competitive. Large number of production units in the State and gigantic national

level production units make the competition fierce. Since temporary and low paid employees' services are utilised, the firm finds it possible to exist. It is because of the experience of the owner-producer and his services that the firm finds it possible to manage its way. Since all chemicals are supplied by Government at concessional rates, the firm could keep its cost of production at this level. All other raw materials are obtained from outside. Future course could not be predicted, as the market may be influenced by external factors.

Conclusions

Industrial development of the village has taken long strides. Tile manufacturing and brick-making choolas are in the vanguard, followed by Aluminium industrial units and Thread rubber making unit. The existence of large number of industrial units points to the high industrial development of the village. Strong and perennial demand are enjoyed by a number of industries, pointing to their continued existence, possible expansion and high rate of profit. The large variety of industrial units is a pointer to the entrepreneurial capacity of the people. Raw materials available in the village are nearly fully utilised.

Establishment of small industrial units by the villagers to supplement their existing income from other sources is another example of making full use of the economic possibilities open to them. As of now all industries are faring well, except the furniture workshops, which are in the red.

CHAPTER - IV

VILLAGE ADMINISTRATION AND ITS ROLE IN VILLAGE DEVELOPMENT

Indian Scene

4.1 Historical Background Before Independence

Rural development in modern India was initially the work of European free traders who emerged in the second half of the 18th century. They advanced loans to private entrepreneurs and got themselves involved in the development of cash crops.¹ Government involvement in rural welfare emerged, infact, from the recommendations of the Famine Commission of 1880.² The activities were restricted to agriculture, so as to check the recurrence of famine. This called for corresponding administrative changes. As a first step, circle offices consisting of nearly 100 villages were established all over the country, headed by a circle officer, who was later replaced by a Block Development Officer, to undertake development.³

1. B.B. Misra, op.cit., p.V.

2. Ibid. p.VI.

3. Ibid. p.103.

Administrative decentralisation meant for devolution of decision-making authority from Centre to Provinces and from Provinces to Districts was introduced by the Government of India Act of 1919.⁴ Rural Boards were established; powers were steadily transferred from District Boards to Rural Boards by the Local Boards Act of 1920.⁵

Mahatma Gandhi strongly felt that the ethos of India could be understood only by knowing the villages. During freedom struggle he staunchly supported 'Gram Swaraj'. In the Gandhian concept of Swaraj, that is self rule, the village occupies a Central place and local self-sufficiency is regarded as essential.⁶ Gandhi replied to a question from Maurice Frydeman, "Industrialisation on a mass scale will necessarily lead to passive or active exploitation of the villages, as the problems of competition and marketing come in. Therefore we have to concentrate on the village, to make it self contained, manufacturing mainly for use. Provided this character of the village industry is maintained, there would be no objection to villages using even modern machines and tools that they can make and can afford to use."⁷ For Gandhi, the really significant choice did

4. Ibid., pp.128, 152 & 156.

5. Ibid., pp.270 & 272.

6. Sibnarayan Ray (ed) Gandhi India and the World, Nachiketra Publications, Bombay, 1970, p.24.

7. 'Harijan' 29 August 1936 (Ibid. p.248).

not lie between capitalism and socialism, but between a centralised economic system and a decentralised economy.⁸ Gandhiji was aware of the oppression that would come from a centralised power structure, building itself mainly on heavy industry, armament and advanced technology. This was the reason why he advocated that India should go the other way and follow the system of self-government functioning through Panchayats.⁹

4.2 Since Independence

Just after the launching of the five year plans in the country, a programme of community Development (CD) as a part of planned development was introduced in 1952. These projects were started after independence, primarily for encouraging the rural folks to utilize scientific methods of production and the main emphasis was on joint efforts for common benefits.¹⁰ Closely following this, 'National Extension Service' (NES) agency was inaugurated in 1953, based on the report of 'Grow More Food Enquiry Committee' which submitted its report in 1952. The NES was to work hand in hand with the CD Programme. NES was proposed as the agency through which our five year plans

8. Ibid. p.249.

9. S.N. Misra and Kushal Sharma, op.cit., p.79.

10. Alak Ghosh, Indian Economy, The World Press, Calcutta 1987, p.169.

seek to initiate a process of transforming the social and economic life of the villagers.

In effect, Community Development (CD) Projects work for intensive and comprehensive programme of development covering all aspects of rural life - agriculture, rural industries, education, housing, health, recreation etc., through utilising the surplus labour force in rural areas. The implementation of the programmes was expected through National Extension Service (NES) blocks (circle office of pre-independence period) headed by Block Development Officer (former circle officer) assisted by six technical extension officers at the block level and Gram Sevak at the village level. The pre-independence circle office was agriculture-oriented, whereas NES block of the later period was comprehensive in its development outlook. Marked feature of the programme was too much dependence on Government initiative and assistance and it was also found that the benefits of the projects were quickly reaped off by the better-offs than the have-nots.

4.3 Balwant Rai Mehta Committee

The then Prime Minister, Pandit Jawaharlal Nehru quickly realised this phenomenon and was quick in appointing a committee on decentralisation (to look into the

effectiveness of CD and NES) headed by Balwant Rai Mehta M.P. in 1956. The committee recommended village panchayats at the bottom, Panchayat Samitis at the block level and Zilla Parishad at the district level.¹¹ Village Panchayats were already established under Article 40, Constitution of India, Directive Principles of State Policy which reads, "The State shall take steps to organise, village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self government."¹² As panchayats were already existing, only the two upper bodies were to be created. Panchayat samiti was to be constituted from among the people's representatives of the Panchayats through indirect elections, and zilla parishad by Panchayat Samiti presidents, MLAs and MPs in the Zilla. The essential link of these representative organisations to the Government was achieved as follows - gram sevak to be the Secretary of the village panchayat, the block development officer and his assistants to implement block development activities and district collector to be the Chairman of the Zilla parishad.

Regarding finances, it was recommended that, budgets of panchayats were to be scrutinised and approved by

11. S.N. Misra and Kushal Sharma, op.cit., p.79.

12. Constitution of India, Eastern Book Company, Lucknow, 1986, p.29.

Panchayat Samitis and those of Samitis by Zilla parishads. The required finances for development activities, over and above, what the representative organisations can collect from the people, were to be provided by the Government. One of the major findings of the team was that, in the past, stress was on welfare activities more than on economic development and hence urged that emphasis should shift without delay to more demanding aspects of economic development.¹³

4.4 Panchayati Raj Institutions

The Government accepted these recommendations and Pandit Nehru termed it as, 'Panchayati Raj' Institutions (PRI). Accordingly PRIs were introduced in the early 60s in many states, and they were assigned three major tasks - development, economic, administrative and political. The basic philosophy behind PRIs was to ensure people's participation. At the grass-root level, the Mandal Panchayats (Panchayat Samitis) will be the hub of development activities, it was thought. Panchayati Raj Institutions are not yet introduced in the State of Kerala, only village Panchayats are created and they have not been assigned any economic development function, but only occasional social

13. Alak Ghosh, op.cit., p.173.

security functions. The states which introduced the PRIs found that it was not different from the CD and NES in providing benefits to the better-offs.

4.5 Sectoral Programmes

In the meantime a number of programmes for the development of agricultural sector were being introduced - Intensive Agriculture Development Programme (IADP) in 1960-61; High-yielding Variety Seeds (HYV) in 1963-64; Multiple Cropping in 1967; Small Farmers Development Agency and Marginal Farmers & Agricultural Labourers Development Programme (SFDA & MFAL) in 1969; and Drought Prone Area Programme (DPAP) and Tribal Area Development Programme (TADP) in 1974. Central and State Governments gradually reduced financial allotment to CD and NES and more over the special programmes cast their shadow on the already weak CD and NES Programmes.

These sectoral, area and weak economic group oriented programmes were later found to be partial, overlapping and cumbersome. These programmes were actually implemented through the administrative infrastructure created for CD and NES. Though CD and NES went into disrepute, their administrative framework was useful for the later programmes.

Even these multiple special programmes evaded the needy and the much expected development of villages did not take place to the required extent. A comprehensive programme aimed at the development of villagers living below poverty line was strongly felt. All special programmes were government sponsored and executed ones, and were lacking in people's participation and representation. Representation may be defined as the ratio of people actually engaged in the pursuit of a specific activity to the number of people required to pursue that activity adequately; and participation is defined as the ratio of actual involvement over involvement required to effectively pursue specific activities at a given level of representation for the group concerned.¹⁴

4.6 Introduction of Integrated Rural Development Programme

It was the existence of more than 40 per cent of the population below poverty line, inspite of the introduction of special programmes, which were lacking in people's participation and representation, that prompted a new strategy for the development of the poor. This is the much needed

14. Kurt Dopfer, 'Alternative Rural Strategies' in Local Level Planning and Rural Development - Alternative Strategies, UNAPDI, Bangkok, Concept Publishing Company, New Delhi, 1986, p.138.

grass-root level development. The result is launching of Integrated Rural Development Programme (IRDP) in 1976 and its implementation from 1979. Simultaneously National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP) were introduced, both connected to IRDP.

4.7 Conceptual Framework behind IRDP

Growing concern for equity and a balanced social and economic development has led to the attention being focussed on sub-national space and regions, as the logical focus for planning and implementation of integrated development. It is rarely realised that the lower the territorial level at which planning is done, the greater the comprehensiveness of planning exercise and the more integrated the plan.¹⁵ The same document further points out that, "priority should not be given to overall resource consistency supplemented with the belief that the activities that constitute that consistency will come forth. Instead the sequential logic should

15. Planning Commission, Government of India, 'Report on general issues relating to backward area development', by National Committee on the development of backward areas, New Delhi 1981, in R.P. Misra et.al (ed), op.cit., pp.VII & 1.

rely on priority given to the decision-making potentials as generated at local levels by alternative representational participational approaches. Within such approaches co-ordination would have the nature of an anticipated response to actually emerging activities."¹⁶ Mehbub Al Haq points out that, 'we were taught to take care of our GNP since this would take care of poverty. Let us reverse this and take care of poverty first, since GNP can take care of itself, for it is only a convenient summation and not a motivation for human effort.'¹⁷ Further the trickle down theory has failed and now development must begin from the bottom with mobilisation of 'Loksakti' or people's power, points out Misra and Sharma.¹⁸ In support of local level planning V.V. Vadakkan points out that, 'growing search in almost all the countries in the region (Asia and Pacific) for appropriate and viable alternative strategies for development, largely motivated by the concern that the development strategies pursued during the past quarter of a century or so have failed to benefit demonstrably the majority of the people or to involve them in development.'¹⁹ Kurt Dopfer

16. Ibid., p.150.

17. Mahbub Al Haq, 'the poverty curtain' Columbia University Press, 1976, p.43 in S.N. Misra and Kushal Sharma, op.cit., p.56.

18. Ibid., p.44.

19. Vinyu Vichit Vadakkan (ed) Local Level Planning and Rural Development - Alternative Strategies, Concept New Delhi, 1986. p.13.

points out that, 'decentralised planning in Asia and Pacific region boils down to development of rural areas, the villages. The rural world in its specific way of life, modes of production and consumption, institutions and behaviour rules - may in its complexity be best conceived as a system.'²⁰

4.8 IRDP - Finance

Finances of IRDP are provided by State and Central Governments and various banking institutions in the country. Initially banks provide the necessary finance for investment to the beneficiaries of which 30 per cent will be reimbursed by the governments on an equal basis. This 30 per cent forms subsidy to the beneficiaries, which is limited to Rs.3,000/- to any single beneficiary. Subsidy forms non-refundable assistance from the government.

4.9 Implementation

It is the Village Extension Officer (VEO) who selects the beneficiaries at the village level, from those living below poverty line. At the block level Block Development Officer (BDO) and at the district level

20. Kurt Dopfer, op.cit. p.133.

District Rural Development Agency (DRDA) co-ordinate their activities. The first two agencies are government officials at concerned levels under the Development Department. DRDA is constituted of district level officers of industry, agriculture, representatives of the banking system and BDOs headed by District Collector. IRDP is a government sponsored, officially executed programme providing enough participation and representation to the people to whom it is meant, aiming at comprehensive development of villages.

4.10 Administrative Agencies in the Village

The following four agencies are functioning in the village performing different lines of administrative function altogether completing the prevailing functional requirements of the village. They are -

1. The village office,
2. The agriculture development and extension office,
3. The village extension offices, and
4. The panchayat council and office.

4.11 Village Office

Village office, the last link in the chain of revenue administration of the State, is functioning in the village, manned by a village officer, two village assistants and a peon. The essential functions performed by this office are - maintenance of land records, particularly ownership-wise, collection of all revenues due to the government, issue of various certificates to village people, assignment of puramboke land to the landless, distribution of government sponsored social security benefits to people and submission of all reports required by the government on the village. Land tax and water cess, the permanent sources of revenue are collected and remitted to government Treasury; and the employees being government employees collect their salary from the treasury.

4.12 Economic Development Function of the Village Office

No economic development functions are either assigned to it or performed by it. Economic development programmes at the village level starting from CD to the present IRDP are not within the purview of the functions of the village office. Moreover, IRDP the new programme

of grass-root level development, excludes all dole recipients from its purview,²¹ In brief, village office is excluded from all developmental functions, and works mainly as the revenue collector, as it was before.

4.13 Agriculture Development and Extension Office

These are two functional units doing the work of general agricultural development of the village under an Agriculture Development Officer and an Agricultural Extension Officer, having under their administrative control, two neighbouring villages - the village under consideration and another one.

Agriculture development unit is headed by an agriculture development officer. He is assisted by a demonstrator, a lower division clerk and a sweeper. Schemes of agriculture development sponsored by the Government of India and Government of Kerala are executed at the village level by this unit. Current general schemes are - coconut rejuvenation, bio-gas plant construction, arranging short

21. Rural Information Bureau, I.R.D.P. a sketch, Development Department, Government of Kerala, 1983, P.I (Malayalam).

term loans, distribution of plant protection chemicals and hiring sprayers, distribution of coconut seedlings at concessional price and arranging community nursery to provide paddy seedlings. Certain special programmes meant to benefit small and marginal farmers, scheduled caste and scheduled tribe (SC & ST) beneficiaries are also executed. They include cost price - charged and free distribution of mini kits (containing fertilizers and seeds) hiring agriculture implements and constructing irrigation units to SC and ST colonies.

