CHAPTER 7
SUMMARY AND CONCLUSIONS

The share of agriculture has been continuously decreasing in national income but still it is a very important sector in terms of its contribution to national income and employment generation. The share of agriculture in national GDP slid from 56 percent to 25 percent in the year 2000. Its share in the working population fell marginally from 71 percent to 64 percent. So considering the importance of agriculture in Indian economy the focus now should be on achieving consistent and sustainable agricultural growth. An agriculture led growth will have a higher multiplier effect on rural development, employment generation and poverty alleviation. Survey of literature of peasant studies cited in the introductory chapter gives instances of conscious development of new agrarian model institutionalized by the marginal farmers and agricultural labourers which facilitates their inter generational economic mobility as a result of changes in land distribution. Farmers concentrate in the production of those unorthodox varieties of crops which are suited to particular geographical conditions. Economic and social mobility of peasants is examined by the orthodox Marxist and Neo-populist approach. Lease land operation of marginal farmers and displaced agricultural labourers are examined on the basis of Chayanovian theory of efficient family farm management. The
proliferation of the agency service due to an off shore energy boom in the gulf area and the resultant casualisation of labour force and the formation of work groups and the pressure groups are cited in the introductory chapter. Survey of literature of Kerala economy brought out two important trends in the agrarian relations: (1) Changes in the mode of labour due to shift in the land use and cropping pattern in Kerala. (2) Kerala’s ‘Dutch Disease’, akin to the decline of food grain production in Kerala, originated in the decline of agriculture, following migration to the gulf countries.

Historically, political and social movements in Kerala have generated an environment for radical reforms in most walks of life and in Travancore state, Government had initiated land reforms in the early 20th century, conferring ownership rights on tenants. The British planters had begun large-scale capitalist enterprise in Kerala agriculture and the trend continued even after independence. The impact of various land reforms on agricultural labourers and marginal farmers along with agricultural productivity is examined in the second chapter. The land reform legislations aimed at drastic structural transformation in agrarian relations definitely succeeded in abolishing land lordism completely, but did not succeed in transferring lands to the tiller of the soil. However, during the process, most of the land less agricultural labourers got possession of small plots of land for dwelling purposes. The land reforms effected only marginal reduction in the inequality of
land distribution. But some of the relatively richer tenant peasants, who had a substantial area of leased in land got ownership right of the whole land operated by them and consequently emerged as a new class of capitalist farmers. Ceiling on holdings could not achieve much because of the exemptions granted to plantations. Distribution of surplus land meant little to agricultural labourers since land has not gone to the tiller of the soil but to the intermediate possessor. The small and marginal farmers were economically at a less advantageous position in the sense that the benefit of modern technology and agricultural subsidy of the government were mostly reaped by the larger farmers. The land reforms, technological changes in agriculture and increased infrastructure investments after independence have not apparently strengthened Indian peasantry, but we can also see the manifestation of the peasantry clinging to their holdings, adapting to such technological changes, intensive application of labour and acquiring new commercial skills. The achievements of redistribution of surplus land have been far below the targets and the absence of political will and efficient administrative networks are the major bottlenecks in this direction.

The offshore petrodollar boom which caused a change in the land use pattern of Kerala economy is cited in the third chapter. The changes in the socio-economic conditions of the people and the resultant expansion of the service sector in Kerala economy enhanced the demand for land for nonagricultural purposes. Scaling of conversion of
wetland, fall in prices of farm goods especially rice, subdivision and fragmentation of agricultural holdings due to increased pressure on lands, changes in the attitude of people to agriculture, commercialization of agriculture and changes in the cropping pattern deserted the farm sector of land and labour. Lowlands and highlands becoming infertile due to large conversion, permanent loss of cultivable land, ecological imbalance and environmental degradation are the long-term impact of change in land use pattern. The role of paddy field in the preservation of the environment includes the sustenance of the drainage system, the conversion of ground water regime and preservation of the biological succession of the fauna and flora especially the semi aquatic bio-diversity. For economic, social and environmental reasons it is necessary to preserve paddy land. The farmer uses the paddy lands for the production of short duration crops like vegetables, banana, tapioca, pineapple etc on condition that land must be easily revertible to cultivation. The land utilization order 1967 needs suitable modification for this purpose.

