

KERALA ECONOMY

BA ECONOMICS

V SEMESTER

CORE COURSE

(2011 Admission)



UNIVERSITY OF CALICUT

SCHOOL OF DISTANCE EDUCATION

CALICUT UNIVERSITY P.O. MALAPPURAM, KERALA, INDIA - 673 635

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UNIVERSITY OF CALICUT SCHOOL OF DISTANCE EDUCATION

STUDY MATERIAL BA ECONOMICS

(2011 Admission Onwards)

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MODULE I

STRUCTURE OF KERALA ECONOMY

Structural composition – Primary, Secondary and Tertiary Sectors – changes over the years NSDP, GSDP and PCI. Contribution of productive vs. service sectors. Poverty profile in Kerala.

INTRODUCTION

The State of Kerala, located in the south-west part of India formed in November 1, 1956 as part of the linguistic reorganisation of the Indian States by merging the three Malayalam-speaking regions -the princely states of Travancore and Cochin and the Malabar district of the Madras Presidency. Its land area is 38,863 sq. km, stretching 580 km in length and 30-130 km in breadth and is bordered by Karnataka to the north and northeast, Tamil Nadu to the east and south, and the Arabian Sea on the west. Thiruvananthapuram is the state capital. Kochi and Kozhikode are other major cities. According to a survey by 'The Economic Times' five out of the ten best cities to live in India are located in Kerala.

While in terms of area, Kerala forms only 1.275% of India, its population (in 2011) of 33.3 million accounts for 2.76% of India's population. Population density in Kerala is 859 persons per sq. km, one of the highest in the country (Third). This high population density is often camouflaged by the spread of a lush green biotic environment. Moreover, the population is spread across the State and as such there are no big urban agglomerations. The biggest city of Kerala, Kochi (often referred to as Cochin), has a population of only about 0.27 million. Kerala has three predominant religions. Christians and Muslims account for a greater share than seen in other Indian States and even all-India. In the 2001 Census, they accounted for 19 per cent and 24.7 per cent of the population, respectively, with the Hindus mostly contributing the rest. Christianity and Islam, as practised in Kerala are specifically Keralite.

Ecology plays an important role in the Kerala economy by providing a diversified natural resource base, enabling a large degree of occupational diversification. Geographically, the region comprises three zones namely low land, mid land and high ranges. The low land, where the population density is the highest, consists of sandy and fertile soils of the river valleys, lakes and backwaters, providing the basis for fishing, rice and coconut cultivation and horticulture. In the midland region, coconut, rice, cassava, arecanut and cashew,

along with rubber, pepper, and ginger on the slopes predominate. The high ranges, where the population density is the lowest, and which once consisted almost wholly of natural evergreen tropical forests, gave way to plantations of tea, coffee and rubber during the colonial times. Over the past century, the high ranges have also received migrant peasants, big and small, from the midland and coastal tracts.

The agro-climatic conditions in Kerala suit the cultivation of both cash crops and food crops. Under the colonial initiative, however, given an enabling legislative framework and market conditions, cash crops came to predominate. Agriculture forms the raw material base for a number of agro-processing industries, such as coir, cashew, wood and edible oil. These industries continue to occupy an important place, especially in terms of employment. A small segment of large modern industries based on minerals, chemicals and engineering have also come up, along with an increasing segment of small and medium industries, some based on modern technology and management. A striking feature of Kerala's development experience is the growth of the service sector. Historically too, this sector has been more pronounced in Kerala than in the rest of the country. The largest shares of and employment are generated in the service sector. Kerala's economy is no longer predominantly agrarian. Kerala has an active political society compared to the rest of India. There is a high degree of political activism, the consequences of which are subject to differences of opinion. No single party has been able to form a Government of its own since the formation of Kerala. Currently, two coalitions have been ruling the State; neither of them having managed to win a consecutive term. While one is led by the Indian National Congress, the other is led by the Communist Party of India (Marxist). There are also parties that do not belong to either of the two coalitions, but these are yet to gain any electoral representation in the State Assembly.