In addition to the above, this office arranges aid to farmers suffering from natural calamity to the extent of atleast 50 per cent crop loss extending to a minimum area of 25 acres (10 hectares).

Agriculture extension unit is currently providing advice and demonstration assistance to farmers of these villages under the current scheme, viz., training and visiting system. Farmers are arranged in groups and they are contacted at intervals and given the necessary guidance. These officers who advise farmers are given upto date information and training at a higher level by an assistant director.

4.14 Economic Development Functions

Agriculture development is fully taken care of by these departmental units. The officers concerned are directly responsible to the agriculture department of the Government of Kerala. The schemes are all sponsored by the Government of India and Government of Kerala. Other department units functioning in the village or the local self government body has no connection or control over the functioning of these units of agriculture department. These departmental units are doing solely the work of agriculture development as directed from above. It is, taking care of only one side of the village development.

4.15 Village Extension Offices

Starting of new cottage industries and petty business enterprises are taken care of by the two village extension officers (VEO) working in this village. Though starting and development of primary, secondary and tertiary sector activities come under this office, emphasis is on secondary and tertiary sector activities. These officers are entrusted with the duty of finding out families below poverty line, (i.e. having an annual family

income below Rs. 3,500/-) and to chalk out economic programmes suited to the development of each family, as spelt out by them, and recommend financial assistance from the banking system. Now they are doing the work of verifying the individual plans, assessing their financial requirements and then recommending issue of loans to concerned families. These activities come under the Integrated Rural Development Programme sponsored by the Government of India. Banks are under obligation to issue such loans, limited to a maximum of Rs. 25,000/- as per directions of District Rural Development Agency (DRDA), of which 30 per cent will be subsidy to the loanee, limited to a maximum of Rs. 3,000/- which will be reimbursed to the banks jointly by the Government of India and the State Government. From October 1985, to March 1986, 54 projects costing Rs. 3,40,335/- have been recommended by both VEOs together; of which 8 recipients belong to the secondary sector and 46 recipients to the tertiary sector activities. Respective amounts are 34,335/- and Rs. 3,05,800/-. This shows that only 10.15 per cent of the loan amount is utilised for the development of cottage industry and the balance 89.85 per cent utilised for the development of tertiary sector in the village. After development of agriculture and industry, it is the tertiary sector that is poised for development in the village.

IRDP assistance was started in the village in 1979. During March 1979, loans were issued to 126 beneficiaries amounting to Rs.2,97,350, all for milch cattle. From 1979 April to 30-6-'84, Rs.2,40,650/- was loaned out to 66 beneficiaries. From the very inception of IRDP scheme in 1979 to 1986 March, 246 beneficiaries were granted assistance amounting to Rs.8,78,335/-. Ninety-nine per cent of all loans are fully repaid. The aim of the IRD programme is development of local resources, including human resources through assistance to eligible families.

Village extension office is a government department office, and local self-government organisation has nothing substantial to do with this, except publication of the list of proposed beneficiaries on the notice board of the Panchayat office. Required amount of participation and representation of the people is secured by the VEOs. Since they have no thorough knowledge of the people, they rely on the ration cards to verify the income of the family. But this is not a correct record, because it is found to be understated. More effective implementation of the programme could have been possible, had it been done with the assistance of the local panchayat member.

4.16 Panchayat Council and Office

This is a special grade panchayat having an annual income above Rs.1.75 lakh per annum.* The council of this Panchayat has 10 elected members representing the 10 wards. The council is assisted by executive staff consisting of an Executive Officer, an Office Manager, a Head Clerk, three Assistants, a Peon and a part-time Sweeper. Executive Officer is the advisor to the elected council.

4.17 Sources of Income

Income of this Panchayat, for that matter of any Panchayat, could be divided into two -

1. income from own sources - taxes, fees and other incomes.
2. Grants from the Government of Kerala - general purpose grants and specific grants.

* It may be noted here that the Panchayats in the Kerala State are divided into four, according to the annual income from their own source, viz., Special Grade Panchayat (annual income above 1.75 lakh rupees); First Grade Panchayats (annual income between 1 lakh and 1.75 lakh rupees); Second Grade Panchayats (annual income between 0.5 and 1 lakh rupees); and Third Grade Panchayat (annual income below 0.5 lakh rupees).

4.18.1 Income from own Sources

- a) building tax,
- b) profession tax including agriculture,
- c) auction of rights to take sand from the river, to ply country boats between crossing points, and from agriculture lands owned by panchayat,
- d) licence fee from business enterprises, and use of electric motors,
- e) entertainment tax, show tax and surcharge.

4.18.2 Government Grants

- a) Basic tax assistance - 3 per cent of the surcharge on documents registered from this panchayat,
- b) Share of basic land tax collected by the village - 75 per cent allotted to panchayat,
- c) Establishment grant - 60 per cent of establishment expenses,
- d) Special purpose grants - there are 23 types of special purpose grants from which the panchayat can avail according to need, of which this panchayat has availed -
 - i. Grant of land development scheme,
 - ii. building grant,
 - iii. village road maintenance grant, and
 - iv. 'one-lakh house scheme' grant.

The annual income of the panchayat has steadily increased from Rs.1,88,136/- in 1979-80 to Rs.7,12,546/- in 1985-86, an increase of 378 per cent. During the same period the content of government grant has varied from 14.67 per cent to 21.77 per cent. It has also been found that out of the total income, a minimum of 53 per cent and a maximum of 75 per cent is found spent on management, public works and lighting. Again out of the total income 56 to 78 per cent is found to be the total expenditure of different years (1979-80 to 1985-86). Balance amount is utilised for refund of loans from the Government, and recently, construction of a two-storied building. Public works of the panchayat mainly form acquisition of land and construction of roads. During none of these years any economic development activity was found to be taken up by the panchayat. Social welfare activity, very near to economic development activity, gets a budget allotment of only less than one per cent. Of course there are special purpose grants, but they are occasional and do not form the general annual budget of a year.

4.19 Functions Performed

It could be seen from the above that the dependence of this panchayat on government is only minimum. Income earned from its own sources is mainly spent on salary of

the staff, construction of roads and lighting the streets. The panchayat is devoid of any economic development function as is seen from the items of expenditure. Moreover a minimum of 25 per cent and a maximum of 45 per cent income is spent on land and building for the panchayat office. Expenditures on construction and maintenance of roads and lighting are the proposals of panchayat members, expenditures on salary is administrative exigency, so also refund of loans; and allotment of balance amount which is negligible to different purposes are only a formality. Since there are committed annual expenditures for radio maintenance, assistance to anganwadis, a few cash awards to top ranking students, it is easy for the panchayat to allot this small amount for these purposes. Economic development functions are taken for granted as agriculture will be taken care of by agriculture development and extension units; development of cottage industries by VEOs. Therefore the Panchayat has road construction as its main activity.

Conclusions

It is found that the different administrative agencies are given specific functions and they perform them without any overlapping. The Panchayat, the village self

government body is devoid of all economic development functions and therefore grass-root level planning and development are not having the required popular base. Government financial assistance and delegation of powers are negligible. Therefore panchayat is now doing only routine functions of collecting taxes, maintaining an office, constructing roads and involving itself in some social service functions.

CHAPTER - V

MARKETING

5.1 Introduction

The village is producing a variety of agricultural products and a selected group of industrial products. Leading agricultural products are coconut and paddy. Others are arecanut, nutmeg, cashew, clove, pepper, sesamum, tamarind, jack fruit, mango, banana, plantain, tapioca, yams, ginger and vegetables. Major industrial products marketed are tiles, bricks, coconut oil and oil cake, lime, aluminium, bone-meal, thread rubber and match boxes.

Agriculture products could be grouped into two categories - food crops and cash crops. No agricultural product is exclusively meant for either earning cash or consumption. What is normally found in the village is that, only the balance after consumption is marketed. However cash crops are mainly meant for sale,¹ and food crops mainly meant for consumption of the producing

1. Readers' Digest, Universal Dictionary, The Readers' Digest Association, U.S.A. 1988, p.254.

household. Accordingly, all crops except paddy, yams and vegetables, come under the category of cash crops.

Regarding industrial products, distinction of the above type could not be made, as all industrial products are meant for sale and consumption by the producing household or group is limited. Production of industrial products is meant for a wider market. Only that the market may be either the village or village plus other areas.

5.2. Marketing of Agricultural Produce - Influential Factors

5.2.1 Pattern of Agriculture Production

Almost all village households own at least household land, which is utilised for the production of coconut and a few other cash crops. This is all the more true, as agricultural labourers and marginal farmers form majority of the land holders. But paddy land is not so widely distributed and it is mainly used for the production of paddy. Limited portions of paddy land are seasonally used for cultivation of tapioca, banana and sesamum. This pattern of production causes availability of marketable surplus of both cash crops and food crops. Cash crops are available for marketable surplus, because they are mainly cultivated for sale, food crops are available for

sale, as the few owners who own paddy lands have surpluses after consumption.

5.2.2 Seasonal Nature of Agriculture Production

Farm output is generally produced neither at the time nor in the place nor in the form in which consumers require it.² This is because farm production is controlled by natural factors. This seasonality of agricultural production, is very much true of this village also. So also other factors connected with agriculture production - large share of agricultural products is sold outside the village; and major products are to be processed before consumption. This general nature of agricultural production influences marketing of different crops. Variation in the composition of different factors going into the production of different crops, like-wise influences the marketing of each product. Marketing of different products is controlled by the pattern of ownership also. Hence separate treatment of marketing of different groups of products, possessing the same characteristics in the same proportion is to be done.

2. Cohen R.L. The Economics of Agriculture, Cambridge University Press, Great Britain 1942, p.74.

Other factors influencing marketing of agricultural products in this area are : whether the area is an important centre of production of a crop, is there enough processing facility, is it a product demanded by the people of the area and neighbouring places, can the product be stocked and whether substitutes are available or not. More influencing factors could arise due to change in situation.

5.3. Marketing of Different Agriculture Products:

5.3.1 Marketing of Coconut

Marketing of coconut is done differently by different groups. Those who are very poor sell coconuts after removing husk and water. This practice of sale is known as 'Vettithookam'. The price received in this type of sale is only one-third of the prevailing market price for copra. The husk is used as firewood. Around 21 per cent of the households practise this type of marketing, and they sell only 0.6 per cent of the marketable surplus. Another 21 per cent of the households belonging to the lower middle class sell coconuts - wholesome to local middlemen. Remaining producers belonging to upper middle class and rich, forming 58 per cent, sell coconut separately as copra, shell and husk; copra by weight,

shell and husk by count; copra to oil mills and husk and shell to local consumers. The first group earns the lowest price, second group next best and the highest price is secured by the third group. First is distress sale; second is sale by convenience; and the third is sale enjoying all benefits the market can provide to the producers.

5.3.2 Arecanut

Arecanut is generally sold to local processor-cum-trader before they mature. The processor-cum-trader visits the households along with his assistants (tree climbers). He fixes the price and buys the nuts. Since it is the chipped and boiled kernel that is demanded in the town and each farmer being a very small producer has no option but to sell his nuts to the local trader. This results in considerable amount of loss to the producers.

5.3.3 Cashew, Clove, Nutmeg, Pepper, Sesamum and Ginger

The households collect these products at the relevant seasons. They dry them in the sun. The dried products are taken to the town and sold to the wholesaler at the prevailing market price minus the trader's commission (around 10 per cent of the price).

5.3.4 Mango, Jack Fruit and Tamarind

These products are sold seasonally to customary buyers, who make regular visits annually. The buyers make advance purchase at an early date, making part payments. Mango and jack fruit are sold by count and tamarind is sold by weight. However, the price obtained is one-third of the market price prevailing in the town. Buyers take the trouble of climbing and plucking of the fruits. Moreover these products involve no cost of production. Hence the farmers are not very keen to ask for a higher price. The buyers sell the produce at retail in the town market at a high margin.

5.3.5 Banana and Plantain

These seasonal fruits are produced by all classes of people. The class-wise share of production is 20 per cent by the poor and lower middle class together and 80 per cent by the upper classes. Around 25 per cent of the produce is consumed by the households, and the balance is sold. Buyers from outside the village come and contact the farmers, settle the price and pay the advance before the crop is matured. The price fetched by the producer will account only half the market price prevailing in the

town. Majority of the farmers sell the produce at the place of production itself. Cutting and transporting expenses will have to be borne by the buyers. In the local sale, the middleman buyer, who is also the wholesaler in the town, enjoys all benefits of trade. However, the poor sell their produce to local petty shops and tea shops in single bunches at a slightly better price. Recently few enterprising producers have ventured to carry their produce to the town.

5.3.6 Tapioca

This crop is produced both by the rich and the poor, rich producing mainly for sale and poor solely for consumption. The rich sell tapioca to the seasonally visiting buyers. They pay only half the price prevailing at the town market. The producers are little bothered about the amount, as the produce is the result of a protective crop planted around coconut seedlings without much care or expenditure of money. The buyer takes the trouble of digging out the roots and carrying the same to the market. They sell tapioca, both wholesale and retail in the town.

5.4 Marketable and Marketed Surplus

Regarding the quantum of agricultural surplus available for marketing, there are two concepts - viz., marketable

surplus and marketed surplus. Excess of output over sectoral retentions refer to what is termed as the marketable surplus.³ Sectoral retentions of farm output is primarily for three purposes - for effecting contractual payments, for family consumption and for further use in farm operations. The concept of marketed surplus represents only that portion of the marketable surplus which is actually marketed and is placed at the disposal of the non-farming rural population and urban consumers.⁴ Where there are distress sales, marketed surplus will be more than marketable surplus, otherwise both will be equal.

5.5.0 Factors affecting Marketable Surplus

Availability of marketable surplus in the village is influenced by a large number of factors. These influences have varied the quantities of marketable surplus of different crops. Major factors influencing marketable surplus of agriculture products are the following :

3. Panchmukhi, R.R., Rapporteur's Report on Mobilisation of Rural Surpluses for Development, Indian Journal of Agricultural Economics, Vol.30, No.3, pp. 68-82, July - September, 1973, in G.S. Kainath, Food Grains Marketing System in India, Associated Publishing House, New Delhi, 1982, p.2.