The mismatch between the labour supply and labour demand as a result of changing job expectation of the younger generation in a technologically stagnant economy was examined in the fourth chapter. Agricultural sector, particularly wetland cultivation faces acute shortage of labour. Scarcity of labour on one hand and unemployment on the other is the paradox of Kerala labour economy. The shift in the
socio economic profile of younger generation has changed the character of labour market. Young men of 16 to 30 age group had only 39 percent as agricultural labourers where as the figure was 64 percent for women. How could agricultural labour households afford such high unemployment of their younger members? High wage rate, demographic transition and state assisted programmes played a significant role in the ability of the younger generation to remain unemployed until employment is secured in the non-agricultural sector. The long-term implications of labour scarcity and high wage rate are crop shifting and land conversion. There was reduction in the total number of labour days especially for women labourers. The dilemma of "wage gain but job loss" was being experienced by every major segment of rural labour. In the agrarian sector there was forced conversion of land use pattern and allied activities which resulted in the migration of these enterprises to neighbouring states. Side by side, land holding pattern in Kerala shows multidirectional/cyclical mobility of households. There has occurred an increase in both the proportion of and area under marginal holdings. For larger holdings category there has occurred a downward mobility and for the lower size classes an upward mobility. The changes in the landholding pattern and the changed character of labour market, has brought a new linkage between land and labour which is a prelude to new agrarian relations in Kerala.
In the fifth chapter the socio-economic transition of the Kerala economy on the basis of primary data analysis is traced. The incidence of unemployment among the younger generation and their hesitation to opt for agricultural labour and the resultant scarcity of labour in the agrarian sector and high wage cost made crop shifting in favour of high valued commercial crops, which reduced the labour days of employment of the work force in the agrarian sector. The displaced agricultural labourers and marginal farmers, who could not afford to be unemployed, on a survival strategy, opted for lease in wetland cultivation for seasonal cash crops. Primary analysis has shown that lease operation varies from place to place. Survey analysis of Kulanada, Chenneerkara and Mezhuvely panchayats have proved conclusively the participation of agricultural labourers and marginal farmers in commercial farming on a lease basis and technological, institutional and political factors have become elastic enough to accommodate this segment of the farming community. Distributional analysis of sample households show an upward mobility. Cost analysis show that lease land operation is a viable economic activity which averts spatial dislocation of displaced agricultural labour class and facilitates reinstallation of the work force in the paddy cultivation if cultivation is restored. The other major findings of the study are (1) the area under lease decreases and the number of leasers are on the increase. It shows that households could not afford larger area and there
is a shift in the category of households engaged in lease cultivation and

(2) The emergence of a new labour class. Incidence of unemployment, shift in the social expectation of younger generation to have higher social status and regular income may be the factors which have given place to a new pattern of labour among the labour class. Lessors with excess land and lessees with excess labour are linked to offshoot the impact of Petro-Dollar boom in Kerala economy.

The sixth chapter developed a model of work groups within the framework of an open economy macro-model of Dutch disease. The proliferation of the service sector due to Petro-Dollar offshore boom and attitudinal shifts of the people of Kerala paved the way for the desegregation of the agrarian sector. Survey analysis of the occupational preference of low middle class families identified the formation of pressure groups which flourished under communal and political patronage. Kerala model of development is highlighted through the Dutch diseases and Salter diagram. The decline of food grain production in Kerala has originated from the decline of agriculture following migration to the gulf and ultimately shifted the land use pattern and changed the mode of labour. The factors which worked to boom the economy may not hold in reverse as the boom dies down. Construction boom popularized the role of WGs. Depoliticization and de-linking from main stream trade union activities are the main attractions of work groups. The gulf boom and the
expansion of service sector have induced the internal migration of labour from the traditional agricultural labour to last grade servants in the secondary service sectors that arose from the main service sector. Could they be included under the nomenclature parasites? Could it be included under the scheme of the new employment generation? Analysis of interviews with selected service agencies showed a very sophisticated pattern of asset formation in middle class families.

The overview of Kerala agriculture in the earlier chapters showed that land reform initiated in the late 1960s, greater demand for food due to population explosion, intensive cultivation of small holding using family labour and better application of inputs have raised agricultural productivity and gross cropped area of traditional crops by the mid 1970s. But migration of labour to the gulf countries, emergence of a middle class and pressure groups indulging in cosmopolitan consumption and cultural practices, absence of long term investment in agriculture, disinclination to manual labour in segments of Kerala society and fall in relative prices of traditional agricultural products have brought a fundamental change in land use and cropping pattern in Kerala. Statistics provided in the earlier pages show that area under food crops like paddy has declined sharply and a significant area of land is either lying fallow or being converted to nonagricultural uses. Implications of this phenomenon are too complex and far-reaching like fall in rural employment opportunities and food security, environmental
degradation, degeneration in land fertility, dis-aggregation and dis-integration of rural economic structures and institutions.

The study has brought in to focus certain interesting phenomenon like a land hungry class of agricultural labourers and marginal farmers willing to undertake lease in cultivation, provided there is institutional technological support for such ventures. Another striking development emerging in Kerala is substitution of the traditional class of labourers and artisans with work groups, who have horizontal mobility. A third phenomenon is the advocacy for a new crop regime catering to the demands of globalization which might perhaps alter the existing water and ecosystem. The researcher has attempted to narrate and analyse these phenomena without going in to any value judgments. However, one cannot side step the question as to what is there in store for the large mass of people in this bargain. Amartyasen’s famous thesis on entitlements and actual capabilities make an explicit case for command over land as means of food security both for individuals and households. Whether a person is able to establish command over food to avoid starvation depends on the entitlement system operating in the economy in question and on the person’s own position in that society. Looking through such a perspective, no society should deny access of land to unemployed and hungry rural population, while large parcels of land are lying uncultivated. Any initiative or attempt to enhance the
entitlements and capabilities of rural people should receive the recognition it deserves.