1.2 STRUCTURAL COMPOSITION IN KERALA ECONOMY

Kerala completes more than 56 years of her experience as a state as well as a regional economy in 2013. Kerala has experienced a wide variety of change in its productive sectors and other dimensions of the economy. Kerala economy changed from a traditional backward agrarian economy to modern growing economy. Kerala economy faces structural changes since its formation in 1956. While the real sectors remained as sluggish in growth rate, the service sector achieved a high growth path. There will be changes not simply in traditional indicators like State Domestic Product and Per capita Income but also in other socio-economic indicators.

1.3 SECTORAL DISTRIBUTION OF GROSS STATE DOMESTIC PRODUCT

During 2011-12, the contribution from primary, secondary and tertiary sectors to the GSDP at constant prices (2004-05) was 9.48 per cent, 20.22 per cent and 70.30 per cent respectively. At current prices, the primary, secondary and tertiary sectors contributed 15.11 per cent, 21.05 per cent and 63.22 per cent respectively to the GSDP during 2011-12. This difference in sectoral share between constant and current prices shows that inflationary trends in the primary sectors are much higher than in the secondary and tertiary sector.

While analysing the sectoral distribution of state income it is seen that the contribution from primary sector has been decreasing and while that of the tertiary sector has been increasing. The contribution of secondary sector remained almost stagnant. Sectoral distribution of GSDP during 1960-61 to 2011-12 are shown in the Table 1.1

Table 1.1
SECTORAL DISTRIBUTION OF GSDP AT CONSTANT PRICES

Sectors	Sectoral Shares							
	1960-61	1970-71	1980-81	1993-94	2000-01	2009-10	2010-11	2011-12
Primary	56.0	49.4	39.23	32.23	25.30	12.00	11.06	9.48
Secondary	15.2	16.3	24.37	20.32	19.50	20.70	20.13	20.22
Tertiary	28.8	34.2	36.40	47.45	55.20	67.30	68.81	70.30
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Department of Economics and Statistics

1.4 GROWTH OF THE SECTORS

The analysis of annual sectoral growth in GSDP showed that tertiary sector recorded the highest rate of growth of 11.81% in 2011-12 at constant price (2004-05) followed by secondary sector (7.03%) and primary sector (-0.73%). They are given in Table 1.2.

At current prices, the tertiary sector recorded a growth rate of 17.96 %, primary sector 15.48% and secondary sector 15.18% in the year 2011-12.

Table 1.2
SECTORAL GROWTH RATE AT CONSTANT PRICES (IN %)

Sectors	Sectoral Growth Rate			
	2008-09	2009-10	2010-11(P)	2011-12(Q)
Primary	2.18	-0.55	-5.06	-0.73
Secondary	0.30	7.35	8.38	7.03
Tertiary	8.07	11.67	10.26	11.81
Total	7.22	9.17	8.05	9.51

Source: Department of Economics and Statistics

1.5 CHANGES IN STATE DOMESTIC PRODUCT

There is a definite change in the amount and rate of growth of SDP at both constant and current prices. The constant price shows the original picture of the real growth of goods and services it is shown in Table 1.3. Not simply there is change in absolute amount of SDP; but there are changes in the growth rate of SDP indicator at constant prices which is given in Table 1.4.

Table 1.3
STATE DOMESTIC PRODUCT AT CONSTANT PRICES

Years	SDP(in crores)
1950-51	334 (at 1960-61 Prices)
1960-61	432 (at 1960-61 Prices)
1970-71	629 (at 1960-61 Prices)
1970-71	1,254.64 (at 1970-71 Prices)
1980-81	1,571.33 (at 1970-71 Prices)
1980-81	3,822.73 (at 1980-81 Prices)
1990-91	5,262.34 (at 1980-81 Prices)
1993-94	23,851.07 (at 1993-94 Prices)
1995-96	26,947.47 (at 1993-94 Prices)
1999-00	32,716.15 (at 1993-94 Prices)
2000-01	33,565.16 (at 1993-94 Prices)
1999-00	62,034.31 (at 1999-00 Prices)
2000-01	64,818.47 (at 1999-00 Prices)
2004-05	84,950.67 (at 1999-00 Prices)
2005-06	92,741.77 (at 1999-00 Prices)
2010-11	1,91,866.76 (at 2004-05 Prices)
2011-12	2,10,107.17 (at 2004-05 Prices)