4. Ibid. p.2

5.5.1 Production Pattern

The types and quantities of agricultural products produced in the village have changed with the times. Three generations before the village was producing cashew nut, arecanut and bamboo, as the main cash crops and paddy as the main food crop. Later with the introduction of irrigation as part of the five year plan programmes, the former cash crops were replaced by coconut, as the main cash crop, followed by banana and plantain. Very recently nutmeg and clove have been introduced. Main food crop, paddy, remains as such. Now the village is experiencing conversion of paddy land to coconut land, except comparatively deeper valleys, because of economic reasons. These changes in the pattern of production over time, have caused changes in the types and quantities of agricultural products available as marketable surplus. It has been found that 33.09 per cent of paddy land and some puramboke land have already been converted to coconut land, which have caused an increase in coconut land by 31.50 per cent. This has caused proportionate reduction in the marketable surplus of paddy and increase in the marketable surplus of coconut.

5.5.2 Technological Improvement

The most notable technological improvements introduced in the village are - wide use of irrigation facility and use of chemical fertilizers. Sizeable area of village land is used as coconut land mainly because of irrigation facility. Regarding paddy lands, single crop lands have been converted to double crop and double crop to treble crop, again mainly because of irrigation facility. Introduction of nutmeg and clove can also be attributed to irrigation facility. Increase in the area of land utilised for the production of coconuts has definitely caused improvement in marketable surplus. It is further strengthened by the fact that the crop being a cash crop and as only less than 10 per cent of it is consumed at home, an increase in production adds substantially to marketable surplus. As regards paddy, out of the total marketable surplus of 49.74 per cent, treble crop lands contribute 38.19 per cent, the rest by double crop lands. This argument is true of all subsidiary crops, which are inter crops, except cashew and sesamum which are grown on unirrigated lands. It may be noted that majority of the coconut trees are only 25 to 30 years old, i.e. they were planted after the introduction of irrigation facility in the village.

5.5.3 Payment of Wages in kind

Part of the wages is paid in kind in the harvesting of coconut, and full wages of harvesting paddy is paid in kind. For coconut harvesting, the wage comes to only 0.63 per cent of total production and 0.69 per cent of marketable surplus. Climbers sell it to local shop owners and hence it does not reduce marketable surplus. Harvest wages to paddy forms 14.28 per cent of the total paddy produced and 28.7 per cent of the marketable surplus. Since it reaches the hands of the poor people, nearly 90 per cent of it is consumed and only 10.7 per cent marketed. This is only 1.53 per cent of the total paddy marketed. This shows that marketable surplus of paddy has been considerably reduced by payment of harvest wages in kind.

5.5.4 Subsidised Food Supply

Subsidised supply of rice, the main cereal consumed by the people, covers 55.5 per cent of the households (2424). Even though annual off-take is only 40.4 per cent (7800 quintals) of the supply, it amounts to 66 per cent of the marketed surplus (11796 quintals) of rice, in the form of paddy. But for the subsidised supply of rice, there would have been 66 per cent reduction from the present marketed surplus of paddy.

5.5.5 Price Effects

Theoretically a rise in price will be quite welcome to the farmers, and it can cause increase in marketable surplus. But an increase in the marketable surplus due to price rise cannot be expected in the village, as it is already making full use of its land resources. However, a consistent and substantial price rise might cause a shift in production from low income earning crops to high income earning crops. Conversion of paddy land to coconut land is a case in point of recent times. Again a decade before the price of cocoa seeds rose to Rs.20/- per kg, which resulted in large scale cultivation of cocoa in the village. Soon price slumped to one-tenth of it, which forced farmers to cut these plants and use it as green - manure. Very short period rise or fall will not affect marketable surplus of any product in the village.

5.5.6 Population Growth

During the last 15 years, the village population has grown at the rate of 2.88 per cent per annum causing a proportionate increase in consumption. Had it not been for the population increase, marketable supply would have been higher by the amount of additional consumption. The increase

in production caused by the introduction of new technology is partly consumed by the new additions to population, and hence marketable surplus reduced accordingly.

5.5.7 Land Ceiling and Tenancy Acts

Land ceiling Regulation had no impact on the village, since there was no big land lord to surrender excess land. The Tenancy Act had some impact on land division in the village. Erstwhile tenants have secured their shares of land, and are using as household lands. Along with their lands they have become owners of some coconut trees as well. It has caused an increase in consumption of coconuts, but has not increased production of coconuts, thereby reducing marketable surplus. The same cannot be said of paddy as Tenancy Act did not affect paddy lands in the village.

5.5.8 Concept of Family Self Sufficiency

Self sufficiency to possible extent, in staple food, rice, is considered as an important achievement of each family household. It is evident from the low average area of paddy land possessed by owner households in each economic group. In spite of the lower income obtained from paddy,

compared to coconut land, large number of households in different economic groups try to possess some paddy land. Achievement of this aim is quite high among the better-off households, of whom 93.3 per cent of the rich class and 67.5 per cent of the upper middle class possess paddy land. As regards coconut land, the household land itself being coconut land, the aim of self-sufficiency is amply met. In the case of banana, plantain and pepper, this feeling is quite strong. It divides productive capacity of the village lands among larger number of households, reducing the marketable surplus of these and other products. The prestige factor and the tendency to attain self-sufficiency and maintain it, had not been working in this village, paddy lands of the rich would have been divided among other classes much earlier, reducing marketable surplus to very low levels.

5.5.9 Marketing Facility

Marketing of agricultural produce to be done effectively, it must have inter village dimensions. Villagers carrying products to the town and buyers coming to the village from the town signify the presence of comparatively good marketing facility to the agriculture products of the

village. A highly developed town within 2.5 kilometres and transport convenience have favourably affected production of surplus products, not only in this village, but in all sub-urban areas as well.

It can be noted from the above arguments that the different factors influencing marketable surplus are not moving in the same direction. It is the comparative strength of different factors and the net effect thereof that decides the marketable surplus of agricultural products generally. A very powerful factor, like household self-sufficiency in staple food and some essential items, will decide the marketable surplus inspite of the influence of other factors.

5.6 Marketing of Industrial Products

Stone-quarrying (laterite and granite), brick making, coconut oil production are the earliest industries of the village. They are followed by tile manufacturing, paddy de-husking, sea-shell processing and metal fabricating. Other industries like casting foundries, aluminium utensils making, thread rubber and plastic industry and match-dipping unit and others are latest introductions. Some of these industries are meant to serve the village and working as feeders to complementary industries. Others

are meant to serve customers both inside and outside the village.

Laterite stone-quarrying and coconut oil production were initially meant to serve the village only. Introduction of bricks and granite stone, as substitutes, has reduced the importance of laterite stone substantially. These products which initially served the needs of the villagers are now crossing the boundaries of the village in search of wider market. Among the next line of industries, tile industry was meant to serve a wider market than the village; whereas paddy de-husking, sea-shell processing and metal fabricating units were meant to serve the village only. Industries of the later period were started with the explicit purpose of serving a larger area. Some industries - casting foundries, thread rubber unit, plastic industry unit, aluminium utensil making and match dipping unit are aimed at serving customers outside the village. Other production lines like soft drink making, bakery and bone-meal making are established to satisfy the demands of the village people only. There is one industrial unit (ossein plant), established mainly to serve international demand.

All these industrial units were established to meet the demands of the people. Assessed or evinced demand for

different products has caused, the starting and maintenance of these industries. A slackening of demand or failure of expected demand to come forth, or both have depressed the working of certain industrial units. In the agricultural field in the village, production is primarily for consumption and only the balance is sold. In case of industrial production, it is primarily meant for sale, home consumption being either limited or nil. Industrial units are functioning, therefore, in a demand oriented field and production is geared according to demand. The interaction between demand and supply and the comparative strength of any one force and the ensuing benefit determine existence and continuance of the firm.

In all cases pricing is according to cost of production. Since production can be adjusted to demand, price determination is in the hands of the producer, and the consumer has no option but to accept the price set by the producer.

Conclusions

Marketing of surplus agricultural produce faces the problems of lack of organised marketing and absence of

funding agency to facilitate gainful marketing of agricultural produce. Marketing of industrial products faces an advantageous position, as almost all these products are experiencing strong demand and highly remunerative prices.

CHAPTER - VI

FINANCIAL SYSTEM

6.0 Introduction

*The financial system is a set of institutional arrangements through which financial surpluses (or commands over real resources) in the economy are mobilised from surplus units and transferred to deficit spenders. The institutional arrangements include all conditions and mechanisms governing the production, distribution, exchange and holding of financial assets and institutions of all descriptions. In concrete terms - financial assets, financial markets and financial institutions are the three main constituents of any financial system.*¹

6.1 Institutional Arrangements

The financial system of the village has four institutional constituents - Commercial banks, co-operative credit society, finance companies and individual money

1. Suraj B. Gupta, Monetary Economics, S. Chand and Company, Ram Nagar, New Delhi, 1988, p.21.

lenders. These agencies together handle major part of the finance and credit requirements of the village. Since the village is not an isolated unit, it has its own ties with the neighbouring villages and nearby towns. Banking transactions of the villagers are not solely confined to the above financial institutions in the village. On the other hand, commercial banks and finance companies canvass business - both deposits and credits - even from outside the village. The co-operative credit society, though working within the village boundaries and for village people, obtains finances (loans) from the District Co-operative Bank (DCB). Again though individual money lenders operate within a geographical area forming part of a panchayat ward, limited intervillage connections cannot be ruled out.

6.2 Financial assets

Financial assets or claims over real resources are the instruments with which the financial institutions are dealing. These assets or claims are generally sub-divided under two heads - primary or direct securities and secondary or indirect securities. The primary securities are financial assets against real sector units like bills,

bonds, equities, book debts etc. These are created by real sector units as ultimate borrowers for raising funds to finance their deficit spending. The secondary securities are financial claims issued by financial institutions or intermediaries against themselves to raise funds from the public, like Reserve Bank money, bank deposits and various deposit receipts.²

The primary securities created by the villagers, the owners of real sector units, are only the book debts in various financial institutions functioning in the village. The types of secondary securities issued by the financial institutions are bank deposit receipts for different periods. No other kind of primary or secondary security is created in the village, since the use of financial assets other than those existing could not be of much use in the village.

6.3 Financial Markets

Financial market deals in financial assets and instruments of various kinds such as currency, deposits, cheques, bills, bonds etc. Analytically, financial.

2. Ibid., p.21.

markets are very much like markets for goods and services. As such they have their own demand, supply, quantities, prices etc.³ The financial instruments dealt in the village are currency, deposits, cheques and deposit receipts. No bond market is developed in the village. The geographical coverage for the most part is the village itself. However, spill over occurs to nearby villages and town. Regarding cost of credit, it differs to different types of credit issued by different institutions, agricultural credit costing the least, industrial credit costing a little higher and village oriented speculative credit costing the highest. The speculative activity found in the village is purchase of land and buildings. The other way, the credit cost variation is institution-wise variation - organised institutional credit costing less and unorganised institutional and individual credit costing more.

The whole financial system of the village is an inter connected assemblage of financial assets, credit markets and institutions of various kinds which differ from each other in various ways - in organisation, functions, size of individual units, geographical coverage, methods of working, costs of credit and types of credit.

3. Ibid., p.43.

Financial Institutions in the Village

6.4.1 Commercial Banks

There are three branches of commercial banks in the village. These branches are located at three important points of the village. Though located in this village and mainly meant to serve the village, they do business outside the village also. Their business with people outside the village is quite small.

As is the case with all other banks functioning in the organised money market, these banks are also under the control of the Reserve Bank of India (RBI). Hence they operate under the regulations of the RBI. However, the quantum of deposit mobilisation and lending are directly under the control of the Head Offices of the respective banks, in conformity with the RBI and Government of India regulations. The Head Offices of these banks are situated in some far away towns.

These banks are manned by personnel hailing from outside the village, recruited on the basis of certain general norms set by the concerned banks. Though not specifically recruited for this branch, they are posted to this branch and they live outside the village. The deposit and credit budgets of all banks in the village put together, for the period 1982-85 are as follows:

Table - 6.1

Deposit Budget (Expost) of Banks

Year of Account	1982		1983		1984		1985	
	No. of accounts	Amount in lakh Rs.	No. of accounts	Amount in lakh Rs.	No. of accounts	Amount in lakh Rs.	No. of accounts	Amount in lakh Rs.
Current account	35	0.66	35	0.33	41	1.53	92	2.72
Savings Bank account	2041	20.44	2445	22.02	2704	25.52	3265	34.93
Fixed Deposit	396	20.50	372	22.81	380	25.51	570	28.28
Recurring Deposit	152	1.977	177	5.66	225	7.09	382	11.10
Other Deposits	84	0.845	149	1.27	193	2.87	157	2.36
Non-resident external account	70	25.35	94	7.01	119	10.54	163	18.77
Total	2778	69.765	3272	59.10	3662	73.06	4629	98.16

Source : Survey data.

Table - 6.2

Credit Budget (Expost) of Banks

Sector	1982		1983		1984		1985	
	Number of accounts	Amount in lakh Rs.	Number of accounts	Amount in lakh Rs.	Number of accounts	Amount in lakh Rs.	Number of accounts	Amount in lakh Rs.
Agriculture and allied	17	0.47	375	4.71	528	8.21	700	13.58
Small Scale Industries	6	1.76	4	1.09	7	1.90	6	2.77
Tertiary	67	3.75	88	6.08	107	8.51	78	9.35
<u>Weaker Sections</u>								
I.R.D.P.	14	0.22	28	0.34	53	0.65	38	0.71
New ten point programme	8	0.22	--	--	--	--	--	--
Differential rate of interest	2	0.03	10	0.09	22	0.16	6	0.30
<u>Non-priority Sectors</u>								
Others	912	17.43	771	14.57	899	13.41	1214	27.22
Total	1026	23.68	1276	26.88	1616	32.84	2042	53.93

Source: Survey data.

6.4.2 The Co-operative Credit Society

The second dimension of the village financial system is the co-operative credit society. Its sources of finance are deposits (both fixed and recurring), share capital from members, and loans from the Government and District Co-operative Bank. It accepts deposits, both fixed and recurring and also works as savings bank. It advances loans to its members mainly for agricultural purpose. The stress on multi-faceted village development, introduced through IRDP in 1979 has diversified the lending activities of the co-operative credit society.