Conclusion

"It is in the agricultural sector that the battle for long term economic development will be won or lost", is the subtle remark of Professor Gunnar Myrdal, a Nobel Laureate. He emphasized the imperative need for agricultural progresses, as the basis of long term economic development. The reigning social attitudes have a strong influence on land use decisions. Seventy percent of the farmers below the age of forty was ready to give away their rice land for a reasonable price. Only two percent had the courage to, say that they will cultivate on their own. No body new is coming to the sector. The caste structure, land holding pattern and tenurial reforms have a profound influence on the attitudinal shift. Land transfers and fragmentation have made sole dependence on agriculture problematic and hence cultivators have been loosing interest. The increasing person land ratio made agriculture as an exclusive occupation a risky option. Educational development was the driving force behind this trend, which brought in aspirations of social and economic mobility. Recent changes in the Kerala economy include (1) Change in cropping pattern (2) Shift in cropping pattern from low valued to high valued commercial crops. (3) Changes in the agricultural economy due to interactions between price and non-price factors including state policies. (4) Crisis in the
agricultural sector due to the policies of liberalization. (5) The ‘paradox’ in the rural labour market. (6) The structural changes in the land holding pattern enable the dominance of small holders. (7) The welfare state policies produced educated unemployed. (8) Monetization of the economy due to partial commercialization of agriculture, emigration created service sectors which yield a regular income. (9) Fascination for government job.

The conclusions drawn from the study can be summed up as:

1. Area under lease is decreasing and the number of households depending on lease operations increasing. There is apparently a large number of people on the lookout for land plots for cultivation, whereas land owners are not responding, even when they keep their land fallow. There is also a forward shift in the socioeconomic profile of marginal farmers and agricultural labourers. A new labour class of self-employed in agriculture on lease basis has emerged, facilitating an intergenerational economic mobility of the agricultural labour class.

2. Increased aggregate spending by the lessees enables multiple increase in income and increased investment leading to reduction in unemployment. Spatial dislocation of agricultural labourers is averted and local availability of labour can be ensured if traditional cultivation is restored.
3. Analysis of a few betel farmers for a fairly long period of time reveal that cultivation of nontraditional items is a viable economic activity. This mode of labour utilization is sustainable and reduces unemployment. This seems to be an appropriate model for increasing GNP by utilizing unemployed labour and fallow land, both of which are abundantly available in Central Travancore.

4. Agricultural labourers and marginal farmers with excess labour and owners with fallow land create the class of lessor and lessee models. The opportunity cost of offshore petrodollar boom is the loss of land and labour from the agricultural sector, shift from allied labour demanding activities like poultry farming and animal husbandry to pleasure providing species. This study proves the emergence of a class of agrarian entrepreneurs, who gather parcels of land, consolidate them and venture to do operations of unorthodox varieties.

5. Occupational pattern of low middle class families reveals that 36 percent households prefer trade and service sector. 23 percent have preference for self-employment and another 36 have no preference and are content with their present status. The 23 percent, who prefer self-employment in agriculture is a potential productive force in Kerala. With appropriate, institutional, technological and infrastructural development, their marginal
productivity can be raised, thus converting this propensity to cultivate to a model for growth.

The first and fourth hypothesis developed in the first chapter that innovative productive activities in the agrarian sector by the marginalized workforce has brought about a new paradigm in agrarian relations and productivity in Kerala is tested positive in the analysis of primary data. In new relations even marginal and smallholdings are integrated to commercial market system. New productive forces and production relations have emerged. Some interesting phenomenal changes to be examined in change in the mode of labour are (a) non-transfer of traditional farm skills to younger generation by both farmers and agricultural labourers in full or half (b) learning some technical skills and crafts and taking up contractual work at high wage rate. The middle class and NRIs are fooled to pay high rates for inefficient services. Instead of daylong drudgery work the labour class prefer short duration piecework at higher wage rate.

A unique model of work groups and pressure groups discernable from an inter-disciplinary primary analysis is the final conclusion of the study. Casualisation of labour market in union with proliferation of construction and service sectors due to off shore energy boom, closed shop strategy of trade unions and forced shift of cropping pattern are the trend setters for the development of a parasitic class. The creation of service sector jobs, early monetistion of the economy, partly due to
commercialization of agriculture, produced a large number of educated unemployed. The attitudinal shift of labour class for social and economic mobility made Kerala a consumer state.

Major Recommendation

1. Institutionalize the new agrarian model within appropriate legal framework. The outcome would be alleviation of poverty, employment generation, increased GNP and productivity of land. Conversion of Kerala economy from a user state to a producer state. Arrangement of modern marketing and storage facilities for vegetables and fruits.

2. Adoption of contract farming model (Aggarwal P. K. Joint Secretary in Ministry of Agriculture, India) by small and marginal farmers through right technology, quality inputs, assured price and market support. Contract farming by giving full protection of land right to contract farmers will help to increase the income of small farmers, promotion of agricultural diversification and value addition. In both cases, institutional arrangement may be with local panchayats or some government machinery to promote confidence between parties to solve any dispute arising out of violation of contract.