Source: Various Issues of Economic Review

Table 1.4
GROWTH RATE IN SDP

Period	Growth Rate
1970-79 to 79-80 (at 1980-81 Prices)	1.97%
1980-81 to 89-90 (at 1980-81 Prices)	2.87%
1990-91 to 99-00 (at 1980-81 Prices)	6.12%
2000-01(at 1993-94 Prices)	2.6%
2001-02 (at 1993-94 Prices)	2.8%
2002-03 (at 1993-94 Prices)	7.3%
2003-04(at 1993-94 Prices)	7.3%
2005-06(at 2004-05 Prices)	10.09%
2010-11(at 2004-05 Prices)	8.05%
2011-12 (at 2004-05 Prices)	9.51%

Source: Various Issues of Economic review

According to the statistics published by the Department of Economics and Statistics, the quick estimate of gross state domestic product (GSDP) at factor cost at constant prices (2004-05) was Rs. 2, 10,107.17crore in 2011-12 as against the provisional estimate of Rs. 1,91,866.76 crore during 2010-11, registering a growth rate of 9.51 percent in 2011-12 compared to 8.05 percent in 2010-11. At current prices, it was estimated at Rs. 315205.crore (quick estimate) in 2011-12 against the provisional estimate of Rs. 269473.79crore in 2010-11. (See Table: 1.5)

Table 1.5
STATE DOMESTIC PRODUCT AND PER CAPITA INCOME OF KERALA

Sl. No.	Item	Income (In Crore)			Growth Rate (%)	
		2009-10	2010-11 (P)	2011-12 (Q)	2010-11 (P)	2011-12 (Q)
1.	GSDP					
	a) At Constant Price (2004-2005)	177571.35	191866.76	210107.17	8.05	9.51
	b) At Current Price	231998.67	269473.79	315205.67	16.15	16.97
2.	NSDP					
	a)At Constant Price (2004-2005)	157122.70	170236.91	186997.59	8.35	9.85
	b) At Current Price	206069.79	239425.85	280870.84	16.19	17.31
3.	PCI (Rs)					
	a)At Constant Price (2004-2005)	51897	55667	60536	7.26	8.75
	b) At Current Price	67804	78183	90816	15.31	16.16

Source: Department of Economics and Statistics.
P: Provisional, Q: Quick Estimate

1.6 DISTRICT-WISE GROSS STATE DOMESTIC PRODUCT

District wise distribution of Gross State Domestic Product at factor cost at current prices shows that Ernakulam District continues to have the highest income of 44129.38 crore in 2011-12 as against 37836.28 crore in 2010-11 registering a growth rate of 16.6 per cent. At constant (2004-05) prices, this amounts to 30286.66 crore during 2011-12 compared to 27596.61 crore during 2010-11. But the district Wayanad is in lowest position with the income of 6294.25 crore in 2011-12 as against 5376.12 crore in 2010-11 registering a growth rate of 17.08 per cent. At constant (2004-05) prices, this amounts to 3926.95crore during 2011-12 compared to 3620.08 crore during 2010-11. The highest growth rate in GSDP at constant price (2004-05) is with the district Pathanamthitta (10.08) in 2011-12 and lowest in the same year is shown by the district Idukki (7.66). The details are given in Table 1.6 below.