6.4.2.1 Membership

Though membership is open to all individuals in the village, only those people who want loans from the society have taken membership. Attitude of the people towards membership is lukewarm, or else there would have been more members in the society, than it is having at present. The strength of membership of scheduled castes and others from 1981 to 1985 is given below:

Table - 6.3

Membership Position of Co-operative Society Between
1981-85

<u>Membership</u>			
<u>Year</u>	<u>Scheduled castes</u>	<u>Others</u>	<u>Total</u>
1981	126	2316	2442
1982	187	2397	2584
1983	234	2464	2698
1984	386	2551	2937
1985	445	2759	3204

This data show that in the quinquennial period, total membership has increased by 31.2 per cent, and during the same period, increase in the membership of scheduled castes is 253 per cent; whereas that of the other castes is only 19.12 per cent. It is a welcome sign pointing to the interest of depressed classes in the society.

6.4.2.2 Capital and Loan Position of Society

Table 6.4 presents information regarding capital and loan position of the Society during 1981 through 1985.

Table - 6.4Capital and Loan Position of Society during 1981-85

Year	Public share in Rs.	Government share in Rs.	Public deposit in Rs.	Loans outstanding in Rs.	Debt to D.C.B in Rs.	Credit at DCB in Rs.
1981	169315	21500	263375	837896	383706	--
1982	179069	"	765703	831742	--	134530
1983	187523	"	751560	929604	--	30979
1984	219507	"	600016	1342531	501508	--
1985	281252	"	534005	2023456	1186699	--

Source : Survey data

Table 6.4 shows the capital and loan advance budget (expost) of the society for the period 1981-85. The capital consists of four parts - public share capital, Government share capital, public deposits and loans from the DCB. Public share capital is a stipulated contribution by each member on admission to membership. Government share capital is a proportion of public share capital. Public deposit is the amount deposited by the public with the society under its different deposit schemes. The last part of the finances of the society comes to it from DCB as loan. The

amounts of loan raised by the society from DCB are in accordance with the amounts of loan required by the members as per eligibility conditions. Loan from DCB is a matching flow of funds to meet the demand requirements in excess of its liquid capital i.e. public share capital + Government share capital + public deposits + loans from DCB = outstanding loans to the public.

6.4.2.3 Working Report of the Society

The following working report illustrates the spectacular nature of the development activities of the Co-operative Society during the period 1977-78 to 1986-87.

From table 6.5 it can be seen that membership has increased by 94.98 per cent, share capital by 177 per cent, deposit by 99.84 per cent, loans by 480 per cent and sale of fertilizers by 280.58 per cent. There is overall improvement in the working of the society. However, the increase in deposits compared to loans is low, which points to diversion of deposits to some other channel by the members.

Table - 6.5

Working Report of the Society for the period 1977-78 to 1986-87

Items	Year									
	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
Membership in Nos.	2012	2242	2348	2361	2424	2565	2764	3208	3714	3923
Share capital	142424	167985	169737	169315	179009	191343	223319	282063	347967	394688
Deposits	241474	350435	289142	263375	766910	753653	603252	541368	709297	482564
Loans	543766	929612	888554	701363	872853	1119830	1527351	2244694	2732432	3154275
Sale of Fertilizers	153832	140771	104916	49184	260128	309453	422935	343010	485998	585455

Source: Secretary, Annual Report of the Service Co-operative Bank, Kallur Vadakkummary Village, Trichur District, Kerala State, 1988, p.2.

6.4.2.4 Loan Issue System

The co-operative society gives loans to agriculturists, petty businessmen and small traders. From 1979 onwards it is also granting IRDP loans. Three kinds of term loans are issued to agriculturists - simple loans (10 months), short term (11 months) and middle term (5 years). Short term and middle term loans are for agricultural purposes @ Rs.125/- per 0.1 hectare. The rate of interest charged varies from 11.5 per cent. upto Rs.5,000/- and above Rs.5,000/- it is 12 per cent. Simple loans upto a maximum of Rs.1,000/- are granted for medical and educational purposes. Security for the loan is either the land or two other members of the society. IRDP loans are granted under terms and conditions stipulated by the Government. From 1979 to 1986, IRDP loans were granted to 282 applicants, which work out to 58.75 per cent of the total applicants (480) under this scheme. All IRDP loan applications recommended and directed by village extension officers to the Co-operative Society have been granted, quite unlike the commercial banks which have turned down many such loan applications on technical grounds.

Refund of loans is satisfactorily done by the loanees. The records of the Society show that only those loans

whose term of repayment has not expired are pending. Nintynine per cent of the previous loans of all types are fully repaid. Penal action is taken only in very few cases.

6.4.2.5 Summary of the Working of the Co-operative Society

The Co-operative Society in the village was started on 16-4-1947. It has fixed assets in the form of land and buildings worth around Rs.4,00,000/-. The society had incurred a loss of Rs.3,00,000/- till 1980. Consequently the Government dissolved the board of directors in 1980. Ever since the Society is functioning well. Between 1980 and 1986, the Society made a profit of Rs.1.75 lakhs and this is adjusted against previous loss. It is worth noting that the society has not turned down any IRDP application, ever since the scheme was introduced.

6.5 Finance Companies

There are eleven finance companies in the village, with money lending licences. The oldest of them was started in 1962, with money lending as its sole business objective, but later it undertook 'Kuri' business also. Between 1978

and 1982, three more finance companies came into existence. Seven finance companies were started during 1984-85 period, making the total eleven.

6.5.1 Ownership

The sponsors of all the finance companies have agricultural base. Some of them also have tile industry, petty trade and factory employment. Of the total, five finance companies are owned by members of closely related family circle. The other six companies have combined ownership - of friends, relatives and neighbours. Share holders in all the finance companies are selected on the basis of trustworthiness.

6.5.2 Capital Structure

The capital structure of the finance companies has three components -

1. Share capital contributed by the share holders.
2. Deposits from the public - ordinarily from friends, neighbours and relatives, and
3. Deposits by the shareholders themselves in the names of trustworthy, close relatives.

Table - 6.6

Working Details of Finance Companies

Sl. No.	Date of opening	No. of share holders	Share capital per head in 000s.	Deposit in 000s.	Inter-est paid	Inter-est charged	Security accepted	Other business	Loan outstanding in 000s.	Type of ownership	Other speciality
1.	1962	12	25	300	24%	36%	Personal/gold/land	Agriculture & Kuri	600	Family	
2.	1978	5	15	15	"	"	"	Agriculture & petty trade	40	Family	
3.	1982	17	5	160	"	"	"	Agriculture & tile industry	300	Joint family	Serial Nos. 3 and 11, & 7 and 10
4.	1982	4	25	25	"	"	"	Agriculture & factory employment	125	Family	are inter-locked
5.	1984	11	5	75	"	"	"	Agriculture	150	Group	
6.	1984	17	5	150	"	"	"	Agriculture & factory employment	250	Group	
7.	1984	9	5	100	"	"	"	Agriculture & Gold Smith	138	Group	
8.	1984	15	5	100	"	"	"	Agriculture	200	Group	
9.	1984	11	3	25	"	"	"	Agriculture & petty trade	55	Group	
10.	1985	9	5	100	"	"	"	Agriculture & Kuri	367	Group	
11.	1985	15	5	75	"	"	"	Agriculture	200	Family	
Total	--	125	103	1125	--	--	--	--	2425	--	

Total investment columns 3 x 4 + 5 = 9,73,000 + 11,25,000

Source : Survey data.

Share money is a mutually agreed sum of equal size, but varying between companies. Hence all share holders have equal say in the working of the company. They also share the profits equally. Public deposits are canvassed by the shareholders themselves, and deposits by the shareholders in the names of close relatives are a clandestine arrangement, known only to the concerned share holder. Working details of finance companies is given in table 6.6. It highlights the capital and ownership structure and lending policy of finance companies.

6.5.3 Location

The finance companies are located at important junctions in rented buildings. Only two finance companies have their own buildings. The finance companies generally do not have any strong room to keep their valuables. This points to the fact that no valuables are kept in the offices of these finance companies. It is learnt that they keep money in banks and gold and documents in the houses of respective managing partners.

6.5.4 Pattern of Operation

The finance companies lend money at usurious rates of interest, either on the security of gold or title deed

or personal security. Personal security is not normally accepted, except when the person is financially sound. Lending of small sums upto Rs.1,000/- is on the security of gold on the spot, whereas lending of higher amounts on the security of title deeds or promisory notes, is done after close perusal of the title deed and assessing the value of the proposed asset and the economic position of the borrower at the weekly meeting of the shareholders.

6.5.5 Rates of Interest and Other Charges

The rate of interest paid to the depositors and the rates of interest charged on the borrowers are vastly different. The depositors are given 24 per cent interest per annum, and the interest amount is paid monthly. The borrowers are differentiated according to the type of security. Those who borrow on the security of gold are charged 36 per cent interest plus service charges. Money lent on the security of title deeds and promisory notes are charged 42 per cent and service charges. In both cases, quarterly interest amount is added to the capital and so the amount borrowed swells accordingly.

All dealings entail a minimum service charge of Rs.5/- and a maximum of Rs.25/-. Registration charges of all

documents are to be met by the borrower. The normal practice is to deduct one year's interest from the loan amount, except in the case of gold loans. Borrowers are given option to repay the debt in monthly instalments. However, no reduction in interest amount is allowed.

The share holders earn 30 per cent interest on their share capital. Balance of income after office expenses is spent on wet parties. If there is balance still, it is distributed among the shareholders.

6.5.6 Other things Connected with Lending

Generally 60 to 70 per cent of the market value of gold is advanced as loan. Hence within one year, the market price of gold and debt amount become the same. Borrowers will be interested in redeeming the gold, only if the market price of gold is sufficiently higher than the debt amount.

In lending against land security, the loan amount is charged as advance for sale. An agreement to sell the landed property at an agreed price at a future date (expiry date of the loan) is agreed upon. If the amount is not returned on the specified date, the loan financier company

gets the right to buy the property, paying the balance amount.

6.5.7 Purpose of Borrowing

The finance companies do not bother about the purpose of the loan. However, enquiries reveal that people borrow from the finance companies generally to meet certain social obligations such as marriages, other celebrations, urgent family requirements or to meet certain unforeseen contingencies. In very few cases people borrow to invest in lucrative enterprises. Commercial banks generally give lesser amount on gold and hence borrowers prefer to go to finance companies to pledge gold.

6.5.8 The Modus Operandi of the Board of Directors

The Board of Directors meets weekly to assess the progress of business and authorise sanction of big amounts. Only with the full knowledge of the Directors, loans on the security of title deeds and personal bonds are given. Except the family concerns, the Directors of each financing company meet once in a month and share the profit among themselves. The day-to-day affairs of the company are

looked after by a manager, who is generally a paid employee. The Managing Director makes occasional visits and checks the accounts.

6.6.0 Individual Money Lenders

The village has a sizeable number of individual money lenders also. They are either agriculturists or business men (petty traders). They charge varying rates of interest. The rates of interest vary from 3 to 5 per cent per month. Borrowers are mainly neighbouring households. Small sums upto Rs.1,000/- are advanced on the security of gold. Sums varying between Rs.1,000/- and Rs.3,000/- are given on personal security (promisory note), to individuals who have sufficient repaying capacity. However, the amount entered in the promisory note will be double the loan amount, since in case of default and possible litigation, the brunt of litigation cost must fall on the borrower. As far as possible, tussles are settled amicably. Interest on loan is collected monthly.

6.6.1 Area of Operation and Amount Involved

One ward of the panchayat of the village has a minimum of five money lenders of this type. They are not licenced. The maximum amount of capital a lender will invest is

Rs.10,000/-. It is small man's business. Borrowings are generally to meet unforeseen contingencies such as death, sickness, seasonal poverty etc. Instalment repayment of capital and interest is generally done on a monthly basis. The interest income is generally consumed and hence there is no increase in capital. The total capital involved the village over is only Rs.5,00,000/-.

6.7 Conclusions

The commercial banks have succeeded in increasing both the number of savers and the amount saved. Fixed deposits (FD) and savings bank(SB)deposits show spectacular rise. Increase in FD shows that savings of higher income groups are well mobilised and increase in SB deposits indicates an increase in the number of small savers. Deposits of foreign earners have also registered a notable rise. Increase in recurring deposits(RD) shows the success of bank-sponsored saving schemes for the fixed income group.

Regarding advances, the priority sector is getting a fair deal. However, the weaker sections do not get as much attention as they deserve. It is evident from the data that the banks were all out to help the non-priority

sector. Now there is some change, because of the directions from the RBI.

However, when deposits and advances are put together, a sizeable percentage of deposits remains unlent, each year. Enquiries reveal that this amount is siphoned off to the head offices of the concerned banks. At the same time banks in the village had no necessity to get money from their head offices. It shows that a substantial percentage of village savings is utilised somewhere else; and to that extent village income is drained off.

That the Co-operative Credit Society is well supported by the people, is shown by the increase in share capital and public deposits, though it is nowhere near the commercial banks in canvassing either savings or deposits or both. The co-operative society is advancing all its deposits as loans and even more, obtaining loans from the DCB. The pull out of money from the village by the banks is partly compensated by pumping in money from the DCB through the Co-operative Society. As far as weaker sections are concerned, it is the Co-operative Society which finances their enterprises, mainly under IRDP. This is the field where commercial banks are extremely shy.

The finance companies are assisting neither priority sector nor non-priority sector, but financing expenditures, for which the banks will not lend money. They at the same time, charge usurious rates of interest and resort to foul practices. However, they are a boon to the village economy, since they mobilised idle money and thereby enhanced production. According to Newlyn and Bootle, increased lending by non-bank financial intermediaries will not increase money supply, but it will only reduce the quantity of idle money and will cause an increase in income velocity of the money involved.⁴

Individual money lenders operate in the same fashion as that of finance companies, except that their circle of operation and amount of money involved are small. They finance the urgent requirements of the small man. The same arguments as those in relation to finance companies are valid in this case also.

All banking and non-bank financial intermediaries functioning in the village except the Co-operative Society are working as centrifugal forces. The banks in the village, in

4. W.T. Newlyn and R.P. Bootle, Theory of Money, Third edition, Clarendon Press, Oxford 1978, p.81.

addition, send money out of the village. The Co-operative Society corrects to some extent this mischief done by commercial banks by taking money into the village from the DCB. Both finance companies and individual money lenders spend the interest income on consumption, as is evident from the weekly wet parties of finance company directors and constancy of investment of individual money lenders. These show that accumulation for its own sake is not taking place in the village.

6.8 Suggestions

1. A strong financial background to the Co-operative Society, further diversification of its lending activities, branching according to the number of people to be served, seem to be the ways to improve the financial strength of the village.

2. It may be made legally obligatory to commercial banks to lend 90 per cent of their deposits at their functional area.

3. Finance companies and individual money lenders may be prevented from adopting foul practices, through appropriate laws and constant checks.

CHAPTER - VII

INCOME, EXPENDITURE AND EMPLOYMENT

7.0 Introduction

People of the village earn their income both from inside and outside the village. The sources of income inside the village are agriculture, agricultural activities, teaching, petty trade, fish vending, head load work and a host of minor activities in the village. Outside sources of income are, factory employment, government and private services including teaching, pension, foreign remittances from relations working in countries such as West Germany, U.S.A and the Gulf countries. Incomes from all these sources together constitute the annual income of the villagers, though the periodicity of accrual varies among different sectors and lines of economic activity.

7.1 Division of Income by Place of Origin

Out of the total households in the village, 1978 are earning employment income from outside the village, along with their income from internal sources in the village. The number of outside workers hailing from these

households are 2898 men and 598 women. These include 207 men and 92 women, earning foreign income, and 207 men and 69 women receiving pension. Table 7.1 presents details of persons and incomes from outside.

Table - 7.1

Income received by the People from Outside the Village

Source of income	No. of workers	Percentage of workers	Amount of income in Rs.	Percentage of income
Outside income of men workers (excluding foreign workers)	2484	32.53	20976759	26.16
Outside income of women workers (excluding foreign workers)	437	5.73	6279828	7.83
Foreign income of men	207	2.71	13501000	16.84
Foreign income of women	92	1.20	2760000	3.44
Transfer earnings of men (pension)	207	2.71	645012	0.81
Transfer earnings of women (pension)	69	0.90	242604	0.30
Total (a)	3496	45.78	44405203	55.38

Source : Survey data.

A sizeable number of households, 3082 are earning employment income from inside the village in addition to income from other sources. Of the total labour force of the village, 2691 men and 1449 women are earning income from inside the village. The respective shares are given in table 7.2.

Table - 7.2

Employment Income of the People from within the Village

Source of Income	No. of workers	Percentage of workers	Amount of income in Rs.	Percentage of income
Employment income of men from inside the village	2691	35.24	14947723	18.64
Employment income of women from inside the village	1449	18.98	3219471	4.02
Total (b)	4140	54.22	18167194	22.66
Total employment income of the village - a + b			44405203	55.38
			18167194	22.66
			62572397	78.04

Source : Survey data.

The total annual income of the village could be obtained by adding net income from agriculture, milch animals and share of agricultural produce to harvesters to the total employment income of the village. This is given below:

Employment income	6,25,72,397	- 78.04
Net income from agriculture and milch animals	1,67,12,099	- 20.84
Harvest income to agriculture workers	8,98,150	- 1.12
	-----	-----
Total	8,01,82,646	100.00
	-----	-----

7.2 Sector-wise Division of Income

The annual income of the village can be divided into three divisions, as emanating from the conventional sectors - primary, secondary and tertiary. The respective share of each sector is indicated in tables 7.3, 7.4, and 7.5.

Table 7.3 shows that the income from the primary sector is only less than one-third of the village income from all sources. Further it points out that land owners, owners of milch cattle and agricultural labour share this

income in the proportion 66.89 per cent, 6.78 per cent and 26.33 per cent respectively.

Table - 7.3

Annual Income of the Village from the
Primary Sector

Source of income	No. of workers	Percentage of workers	Amount of income in Rs.	Percentage of income
Net income from main agriculture crops	--	--	11041173	13.77
Net income from subsidiary agriculture crops	--	--	4135692	5.16
Net income from milch animals	--	--	1535234	1.92
Agriculture labour income of men	1104	14.46	3672525	4.58
Agriculture labour income of women	943	12.35	1406887	1.75
Harvest income (men and women)	1058	13.85	898150	1.12
Total	2047	26.81	22689661	28.30

Source : Survey data.

Income from main agriculture crops (coconut and paddy) is accruing to 4324 (98.95 per cent) households in the village. Number of households earning income from all subsidiary crops put together is the same as the main crops. However, milch animals are owned only by 943 households (21.58 per cent) in the village. Harvest is a combined operation of men and women, for which payment is made in kind in accordance with the convention. It is one-seventh of the produce, except straw. This work, except the payment, reminds one of the feudal time, boon-work.

Table 7.4 highlights income from secondary sector. It shows that employment income from this sector, outside the village is eight times more than employment income from inside the village, and also that both together it forms around 50 per cent of the total village income.

Table - 7.4

Annual Income of the Village from the Secondary Sector

Source of Income	No. of workers	Percentage of workers	Amount of income in Rs.	Percentage of income
Employment income from inside the village	1058	13.85	43,46,555	5.42
Employment income from outside the village	1840	24.10	3,51,24,516	43.81
Total	2898	37.95	3,94,71,071	49.23

Source : Survey data.

Table 7.5 shows the details of income accrued to the villagers from the tertiary sector. It also shows that there is only marginal difference between tertiary income from inside the village and outside the village.

Table - 7.5

Annual Income of the Village from the Tertiary Sector

Source of income	No. of workers	Percentage of workers	Amount of income in Rs.	Percentage of income
Employment income from inside the village	1035	13.55	87,41,227	10.90
Employment income from outside the village	1656	21.69	92,80,687	11.57
Total	2691	35.24	1,80,21,914	22.47

Source: Survey data.

7.3 Sex-wise Division of Village Income

Table 7.6 highlights sex-wise accrual of income to the village. It can be seen from the table that men earn

clearly 62.45 per cent of village income, and if the same percentage of income from joint earnings of both sexes, is added to the above, men earn around 79 per cent of village income and women only 21 per cent.

Table - 7.6

Sex-wise Division of Village Income

Males

Source of income	No. of workers	Percentage of workers	Amount of income in Rs.	Percentage of income
Employed inside the village	2691	35.24	1,49,47,723	18.64
Employed outside the village	2484	32.53	2,09,76,759	26.16
Employed outside the country	207	2.71	1,35,01,000	16.84
Transfer earnings (pension)	207	2.71	6,45,012	0.81
Sub total (a)	5589	73.19	5,00,70,494	62.45

Source : Survey data.

Females

Employed inside the village	1449	18.98	32,19,471	4.02
Employed outside the village	437	5.73	62,79,828	7.83
Employed outside the country	92	1.20	27,60,000	3.44
Transfer earnings (pension)	69	0.90	2,42,604	0.30
Sub total (b)	2047	26.81	1,25,01,903	15.59

Attributed to Both Sexes

Income from main agriculture products	--	--	1,10,41,173	13.77
Income from subsidiary agriculture products *	--	--	41,35,692	5.16
Income from milch animals	--	--	15,35,234	1.91
Harvest income to agriculture workers	--	--	8,98,150	1.12
Sub total (c)	--	--	1,76,10,249	21.96
Grand Total a+b+c	7636	100	8,01,82,646	100

Source : Survey data.

* Cultivation of subsidiary crops involve only little labour, whereas to rear milch animals only family labour is required, according to village standards, and hence could not be attributed to any sex particularly.

7.4 Pattern of Household Income

The situation of household land producing coconut and a few seasonal crops, provides a sizeable income to many households. There is also the general tendency of households trying to attain autarky in the case of paddy (main food crop) and coconut (main cash crop). Moreover in many cases, both these agricultural incomes are earned by different members of the same family.

Households of the village can be divided into a number of groups according to the number of earning members in each family, in addition to income from land owned by the family. Table 7.7 gives details.

Table - 7.7

Household Income according to the Number of Members Employed

No. of working members in a household	No. of households	Percentage of households	Percentage of income from other sources	Percentage of agricultural income
One member earning	2254	51.58	26.06	6.86
Two member earning	1311	30.00	24.71	6.50
Three member earning	506	11.58	11.44	3.01
More than three member earning	230	5.26	16.95	4.47
No earning member	69	1.58	-	-
Total	4370	100.00	79.16	20.84

Source : Survey data.

7.5 Pattern of Distribution of Income among Economic Groups

Households of the village are divided into ten economic groups, according to the level of income, starting from those below the poverty line to the highest level. These divisions are quite arbitrary, except the first group, which is based on the national concept of 'poverty line' income level. Incomes of households from all sources are clubbed together to arrive at the total income of each household. Table 7.8 presents the details regarding the various economic groups and the total income of each group.

Table - 7.8

Income Groups and their Respective Shares

Economic Group	No. of households	Percentage of households	Total income in Rs.	Percentage of total income	Average household income
Below poverty line Rs. 3500/-	345	7.9	8,72,738	1.1	2530
Between 3501 - 5000/-	460	10.5	19,63,211	2.4	4268
Between 5001 - 7500/-	644	14.7	41,26,522	5.1	6408

(Contd.)

Table - 7.9

Comparative Position of Sector-wise Income - Kerala
State and the Village Economy

Sector	Income Accruing from Different Sectors	
	Kerala Economy ¹	Village economy
Primary sector	41.96 per cent	28.3 per cent
Secondary sector	18.84 "	49.23 "
Tertiary sector	39.20 "	22.47 "
Total	100.00	100.00

Source: Survey data.

economy, and it is more than double in strength than the secondary sector of State economy. It points to the fact that technical knowledge and aptitude of the villagers are substantially high a plus point to the further growth of the village economy. However the village is lagging behind the State level, regarding development of tertiary

1. Government of Kerala, Department of Economics and Statistics, Kerala Economy 1987, Government Press, Trivandrum, 1987.

sector. Further the situation of village earning, one-fifth of its income from foreign countries through less than 4 per cent of its labour force is a truly representative nature of the State.

7.7 Distribution of Income

Distribution of village income among different economic groups shows a better picture compared to the all-India standards. Those living below poverty line are only 7.9 per cent of the total households, whereas in India the percentage of people below poverty line was 37.4 in 1983-84.²

The lower middle class forming 37.3 per cent of the people though earning only 13.3 per cent of the village income, their average household income is nearly double the poverty line income i.e. Rs.6,569/-, showing that they are in a better economic position compared to the national standards.

The upper middle class forming 40.6 per cent of the people earning 37.4 per cent of the village income, enjoy a household average income of nearly five times the

2. Alak Ghosh, op.cit., p.337

poverty line income i.e. Rs.16,892/-. These people are catching up with the better opportunities provided by education and training.

The rich class forming 14.2 per cent of the village people, securing 48.2 per cent of the village income, earn a household average income of Rs.62,265/-. It is also found that this group is earning around 55 per cent of the outside income of the village economy. It means that the rich are making use of every opportunity to better their position and they are successful too.

Finally, per capita income of the village in 1986 was Rs.3,231/-, whereas that of the State of Kerala for the same period was Rs.2,287/-, showing that the per capita income of the village economy is 41 per cent higher than the State average. This definitely points to the advanced economic position of the village.

7.8 Conclusion

The income distribution pattern shows no tendency for concentration of income in a few hands. The rich earning 48.2 per cent of the income, also includes the foreign income earners, who actually belong to the middle classes and even to the poor class of people. The

tendency to buy land and construct a house, evinced by the gulf employees, vouch for this fact. Hence the Marxian tendency of accumulation for its own sake, could not be established from the income distribution data of the village economy. Moreover the 'demonstration effect' of Duesenberry, is strongly at work in the village, particularly because of the wide exposition of the people to the outside world.

Expenditure Pattern

7.9 Income Actually Reaching the Village

Among the incomes reaching the village from different sources, all incomes except agriculture income are liable to cuts at source to compensate past and present savings and to pay direct taxes. Net income which accrues to the villagers after deductions are given in table 7.10.

Table - 7.10

Net income of the Village - Sourcewise Division

	<u>Amount in Rs.</u>	<u>Percentage</u>
1. Income from agriculture - main and subsidiary products and milch animals	1,67,12,099	20.84
2. Agriculture labour income and harvest income	59,77,562	7.45

3. Non-agriculture income from inside the village, after deduction at an average rate of 22 per cent.	1,15,27,795.5	14.38
4. Take home income from outside the village after a deduction at an average rate of 22 per cent	2,19,52,478.5	27.38
5. Foreign income repatriated to the village at the rate of Rs.18,000/- per earner annually	53,82,000	6.7

Net annual income	6,15,51,935	76.76

Source: Survey data.

7.10 Expenses on Basic Food Items and Accessories

The basic food items of the villagers are - rice, wheat, tapioca, vegetables, pulses, milk, egg, meat, fish, oil, jack fruits, mangoes, banana, plantain, tea and coffee.

Rice : It is the major staple food item. A little over 50 per cent of the village production is utilised for home consumption, which meets 76 per cent of home consumption requirements. Balance 24 per cent is met from government

supply at subsidised rate through fair price shops. Only 55 per cent of the households (2424) have ration cards.³ Though the sale price of paddy at the village level is low, additional costs involved in conversion to rice, raises the consumption point price to Rs.3.50 per kilogram.

Wheat : Wheat is not grown in the village. Government supply through fair price shops is more than the quantum of rice, but normal off-take is only 12 per cent of the supply.⁴ The price of wheat is lower than that of rice, but the presence of large quantity of unwanted ingredients, sap away the price benefit. Moreover the method of consumption raises the cost of wheat foods.

Tapioca : Being a seasonal product, this is consumed generally by people of all groups in the village. The poor and the lowest among the lower middle class consume comparatively larger quantities. These people consume it as a supplement to staple food, rice. It is the very rich who consume less of tapioca. Only 18.17 per cent of the total production of tapioca in the village is consumed by the local people.

3. Mukundapuram Taluk Supply Office, Irinjalakuda, Trichur District, Kerala State.

4. Ibid.

Vegetables : Production of vegetables in this area is quite negligible, whereas its consumption is substantial. Poor and lower middle class consume less of vegetables, while upper middle class and rich consume more.

Pulses : Pulses are not produced in this village. The trend of consumption of pulses is the same as that of vegetables.

Milk : Production of milk is just sufficient to meet the present requirements of the village. The pattern of consumption is such that the poor consume only negligible quantity, whereas the upper classes consume larger quantities. It is directly proportional to the level of income.

Egg : The number of eggs consumed per head and the number produced in the village are quite low. However the rich and the upper middle class consume five times more than the poor.