Table 1.6
DISTRICT-WISE DISTRIBUTION OF GROSS STATE DOMESTIC PRODUCT
(LAKHS)

Sl.No	District	GSDP at Factor Cost				Growth Rate (%)	
		At Current Prices		At Constant Prices		At Current Prices	At Constant Prices
		2010-11 (P)	2011-12 (Q)	2010-11 (P)	2011-12 (Q)	2011-12	2011-12
1	Thiruvananthapuram	2871463	3358011	2100157	2309934	16.94	9.79
2	Kollam	2041190	2385361	1427520	1559333	16.86	8.66
3	Pathanamthitta	1098843	1286345	785578	863525	17.06	10.08
4	Alappuzha	1723815	2015165	1241826	1361875	16.9	9.15
5	Kottayam	1880383	2202442	1324493	1450284	17.13	9.26
6	Idukki	1037411	1210983	667287	716116	16.73	7.66
7	Eranakulam	3783628	4412938	2759661	3028666	16.63	9.38
8	Thrissur	2570599	3010494	1889958	2082359	17.11	9.63
9	Palakkad	2082266	2433089	1453581	1582894	16.85	8.99
10	Malappuram	2152352	2519438	1491032	1624188	17.06	8.51
11	Kozhikode	2331326	2732062	1676121	1839750	17.19	8.82
12	Wayanad	537612	629425	362008	392695	17.08	8.48
13	Kannur	1956146	2293771	1394441	1528965	17.26	8.89
14	Kasaragod	880344	1031041	613013	670134	17.12	8.78
	GSDP	26947379	31520567	19186676	21010717	16.97	9.5

Source: Economic review 2012. P - Provisional, Q - Quick Estimate

1.7 PER CAPITA STATE INCOME

As per the quick estimates in 2011-12, the per capita gross state domestic product at constant (2004-05) prices was Rs.60, 536 against the provisional estimate of Rs. 55,667 in 2010-11, a growth of 8.75% in 2011-12. At current prices, the per capita GSDP in 2011-12 is Rs. 90816 registering a growth of 16.16% over the estimate of Rs. 78183 in 2010-11.(See for details Tables: 1.7 and 1.8)

Table: 1.7
PER CAPITA INCOME AT CONSTANT PRICES

Years	Per capita Income (in Rs.)
1950-51	247 (at 1960-61 Prices)
1960-61	259 (at 1960-61 Prices)
1970-71	298 (at 1960-61 Prices)
1970-71	594 (at 1970-71 Prices)
1980-81	621 (at 1970-71 Prices)
1980-81	1,508 (at 1980-81 Prices)
1990-91	1,815 (at 1980-81 Prices)
1993-94	7,988 (at 1993-94 Prices)
1995-96	5,748 (at 1993-94 Prices)
1999-00	10,409 (at 1993-94 Prices)
2000-01	10,809 (at 1993-94 Prices)
1999-00	19,736 (at 1999-00 Prices)
2000-01	20,448 (at 1999-00 Prices)
2004-05	25,687 (at 1999-00 Prices)
2005-06	27,746 (at 1999-00 Prices)
2010-11	55,122 (at 2004-05 Prices)
2011-12	60,536 (at 2004-05 Prices)

Source: Various Issues of Economic review

Table 1.8
GROWTH RATE IN PCI AT CONSTANT PRICES

Year	Growth Rate
1994-95(at 1993-94 Prices)	6.61%
1995-96(at 1993-94 Prices)	-32.50%
1996-97(at 1993-94 Prices)	56.35%
1997-98(at 1993-94 Prices)	1.02%
1998-99(at 1993-94 Prices)	5.955
1999-00(at 1993-94 Prices)	5.81%
2000-01(at 1993-94 Prices)	4.41%
2010-11(at 2004-05 Prices)	7.26%
2011-12(at 2004-05 Prices)	8.75%

Source: Various Issues of Economic review

1.8 DISTRICT-WISE PER CAPITA INCOME

Growth rate at current prices does not eliminate the inflationary impact. When district level growth rate at constant prices, we compared the “real” GSDP growth rate may be observed as the inflationary impact has been eliminated. Table.1.9 shows that in 2011-12, the districts of Thrissur, Thiruvananthapuram, Pathanamthitta and Ernakulam had a much higher growth rate than the average growth in per capita income. Idukki and Wayanad showed much lower growth in per capita income than the state average of 8.75% in 2011-12.