Meat : The derelict and sterile cattle available in the village and those bought from outside for slaughtering purpose form the supply of meat to the village. Internal supply is quite minimum. The rich and the upper middle

class consume double than that of others. There is an inverse relationship found between the consumption of meat and vegetables and pulses.

Fish : Availability of fish in this area from the river, canals and ponds is very low. Supplementary supply is obtained from outside. All groups of people consume more or less the same quantity of fish as a supplement to staple food. In almost all cases, it is very near to the quantities consumed of vegetables, pulses, egg and meat put together.

Edible Oil : Cent per cent of people make use of coconut oil, which they have in copious supply. Value of coconut oil consumed is second only to that of rice. The quantity consumed increases with increase in income, though less than proportionately.

Jack fruits and Mangoes : These are two seasonal delicacies produced in this area. People consume only very little of what is produced - 4 per cent of jack fruits and 5 per cent of mangoes. The rich and the upper middle class consume three times more of these fruits than the lower middle class and poor put together.

Banana and Plantain : Both these seasonal fruits are produced by all groups of people. Nearly 32 per cent of the production is consumed by the village people themselves. The rich and the upper middle class together consume 75 per cent of the total consumption, which forms 24 per cent of the total production. Only the balance is shared by the lower middle class and the poor.

Tea and Coffee :

People of the village drink both tea and coffee, but less of coffee and more of tea. The very poor and the upper classes drink more of tea than coffee. Total quantity of tea consumed is double than that of coffee.

Food Accessories :

Sugar, red chilly, corriander, turmeric, onion, pepper, green chilly, ginger, curry leaves, clove, cardamom, cinnamon and salt are the accustomed food accessories. Pepper, clove and cardamom are locally produced. Stray cases of production of ginger, green chilly and curry leaves are not ruled out. Regarding pepper, cardamom and clove, only a nominal quantity of home production is consumed at home.

7.11 Lighting and Heating Expenses

Electricity

People are paying electricity charges both for household use and agricultural purposes. For the purpose of calculating expenses on this energy, it is the total on both counts that is taken. The upper middle class pay 50 per cent of the electricity charges, balance 50 per cent is borne by the rich and the lower middle class, and the poor do not come in the picture at all.

Fire wood

This is an item of expenditure only to the lower middle class and the poor. The other classes make use of dry parts of coconut leaves, bunches etc., from their own lands. The poor and the lower middle class spend on an average Re.1/- per day on fire wood, and it is purchased locally.

7.12 Expenses on Hot Drinks, Feasts and Outside Home Eatings and Travel

Hot Drinks

An evening booze is considered a must for all male physical workers, rarely low caste women also participate.

Middle class men who are employed consume Indian and foreign liquor at foreign liquor bars in the town. The rich drink at home once a week at least, at get-together parties of limited circle people. The annual hot drinks bill of the poor is the highest followed by those of the middle classes and the rich.

Feasts

All castes and economic groups celebrate at home their communal or religions feasts, the costs of which vary according to economic status. Feasting cost rises according to the level of income, higher the income, higher the cost.

Eating Outside Home

Employees both of inside and outside the village, mostly men, consume snacks from local or nearby shops, at least once a day. The poor and the middle classes spend a sizeable amount of money on this account.

Expenses on Travel

Travel to the work place and back is the most conspicuous one. There is also weekly twice travel to nearby town for marketing purposes, by some available family member.

7.13 Dress, Medicine, Entertainment, Visitors and Visiting and Religion

Money spent on dress varies with the levels of income, poor spending the least on it. Larger number and quality dresses are possessed by the better-offs.

People in the village are generally healthy. It is the poor and the old aged who fall sick, and they rely on free medicine provided by the Government, hence no expenses. It is in fact, the contingent medical needs of the middle classes and the rich, which constitute the medical bill of the village. Contingent situations are found more among the middle class people. The medical bill of the middle classes is more than three times that of the rich, caused also by their larger number.

Entertainment of villagers is limited to cinema watching, which is monopolised by young men mostly, and occasionally women also accompany them.

Visitors and visiting is the least expensive single item and the persons and places involved are close relatives and friends and nearby pilgrim centres.

Most of the villagers are religious minded and they

contribute voluntarily towards the upkeep of the religion on a periodical basis. Special contributions are raised by religious organisations at the time of annual feast and when some constructions are proposed. The second kind of contribution is double than that of the first.

7.14 Expenditure on Education, Bathing and Washing

Though education is free, it is only the accommodation and teaching part of it. School uniforms and books are to be bought. Also contributions have to be made to the parent-teacher association fund. This involves some expenditure every year during the first quarter of the academic year.

Regarding the use of soaps, quantity variation in consumption between extreme classes is only 20 per cent in the case of bathing soap and 9 per cent in the case of washing soap; the middle classes following the trend as that of the rich. However, the rich are found to make use of higher quality and high priced bathing soaps than all other groups. For washing purposes all use bar soaps.

7.15 Expenditure on Consumer Durables and Building Construction

In addition to already possessed consumer durables, it is found that the people have acquired refrigerators,

television sets and video cassette recorders in the year, showing the in-coming trend of modernisation. Records of village panchayat show that 203 buildings have been registered with it in 1986. They are of different types and even for different purposes. Balance amount after meeting these expenses is kept both as cash in hand and goods in possession. Details of expenditure on different sets of goods are given below in Tables 7.11, 7.12, 7.13, 7.14 and 7.15.

Table 7.11 highlights the pattern of expenditure on basic food items. It points out that around 43 per cent of it, is spent on staple food, rice. Table 7.12 shows that, of the total expenditure only 3.39 per cent is spent on food accessories, and among these sugar takes the lead, forming 37 per cent of it. Table 7.13 shows that expenditure on lighting and heating is a little less than 5 per cent of the total expenditure, and that expenditure on electricity forms around four-fifths of it. Table 7.14 highlights the fact that expenditure on certain items, which can be largely considered as comforts, comes to nearly as much as expenditures on basic food items and food accessories put together. Table 7.15 while detailing on expenditure on durable consumer goods, highlights the fact that around one-third of the income reaching the village is drawn out from day-to-day consumption, in strict sense of the term.

Table - 7.11Expenditure on Basic Food Items

Name of the good	Quantity consumed per annum Kg/lit/No.	Rate per Kg/lit/No. Rs.	Amount of money spent Rs. ps.	Percentage of total income
Rice	1563768	3.5	5473188.00	6.83
Wheat	92448	3.0	277344.00	0.35
Tapioca	107544	0.50	53772.00	0.06
Vegetables	232464	3.00	697392.00	0.87
Pulses	67344	6.00	404064.00	0.50
Milk	388356	4.00	1553424.00	1.94
Egg	271584	0.50	135792.00	0.17
Meat	68292	8.00	546336.00	0.68
Fish	120192	10.00	1201920.00	1.50
Edible Oil	58032	25.00	1450800.00	1.81
Tea	9912	40.00	396480.00	0.49
Coffee	6048	40.00	241920.00	0.30
Plantain and Banana	14421 bunches	15.00	216315.00	0.27
Jack fruits	1898	2.00	3796.00	0.004
Mangoes	45273	35.00	15845.00	0.02
(a)	--	--	12678388.00	15.80

Source: Survey data.

Table - 7.12Expenditure on Food Accessories

Name of the good	Quantity consumed Kg/lit/Nos.	Rate per Kg/lit/ Nos. Rs.	Amount of money spent Rs.	Percentage of total income
Sugar	201480	4.00 } 6.00 }	999120.00	1.25
Red chilly	25185	24.00	604440.00	0.75
Pepper	243	30.00	7290.00	0.009
Corriander	12489	20.00	249780.00	0.31
Turmeric	5002.5	16.00	80040.00	0.10
Onion	158556	2.50	396390.00	0.49
Salt	52440	0.5 to 2.00	76245.00	0.09
Clove	I Periodical I purchase I quantity I varies from I Rs.5/- to I Rs.10 at a I time		107870.00	0.13
Cardamom		--		
Cinnamon				
Green chilly	I Mostly I weekly pur- I chase quan- I tity varies I from Re.1/- I to Re.0.50		201480.00	0.25
Ginger &		--		
Curry leaves				
(b)	--	--	2722655.00	3.39

Source : Survey data.

Table - 7.13Expenditure on Lighting & Heating

Item of Expenditure	Amount of money spent	Percentage of total income
Electricity charges	3076176.00	3.84
Cost of fire wood	682410.00	0.85
(c) Total amount of money spent	3758586.00	4.69

Source: Survey data.

Table - 7.14

Expenditure on hot drinks, feasts, outside home eating, Travel, dress, medicine, entertainment, visitors, visiting, religion, bathing, washing and education

Item of Expenditure	Quantity consumed	Amount of money spent	Percentage of total income
Hot drinks	--	5001120.00	6.24
Feasts	--	1879100.00	2.34
Outside home eating	--	4620792.00	5.76

(Contd.)

Bathing and washing	-	506172.00	0.63
Clothing	-	97586.00	0.12
Travel		1400957.00	1.75
Entertainment, visitors and visiting	-	79316.00	0.10
Medicine		138025.00	0.17
Education	-	775400.00	0.97
Religion	-	258327.00	0.32

(d) Total expenditure	-	14756795.00	18.40

Source : Survey data.

Table - 7.15

Expenditure on Durable Consumer Goods and Building
Construction

Item of expenditure	No. & Rate	Amount of money spent	Percentage of total income
Refrigerator	138 x 6000	828000.00	1.03
Television sets	161 x 9000	1449000.00	1.81
Video cassette recorders	69 x 11000	759000.00	0.95
Middle class houses	186 x 75000	13950000.00	17.40

(Contd.)

Houses of rich	11 x 300000	3300000.00	4.12
Shops	5 x 15000	75000.00	0.09
Factory building	1 x 400000	400000.00	0.50

(e) Total Amount Spent	-	20761000.00	25.89
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Grand Total	A + B + C + D + E	= 54667424	68.18
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Balance at the bank (deposit - advance) with increase in percentage between the balances of 1984 and 1985)		4863000	6.06
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Cash in hand or stock of goods		2021511	2.52
		61551935	76.76

Source : Survey data.

Conclusion

The pattern of expenditure shows that only around 16 per cent of the income is spent on basic food items; whereas around 18 per cent of the income is spent on hot drinks etc. It also shows that around 26 per cent of the income is spent on durable consumer goods, which in some

way can be termed as savings. This pattern of expenditure is a pointer to a more or less balanced expenditure of the income, except that on hot drinks.

Occupational Structure and Worker Participation

7.16 Occupational Structure (Sector-wise)

The occupational structure of the village can be analysed on the basis of economic sectors. Different sectors are employing men and women as given in the Table.

Table - 7.16

Division of Workers - Sector-wise and Sex-wise

Sector	No. of workers	Percentage of workers	Sex-wise Division	
			Male	Female
Primary	2047	26.81	1104	943
Secondary	2898	37.95	2318	580
Tertiary	2691	35.24	2167	524
Total	7636	100.00	5589	2047

Source : Survey data.

Table 7.16 shows that agriculture employs only a smaller percentage of labourers than other sectors, pointing

to the welcome change in the pattern of employment. More or less equal level of employment in the other two sectors shows the enterprising nature of the people. However, the share of women workers is less than proportionate at 46 per cent, 20 per cent and 19 per cent in the respective sectors. It shows that women are not getting a fair deal in employment, except in agriculture.

7.17 Occupation Structure - Place of Employment

Occupation structure of the village looked at from this angle points to provision of employment to villagers, both inside and outside the village. Place of employment has the same implication on source of income as well. Table 7.17 gives occupational structure in relation to place of employment and therefore source of income as well.

The table 7.17 shows that around 54 per cent of the workers depend on the village sources for earning income, and only around 46 per cent of workers are employed outside the village. It shows that substantial use of village sources and resources are made for employment and income. However, dependence of around 38 per cent of workers on

Table - 7.17Division of Workers according to Sex and Place of Work

Place of Employment	No. of workers	Percentage of workers	Sex-wise Division			
			Male	Percentage	Female	Percentage
Inside the village	4140	54.22	2691	35.24	1449	18.98
Outside the village	2921	38.25	2484	32.53	437	5.72
Foreign countries	299	3.92	207	2.71	92	1.21
Pensioners	276	3.61	207	2.71	69	0.90
Total	7636	100.00	5589	73.19	2047	26.81

Source: Survey data.

outside village sources for employment, points to considerable dependence of the village on outside sources, which militates against the principle of autarky, found working in the creation of family assets.

7.18 Worker Participation

According to A.N. Agarwal, the proportion of people engaged in economic activity is called worker

participation rate.⁵ He also points out that worker participation at all-India level was 37.5 in 1981 and that of males 53.2 and of females 20.8.⁶ The State average rate of worker participation for Kerala is 26.88 in 1980-81.⁷ The combined worker participation rate of the village is 30.77, and sex-wise worker participation rate is - of males 42.93 and of females 17.35. Further, the ratio of male - female worker participation is 2.73 : 1, showing that participation rate of women is only around one-third of men.

7.19 Annual and Daily Duration of Work Time and Income

The number of days in a year and the number of hours per day in organised industry being fixed, the case of these industries in the above respects needs no analysis. In the case of cottage and small scale industries both the number of working days per annum and the number of hours per day depend on the will of the workers and the demand for the products concerned. Therefore, their cases in the village cannot be analysed systematically, except

5. A.N. Agarwal, Indian Economy, Wiley Eastern Madras 1988, p.119.

6. Ibid.

7. B.K. Venugopal (ed), op.cit., p.83.

in relation to each and every industrial unit, and a generalised information cannot carry much meaning. The case of agriculture sector, particularly in relation to major crops in the village is as follows:-

Coconut and paddy cultivation together provide 80120 work days per annum to men and 127,342 work days per annum to women. On an average men get 72.6 days work per annum and women get 135 days work per annum. Generally women are employed for half day and therefore they get 270 half days of work per annum.

Comparing this position to, 'a standard person year is taken as the work put in by a person in a full year of 273 working days'⁸, it can be seen that men are getting only 26.58 per cent of work time and proportionate remuneration; and women get 49.45 per cent work time and remuneration accordingly. As regards income, women are paid only 66.66 per cent of the wages of men. This is a discrimination against women. However, women are employed generally for half day work, the other half of the day being utilised for household chores, and as a result, they

8. K.C. Sankaranarayanan and V. Karunakaran, op.cit., p.33.

get 270 half days' work per annum. This points to the need for withdrawal of men and women workers, sufficiently to industrial and tertiary sectors, either through self-employment programmes or through industrialisation so that the remaining workers get work of a standard person year.

Conclusions

Sector-wise occupational structure shows that dependence on agriculture sector is reduced considerably, and the other two sectors have advanced considerably. It also shows that village with its resources gives employment to more than 50 per cent of the workers. Agricultural sector provides more days of employment to women than men per annum.

CHAPTER - VIII

SOCIAL LIFE OF VILLAGERS

8.0 The last chapter discussed the income, expenditure and employment in the village. In this chapter it is proposed to discuss the social life of the villagers.

8.1 Basic Conditions of Social Organisation

Talcott Parsons analyses societies as social systems. In his view if any social system is to operate, four basic conditions have to be met, or alternatively put, four basic problems have to be solved. He calls these conditions or problems, 'functional imperatives' or 'functional prerequisites', and they concern not only social organisation but also personality needs of the members of the society. These four problems are adaptation to environment, goal attainment, pattern maintenance and tension management and integration. Of these the first two deal with the conditions and demands made from outside the system. They can be seen as largely 'instrumental' in that they require the

performance of tasks such as allocating means to the achievement of valued goals. The next two result from social interaction which produces problems within a society. In order to solve these four problems and thus to maintain its existence, any society has to have four major structural features. They are the sub-systems - the economy, the polity, kinship and community and cultural organisations. The sub-structure economy, provides for production and distribution of material resources. The political sub-system and its institutions select the collective goals and motivate the members to achieve these goals. The kinship institutions maintain accepted and expected patterns of social interaction and helps to control interpersonal tensions largely through the process of socialisation. The community and cultural institutions such as organised religion, education and mass communication, serve the function of integrating the various elements of the social system.¹

8.2 Role of Cultural Factors

However, sociologists emphasise that cultural factors are the key determinants of human behaviour.² Based on this

1. E.C. Cuff and G.C.F. Payne (ed) Perspectives in Sociology, George Allen and Unwin, London, 1979, pp. 35 & 36.

2. Ibid., p.7.

Contention two basic approaches are evolved in sociology. They are the consensus and conflict perspectives - one perspective stresses on the co-operative and harmonious elements in social life, while the other focusses on coercive and divisive elements. Both these view points converge on some basic issues i.e., they focus on social structure and the relationship of its parts, through which they analyse the society.³ According to Spencer societal parts are social arrangements to perform vital functions - regulation, distribution and sustenance; and parts of society are orderly systems of social organisation, termed as institutions. He adds that society evolves from simple structures to complex, from homogeneity to differentiation, and differentiation causes specialisation.⁴

8.3 Definition of Village Community

According to the above digression, a village community is a part society. Ramnath Sharma defines a village community 'as a group of persons permanently residing in a geographical area and whose members have developed community consciousness and cultural, social and economic relations, which distinguish them from other communities.'⁵

3. Ibid., p.11.

4. Ibid., p.24.

5. Ramnath Sharma, Rural Sociology, Rajhans Prakashan Mandir, U.P., India, 1987, p.63.

According to him a rural society can be studied by rural sociology, a study of the web of rural social relationships, which includes an analysis of social organisation, structure, functions and process of change in the village.

In the light of the above analysis, the village under study is a part society. The sociological factors functioning in the village are kinship, community and cultural institutions. The respective roles of these institutions in integrating the various elements of the social system are as follows:

8.4 Kinship

The basic kinship institution found in the village is the family. Two types of families found in the village are - extended family, containing within it people of three generations, and nuclear family, constituted of father, mother and children. Out of 4370 households in the village 1495 (34.2 per cent) are extended families and 2875 (65.8 per cent), nuclear families. Extended families exist partly as a continuation of the past custom and partly as a social arrangement to take care of the old aged. However, the power structure in the extended families has changed and it remains transferred to the younger generation.

Sociologists point out that it is the influence of the town on the country side which create nuclear families. In the State of Kerala, and therefore in the village an additional influence creating nuclear families is the Land Reform Acts, which has caused division of lands into small parcels. Taking this line of argument it can be said that the combined influence of the town on the village and of the Land Reform Acts is substantially high as nearly two-thirds of the families are nuclear families.

8.5 Factors Causing Interfamily Relationships

Apart from blood relationship, marriage is the most powerful bond of interfamily relationship. People prefer exogenous marriages - daughter married outside the village and daughter-in-law coming from outside the village, as well. Moreover, social mobility is not found in this interfamily relationship. In fact intercaste marriage or even intercommunity marriage in the same main caste are looked down upon. However, no social ostracism is being practised. Likewise children of intercaste marriage are not preferred for marital alliance. Family bondage arising out of other considerations like business-partnership, neighbourhood, working in the same office or company do not culminate in marital alliance, if not of the same caste or religion.

Small clusters of families of the same community or caste are found in different localities of the village, except the road side buildings built anew for dwelling purposes. Families of the same religion or caste, live around the respective temples, churches and mosques. Economic class-wise grouping of houses is not found generally, except the occupation of river side lands by the rich from different castes.

8.6 Community Organisations

Social life of different religious communities is guided by the respective religious institutions, as far as, marriages, festivals and other celebrations are concerned. Christians and muslims are under obligation to follow the dictations of the concerned religious institutions, non-compliance of which will be seriously viewed. Major part of the time left for social living is spent this way. Hinduism, on the other hand, is a loosely knit religious

are financially sound and well contributed by the people. Muslims have no such priestly hierarchy or administrative set up, but their mosque is managed by the well to do community members. Hindu religious institutions in the village are not at all sound financially and they have no systematic control or direction over the faithful. However they are highly democratic and it is the popular committees which manage the affairs of different temples. Economic relations of different types cross-cut these community boundaries.

8.7 Social Organisations Prominent in the Village

8.7.1 Karshaka Sanghoms

There are two Karshaka Sanghoms (farmers organisations) which profess to take care of the interests of the farmers. They represent to the various government agencies, their difficulties with regard to farming, particularly in relation to water and fertilizers. Subsidised supply of fertilizers and continuous and year long supply of water, government - sponsored draining of excess water during rainy seasons are their demands. They also clamour for economic pricing of agricultural products. Number of

farmers actively co-operating with these organisations is very limited.

8.7.2 Trade Unions

Another social organisation found in the village is trade unions of head load workers and workers of a joint sector enterprise. There are two unions each in both the trades guided by political parties - Indian National Congress and Communist Party of India (Marxist) (CPI(M)). These trade unions work for the economic betterment of the concerned workers and have gained to some extent. They create tension in the village by organising strikes and processions. Occasional skirmishes occur between workers of rival unions and also between workers and the public. Interference of police, settles the issues. Social and economic life of the individuals involved will be disrupted so long as the tension continues. However, there is no long-lasting conflict between rival groups or others involved.

8.7.3 Political Parties

The third and final type of social organisations found in the village are the political parties. Two national parties and two state level parties have followers

and offices in different parts of the village. They toe the line taken by their central leadership. Public meetings, processions and study classes are organised to educate the people on their rights and demands and the role of party members and workers.

8.8 Cultural Organisation

Arts and sports clubs and Grāmeena Vāyana Sālas (village reading rooms) are the cultural organisations found in the village. Arts and sports clubs organise seasonal sports competitions both among members of the clubs and among clubs, culminating in a village level finale. Activities in relation to arts are limited to some of the clubs conducting a drama annually, participated by their members. These activities are financed by donations from the people. At times drama is substituted by a film show in a temporary conclave, at a rate. Village youngsters are the participants in these feats and elders enjoy the celebrations.

The four reading rooms functioning in the village equipped with books mostly in local tongue and local newspapers, help people of even the lowest level to keep abreast with the state and national level happenings. The

very fact of these institutions having only books and news papers of local tongue, means that they are meant for ordinary local people, who have no access to higher levels of knowledge.

8.9 Educational Institutions

The educational institutions in the village provide education upto high school level. Children attend the nearest school to their homes. At present, infrastructure facilities available in the village are more than what the people need. Admission is open to children without caste and community considerations. These institutions provide literacy and general education. High school level education is considered by people as a must, though there are drop-outs to the extent of less than 5 per cent at the levels of fifth standard and seventh standard put together.

A new trend found among the villagers is such that economically well-off and elite parents send their children outside the village to attain English medium education, though the curriculum remains the same. Free education in local tongue provided at the local level is eschewed by

these people and education in English is attained at a cost. The village has no English medium school.

8.10 Conclusions

Kinship institutions provide for intravillage connections over and above blood relationship. Exogenous marriage, the commonly preferred marital alliance creates inter-village and even further connections. The families belonging to different communities seek marital alliance from people of the same community living in different places of the State, thereby creating wide contacts and connections.

Religions have created little communities forming small groups of individuals living together, in whom all essential characteristics of communal living - distinctiveness, smallness, homogeneity and self-sufficiency - are found. Though, the religious communities do not conform to this ideal pattern, they show all other characteristics except self-sufficiency.

Among the different social organisations Karshaka Sanghoms ventilate grievances of the farmers in relation to agricultural operation and tries consensus measures to

remedy it. Trade Unions work for the economic well being of their members. Creating a temporary tension, they exert pressure on the opposite group for a solution of the problem. Creating tension intermittently and solving the problem through settlement is the way of operation of the trade unions. Technically it is creation of disequilibrium, so as to create a higher level of equilibrium. Trade unions do not seek permanent disequilibrium and violent change in the society.

Political parties make people conscious of their rights and duties and enable them to participate in the process of electing a government. They also enthuse people to acquire political power to the political party concerned at the local, state and national levels. It also builds up a new kind of unity among people - political party unity, above all other sectional feelings like that of community, caste, locality, trade etc.

Clubs and reading rooms try to develop the artistic talent, physical ability and organising capacity of the youngsters. Though functioning at the local level, these institutions cause higher level, both national and state level, aspirations among the youngsters. Reading rooms widen the horizons of knowledge and thinking.

Theoretically the educational mechanism provides for avoiding or reducing the potential conflict.⁶ The educational system at the village level provides for literacy and general education only. It serves all people alike. A new kind of unity and oneness which is above all sectarian feelings is kindled among children. Education strengthens national consciousness and patriotic feeling.

The social matrix of the village though cannot be considered as an exemplary paradigm of enlightened social life, definitely provides for a decent web of social relationship. Though the village is only a societal part, the different social institutions working in it provide for an integrated and co-ordinated system of social life. It can also be said that largely the working of these societal parts creates a state of equilibrium in which there is only consensus perspective for the maintenance of the social system than the conflict perspective of violent shake of the social organism and societal change.

6. E.C. Cuff and G.C.F. Payne (ed) op.cit., p.40.

CHAPTER - IX

CONCLUSIONS

The above analysis brings about the following conclusions. A uniform structural pattern could not be found among villages in the world over, except that most of them are agriculture oriented. In India though the villages are agriculture-oriented, many of them are short of food, as evidenced by the recurring famines. In the immediate past the major aim of village government was confined to the production of food to feed the people of the village. Self sufficiency in food production was considered as the most important achievement in the functioning of a village. Later this need came to be taken care of by the district, provincial and national administration.

Villages in South India differ from those in North India in their structure, size and relationship with the town. South Indian villages are larger and thickly populated compared to North Indian villages. Their separation from the town is more technical than factual; whereas North Indian villages are clearly demarcated and remaining

separate from the towns. Villages in South India show a situation of rural-urban continuum. Hence South Indian and especially Kerala villages show distinctiveness compared to North Indian villages. However, Indian villages of old had a uniform administrative pattern. To a very great extent this administrative pattern has similarities with the newly proposed panchayati raj institutions.

Since independence attention is being focussed on village administration to improve the economic lot of the village people. Currently both political and economic development administration are geared to lift the people below poverty line, so that income-wise each household in the village becomes self-sufficient. The schemes implemented in this line after independence are - CD, NES, IRDP, RLEGP and NREP. Most recently steps are underway to create economic development-oriented local administration through Panchayati Raj Institutions, in conformity with the idea of grass-root level development, envisaged by Mahatma Gandhi, the Father of the Nation.

The village under study exhibits the following situation regarding location, area, institutions, resources and

people. It is located 2.5 Kms. South of Chalakudy town, connected to it by 1.5 Kms. of PWD road and 1 Km of National Highway, though encircled by other villages on all sides. It is a village of below average size, 17.63 Sq.Kms., when compared to the average size of Kerala villages, 26.88 Sq.Kms., but above average in size when compared to the average size of village in the district, 12.63 Sq.Kms. It has its own administrative and development institutions, religious and cultural institutions, industrial establishments and schools. Near total use of its resources is being made by putting them to cultivation, household use, industrial use, public purposes like construction of roads and locating institutions. The average density of 982 per Sq.Km. in 1981, found in this village is quite high, compared to the national rural average density of 558 people per Sq.Km., and the State average density of 705 people per Sq.Km., in the same year. The density of the village has further gone upto 1408 per Sq.Km. in 1986. Therefore the village is heavily populated. It is top heavy since 61.7 per cent of the people are within the age group of 0-30 years. Of these 19.76 per cent are undergoing general education in the schools in the village, 13.16 per cent undergoing higher education outside the

village and the balance 28.78 per cent are either employed or seeking employment. The educational training being attained by the villagers is an investment in human resources, which will cause further development of the village in future. However, the present rate of growth of population of 2.89 per cent per annum, which is more than double when compared to the state average of 1.42 per cent per annum, is a snag on the village economy.

The settlement pattern of the village shows that more fertile and conveniently located lands are occupied by the rich and less fertile and adversely located lands by the poor. The general pattern of habitat, community living blocks, found in the village is nothing different from that found in other parts of the country. The modern trend of economic class-wise group living, provided by the government and private agencies, finds a precedent in community block living. However, the current trend of building houses on the roadside, crossing community blocks is due to both convenience and loose communal control over people. Out of the housing facilities available in the village, 7 per cent is found to be quite poor. These are temporary, low cost houses with minimum facilities, requiring recurrent maintenance expenditure, causing drains on the village

economy and on the consumption and saving of the people concerned.

Thanks to the interest of the village panchayat and the State PWD, the village has ample road facility both for travel and transportation. The crossing points of the river adds to this convenience. The post offices and telephone connections provide for contact and communication within the village and with the outside world.