The analysis of district wise per capita income shows that Ernakulam district stands first with the per capita income of 89131 at constant (2004-05) prices in 2011-12 as against 81768 in 2010-11. The Malappuram district stands the bottom position with the per capita income of 39005 at constant (2004-05) prices in 2011-12 as against 36068 in 2010-11. The district wise per capita income with corresponding rank and growth rate is given in Table 1.9

Table 1.9
DISTRICT-WISE PER CAPITA INCOME AT CONSTANT (2004-05) PRICES

Si. No	Districts	2010-11	Rank	2011-12	Rank	Growth Rate (%)
		(P)		(P)		2010-11
1	Thiruvananthapuram	59885	4	65419	4	9.24
2	Kollam	51741	10	56132	10	8.49
3	Pathanamthitta	61325	3	66940	3	9.16
4	Alappuzha	56014	7	60989	6	8.88
5	Kottayam	63708	2	69259	2	8.71
6	Idukki	56406	6	60127	7	6.6
7	Ernakulam	81768	1	89131	1	9
8	Thrissur	59080	5	64629	5	9.39
9	Palakkad	51182	11	55365	11	8.17
10	Malappuram	36068	14	39005	14	8.15
11	Kozhikode	53670	9	58498	9	8.99
12	Wayanad	40997	13	44123	13	7.62
13	Kannur	54492	8	59354	8	8.92
14	Kasaragod	46161	12	50122	12	8.58
	STATE	55667		60536		8.75

Source: Department of Economics & Statistics, P: Provisional, Q: Quick

1.9 CONTRIBUTION OF PRODUCTIVE Vs. SERVICE SECTORS

The primary and secondary sectors together form the commodity producing or productive sectors of the economy while the tertiary sector constitutes the non commodity producing or the service sector. There has been a lot of discussions are carried out related with relative importance and contributions of these two sectors namely productive and service sectors in Kerala economy. There is no doubt that the productive sector in Kerala is relatively stagnant or even it declined in its contribution to the economy. Some writers argued that the paradoxes in Kerala's development are closely associated with the spurt in the service sector development. It is because of this reason there is the reduction in poverty rate compared to the national average and also high urbanisation has occurred in Kerala. The primary and secondary sectors together contributed 81.2% to the GSDP at constant price in 1960-61 while it declined to 29.7% in 2011-12. This change is shown in the Table: 1.10. Beyond doubt we can say that the service sector is the driving seat of the Kerala economy since 1980's. The growth rate of the service sector is also much higher in Kerala economy compared to the commodity producing sectors.

The growth of the service sector is actually at the expenses of the commodity producing sectors. As a result there are lot of problems occurred in the Kerala economy. The agriculture sector is in a setback. There should be reduction in food grains production, fall in work participation rate, hike in unemployment rate especially educated unemployment, and movement of people to outside Kerala. Now the service sector oriented growth of the Kerala economy is questioned in relation to its long run sustainability. There is over dependence for other states for Kerala's day today food items. Within the productive sector the industrial sector shows a stagnant growth rate.

Table: 1.10

CONTRIBUTION OF VARIOUS SECTORS TO GSDP AT CONSTANT PRICES (IN %)

Period	Productive Sector	Service Sector
1960-61	81.2	28.8
1970-71	65.8	34.2
1980-81	63.60	36.40
1993-94	52.55	47.45
2000-01	44.80	55.20
2010-11	31.19	68.81
2011-12	29.70	70.30

Source: Department of Economics & Statistics

1.10 THE CONCEPT OF POVERTY

Poverty is a plague as it is prevalent in almost all countries in the world and it has many faces and dimensions. Therefore it is difficult to define the concept poverty in precise. Poverty is always defined according to the conventions of society in which it occurs. But in the recent years, the concept of poverty has been refined and made more comprehensive. The New World requires better and more scientific ways to assess the concept of poverty in the society. Now its multidimensional aspect is recognized and uses a multidisciplinary approach to assess poverty. Poverty is not simply a social phenomenon but also include economic, political, historical, geographical and cultural aspects.