With improvement in economic status, there is improvement in hygiene and sanitation conditions of the village people at large. Instant utilisation of household and animal wastes and absence of congested living add favourably to this situation. Except the general atmospheric pollution caused by tile factories, the local atmospheric pollution caused by thread rubber unit and the water pollution caused by Ossein plant, the village atmosphere and water are generally clean.

The medical facilities available to the village people, though only primary, meet the requirements of the people amply, and it is much above the average medical facilities available to the people in the State.

Some institutions of the State Government provide for the revenue administration, agricultural development and industrial development without any overlapping of functions. The village panchayat, the local self-government body, has no development functions, except those entrusted to it occasionally by the State Government. Other institutions of the State Government-veterinary hospital and maternity and child welfare centre and Government of India institution, Central Ground Water Commission are taking care of the related needs of the people.

Regarding trade, local trade of essential goods is well conducted by the fourteen trading centres in the village. Trading of surplus agricultural goods produced in the village, especially paddy, faces problems, since there is no common warehousing facility and no agency to finance the farmer, so as to enable him to withhold his paddy till better prices are offered. As far as industrial units in the village are concerned, they are prompted

The village is making maximum use of its abundant water supply. Tapping of water resources by the private households and provision of Government supply together irrigate 90 per cent of the land in the village. Comparatively high midlands lying on the eastern side of the village, forming one-tenth of the land area, is the only place lacking in irrigation. Household wells provide for drinking water in all places of the village.

The religious needs of the people are served to their satisfaction by the temples, churches and mosque functioning in the village. In addition, these institutions are working as cultural development centres of the respective community groups. These institutions are located in community concentrated centres and are sponsored by the elites and better offs belonging to different communities.

The social and cultural infrastructure - the reading rooms and arts clubs - are working as local centres of general information as well as youth centres for furthering the cultural and artistic talents of the youngsters.

The village is producing two major crops - coconut,

a cash crop, and paddy, a food crop. In addition, a large number of food and cash crops are also produced in the village as sub-crops. Around 20 per cent of the income of the village is contributed by all these crops. Among the village households all except the lower middle class have surplus paddy to sell. Regarding coconut, almost all households have some surplus to sell, the richer the more. The average yields from both the main crops are better than the concerned State averages. It is found that a sizeable area of paddy land is converted to coconut land prompted by profitability considerations. In spite of the existence of laws preventing conversion, the farmers find it difficult to oblige them on economic grounds. It is the heavy cost of conversion and the feeling of household autarky in the production of main staple food, that keeps the tempo of conversion at the present level.

Land, considered in relation to agriculture, is found excessively subdivided and fragmented. The reasons are the Tenancy Acts, the tendency to attain household autarky and the practice of division of ancestral land equally among all male heirs.

A large assortment of small industrial units and a big industrial establishment are functioning in the village.

Industries of old were extracting and mining industries. These were followed by primary processing industries. Modernisation and industrialisation in far and near places have caused the starting and development of metal processing and shaping industries, thread rubber making unit, plastic industry unit and match dipping unit. Food industries and bakeries found in the village cater to the modern trends in consumption. Development of some of the existing industrial units (aluminium unit and tile units) is already taking place. There is scope for further development of the industrial sector of the village as large number of youngsters are getting trained in different fields.

The financial system of the village is constituted of four agencies - the commercial banks, the co-operative society, the finance companies and the individual financiers. The commercial banks mobilise substantial savings, but advance only part of it, the balance being siphoned off to the head offices of the respective banks. The co-operative society advances more money as loans than it canvasses as deposits, the balance being adjusted from the District Co-operative Bank. The finance companies and individual financiers circulate money within their respective limited circles.

Villagers earn income from sources both outside and inside the village - 55.38 per cent and 44.62 per cent respectively. Income from outside the village includes 20.24 per cent earned from foreign countries. Income earned from inside the village is constituted of 22.66 per cent from non-agricultural sources, 20.84 per cent from agricultural products and 1.12 per cent from agricultural labour. Sector-wise division of income is 28.3 per cent, 49.23 per cent and 22.47 per cent respectively among the primary, secondary and tertiary sectors. Sex-wise division of village income is such that 62.45 per cent is earned by men, 15.59 per cent by women and the balance 21.96 per cent can be attributed to both sexes jointly. Pattern of household income shows that 51.58 per cent of the households have only one earning member, whereas 46.84 per cent have more than one earning member and 1.58 per cent have no earning member at all, but living on little agricultural income and charity. However, almost all households earn some agricultural income in addition to employment income. On dividing the households into ten income groups, it is found that only 7.9 per cent of the households live below poverty line and the top 7.3 per cent earn above one lakh rupees per annum. The balance 84.8 per cent of the households

earn income between Rs.3501/- and Rs.100000/- annually. Disposable annual income available to the villagers is only 76.76 per cent of the total income. Out of this two-thirds is spent on consumption and one-third on acquisition of durable consumer goods.

The occupational structure of the workers hailing from the village is such that 67 per cent are men and 33 per cent, women. Worker-participation of men and women is high in the village compared to the State and National averages. Sector-wise division of workers shows that 26.81 per cent are in the primary sector, 37.95 per cent in the secondary sector and the balance 35.24 per cent in the tertiary sector.*

The social life of the villagers shows that political institutions and trade unions are creating temporary tensions for the achievement of political and economic goals. Once the goal is achieved or the possibility of achieving the goal is nullified, tension is withdrawn. In economic sense it is only the sharing of additional income among the different groups who co-operate to produce it. Formation of warring groups and creation of permanent

* The dependence of the village economy on primary sector is comparatively reduced, a sign of economic development.

hostility or disequilibrium are not found in the village. The Marxian tendency of deterioration of the condition of the workers is found replaced by improvement of the economic position of the workers. None of the groups and organisations working in the village professes by its action, a social change through violent shake of the society.

Suggestions :

1. Draining of excess rain water if could be done, making it possible to broadcast the seeds direct to the field, avoiding seed-bed preparation, 24.6 per cent of the cost of paddy cultivation could be reduced. The work may be taken up by the agricultural development office.
2. In the case of coconut cultivation, addition of more manure and fertilizer and better irrigation to the present less cared lands (one-third of the coconut land) may improve per tree production of coconuts in these lands.
3. Provision of finance can double the production of thread rubber unit, one or two additional tile factories could be established and a 50 per cent increase in the excavation of granite stones could be made.

4. The village land can feed more cattle, thereby increasing milk production. Since the village requirement of milk is nearly fully met, this surplus production can be sold to the milk chilling plant on the side of the National High Way near the village.
5. The village panchayat may be given more finance and powers, so as to enable it to participate in and guide the industrial and tertiary development of the village.
6. A centralised marketing facility may be provided for the sale of surplus agricultural produce of the village, so as to enable the farmers to earn better prices at the instance of the village panchayat.
7. Out flow of finance from the village through the banking system may be reduced by making it compulsory for banks to lend a higher percentage of their savings in the village itself.
8. A new co-operative society may be started to serve the people on the otherside of the river, because the population has increased substantially.
9. Expenditure of the poor on hot drinks may be got reduced, by educating these workers through night classes.

Household Consumption

H.No.

2.1	No. of Members in the family	No. of males	No. of females		
2.2	No. of earners :	Males	Females		
2.3	Quantity consu- med per week :	own/bought	own/bought		
		Rice _____	Wheat _____ Tapioca _____		
Vegetable:	Own/bought	Pulses: own/bought	Milk : own/bought		
Egg :	Own/bought	Meat: own/bought	Fish:		
Edible Oil	Own/bought	Tea:	Coffee:		
Pepper	own/bought	Soap	Washing powder		
Face Powder		Other Items (Specify)			
Seasonal Consumption of fruits:	Jacks Nos.	Mango Nos.	Pineapple Nos.	Guva Nos.	Others (specify)

H.No.

Land use Schedule

3.1	Name of the owner	Joint owner	Owned by family	Sy. Nos.
3.2	Area of land owned	Sy.Nos.....	Land Leased in: Sy. No.....	Land Leased out: Sy.No.....
3.3	Type of lands	dry/wet/marshy	dry/wet/marshy	dry/wet/marshy
3.4	Use to which it is put	fully/partly cultivated fallow/current/partly fallow		
3.5	Crop cultivated (area under each crop)	Paddy Coconut arecanut Plantain..... Banana Fodder Others	Paddy Coconut areca-nut plantain..... Banana Fodder Others	Paddy Coconut areca-nut plantain..... Banana Plantain..... Others
3.6	Variety of seed used	local/conventional/high yielding	Local/conventional/high yielding	Local/conventional/high yielding
3.7	Secondary & Seasonal cultivation	Khariff/rabi/summer	Khariff/rabi/summer	Khariff/rabi/summer
3.8	Source of irrigation	Own lift (ele. energy) from river	Govt. Lift Canal	Well lift (ele. energy animal power) Pond lift (ele. energy animal power)
3.9	Cost of irrigation per month			
3.10	Time spent for irrigation	hours per day x 6	hours per day x 6	hours per day x 6
3.11	Sharing of irrigation cost (if any)			
3.12	Use of fertilizers	<u>Khariff</u> Type ----- Cost -----	<u>Rabi</u> Type ----- Cost -----	<u>Summer</u> Type ----- Cost -----
3.13	Use of manure	Type ----- Cost -----	Type ----- Cost -----	Type ----- Cost -----
3.14	Improvements of land in the current year (cost)	Levelling Bunding Reclamation	Fencing..... New purchase	Terracing
3.15	Land rent paid annually (if any)			
3.16	Acquisition of farm assets in the current year	Equipments (type) Live stock (type)	Cost	Cost
3.17	Hiring charges of farm equipments, animals (if any)	Type Type	Cost per season (Khariff) Cost per season (Rabi) Cost per season (Summer)	
3.18	Are you a member of Co-op. Society		Have you taken loan for agri. or other purposes in the current year	Amount..... Purpose:
3.19	Do you have a bank account			
3.20	Are you converting your paddy land to coconut land		Area	
3.21	I.R.D.P. Loan	Amount	Purpose	

Household Employment Schedule

H.No.

		<u>Occupation</u>			
4.1 <u>Working members in the family</u>		<u>Main</u>		<u>Sub</u>	
	1.				
	2.				
	3.				
	4.				
4.2	House of work:	F.N.	A.N.	F.N.	A.N.
		-----	-----	-----	-----
4.3	Wages in Money	_____		_____	
	in kind	_____		_____	
4.4	nature of payment:	daily/weekly		daily/weekly	
4.5	How often you get work:	days per week		days per week	
		-----		-----	
4.6	Any month or months without employment	:-----		-----	
4.7	Are you an employee of :	Govt. Sector	Pvt. Sector	Corporate Sector	
4.8	If your employ- ment permanent :	-----	-----	-----	
4.9	Name of work :	-----	-----	-----	
4.10	Salary obtained:	-----	-----	-----	
4.11	Take home salary:	-----	-----	-----	
4.12	Do you work in your own farm if so:	hours of work per day/p.w.		Type of work	
4.13	Do you work for others	Type of work	hours per day	days p.m.	Income p. m.
4.14	Wages obtained for types of work	{ Ploughing : ----- { Sowing : ----- { Threshing : ----- { Harvesting : -----			
4.15	Do you hire workers:				
4.16	Type of work for which workers hired:				
4.17	Payment made and periodicity :				
4.18	How often you hire workers:				

H.No.

Household income schedule

5.1 Total No. of family members: No. of family members employed I I

5.2 No. employed in Agrl. Sector No. of employed in non-agrl. Sector I I

5.3 Income from agrl. operation

Income from non-agrl. occupation

5.4	Name of Crop	<u>Khariff</u>					<u>Rabi</u>					<u>Summer</u>					5.8 (a)	Name of work	days worked p.m.	Rate of wages per day	No. of months worked	Total income
		(M)	(S)	(M)	(S)	(M)	(S)	(M)	(S)	(M)	(S)	(M)	(S)	(M)	(S)	(M)						
5.5	Qty. Produced	(M)	(S)	(M)	(S)	(M)	(S)	(M)	(S)	(M)	(S)	(M)	(S)	(M)	(S)	5.9 (b)						
5.6	Qty. Consumed	(M)	(S)	(M)	(S)	(M)	(S)	(M)	(S)	(M)	(S)	(M)	(S)	(M)	(S)	5.10 (c)						
5.7	Qty. Sold	(M)	(S)	(M)	(S)	(M)	(S)	(M)	(S)	(M)	(S)	(M)	(S)	(M)	(S)	5.11 (d)						

Income from salary

5.12	Occupation/nature of employment	Periodicity of payments	Income p.m.	Total salary in the year	Gross income	Income Tax paid	Net Income
a)							
b)							
c)							
d)							

Foreign remittance

5.13	Person	Country	Job	Income p.m	Money remitted	Total income p.a.
a)						
b)						
c)						
d)						

Income from hiring farm implements

5.14		Khariff	Rabi	Summer
	Tractor			
	Thresher			
	Winnower			
	Pumpset			
	Carriage			

5.15 Income from other sources

Marketing of Agrl. produce

5.16	Main Product	<u>Local Sale</u>			<u>Town Sale</u>		
		Qty.	Value obtained		Main product	Qty.	Value obtained
a)							
b)							
c)							
d)	Sub product	Qty.	Value obtained		Sub product	Qty.	Value obtained

Cost of transportation & marketing

5.17	Carriage Charges	-----	Carriage Charges	-----
	Personal Expenses	-----	Personal Expenses	-----

Household Social Life

H.No.	Caste :	16 - 30	31 - 50	51 and above	SC/ST	Religion:	No. of days
6.1	0 - 15						
No. of members in different age groups							
6.2							
Attending Church No. of days p.w.							
6.3							
Attending temple No. of days p.w.							
6.4							
Time spent in church/ temple per day							
6.5							
Offerings in kind/ and or in money at each visit							
6.6							
Attending annual/ seasonal festivals							
6.7							
Spl. offerings in money or in kind							
6.8							
Visiting Cinema houses No. of days p.w.							
6.9							
Money spent p.m. on film							
6.10							
No. of outings p.w.							
6.11							
Money spent on the outing							
6.12							
Expenses On Visiting relatives :							
6.13							
Expenses on receiving relatives :							
6.14						Place of preference :	
Married in							
6.15						Place of preference :	
Married out							
6.16							
Reason for preference							

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