Various attempts have been made by societies to define poverty. In human terms poverty means little to eat and wear, and in economic terms the poverty means the inability to attain a minimum standard of living. It is natural to view poverty as the failure to meet the basic requirements to maintain a minimum standard of living. This minimum standard of living may vary from society to society. While biological requirement and nutritional norms provide the most elementary concept of a minimum standard of living, modern understanding of poverty requires other factors such as school enrolment, infant mortality, immunization, malnutrition, women empowerment, overall standard of living, asset holding etc.

Poverty can be defined as a social phenomenon in which a section of the society is unable to fulfill even its basic necessities of life. In India the generally accepted definition of poverty emphasizes minimum level of living rather than a reasonable level of living. In economics there are two important classification of poverty; 'Absolute Poverty' and 'Relative Poverty'.

1.11 ABSOLUTE POVERTY AND RELATIVE POVERTY

Absolute Poverty is the sheer deprivation or non-fulfillment of bare minimum needs of existence- of food, shelter, health or education. It is based on the absolute needs of the people and people are defined as poor when some absolute needs are not sufficiently satisfied. Hence according to this type poverty is treated as deprivation. Most of the developing countries are experiencing such type. An absolute poverty line is based on the cost of minimum consumption basket based on the food necessary for a recommended calorie intake.

Relative Poverty is related with high income countries, where people are poor because they cannot maintain or equivalent to others in the society. There should be differences in living standards among the people. It reflects economic distress, despair and dissension that stem from serious inequalities in income and wealth. The relative poverty line varies with the level of average income. Relative poverty is based on inequality and differences in standard of living. According to the relative concept of poverty, people are poor because

From this classification we know that poverty is not inequality. Poverty is only one of the evil consequences of inequality. Whereas poverty is concerned with the absolute standard of living of a part of the society i.e.; the poor, inequality refers to relative living standards across the whole society.

1.12 POVERTY LINE

Poverty line is the most widely used measure for assessing poverty. Under this method, people are counted as poor when their measured standard of living is below a minimum acceptable level-known as Poverty Line. The poverty line in India is defined as 'the level of private consumption expenditure, which ensures a food basket that would supply the required amount of calories'. Actually in India the Planning Commission estimates the poverty on the basis of Calorie intake. By considering age, sex, activity etc., Indian Council of Medical Research (ICMR) proposes 2400 calorie intake for the rural person per day and 2100 calorie per person per day in urban. The calorie requirements in the rural areas is higher because people engaged in heavy work more in rural areas than in urban areas.

Poverty may be defined as the inability to attain the minimum standard of living in a society. The poor are those who are unable to achieve basic facilities like food, safe drinking water and shelter, access to information, education, health care, social status, political power or even the opportunity to develop meaningful connections with other people in the society. This condition is absolute poverty. Relative poverty is the condition of having fewer resources or less income than others within a society or country or compared to worldwide averages.

The existing poverty measure of Planning Commission of India is based on the recommended nutritional requirements of 2400 calories/person/day in rural areas and 2100 calories/person/day in urban areas. The official percentage of population below poverty line is estimated based on the household consumer expenditure survey carried out by National Sample Survey Organization (NSSO). Former methods of poverty estimation viz; URP method of estimation and MRP method of estimation have been replaced by Tendulkar method of estimation from NSSO 66th round onwards.

1.13. POVERTY ESTIMATION OF KERALA AFTER ITS FORMATION.

Compared to innumerable poverty estimates at the national level, only a very limited number of estimates at the state level are available. However, some national estimates provide state wise data of poverty from which the extent of poverty in Kerala is available.

According to Dandekar and Rath estimates, the poverty in Kerala is highest. To their estimates 90.75 and 88.89 percent of the rural and urban population were respectively below the poverty line during 1960-61. These figures were said to be an exaggerated figures as the estimation did not take into account certain locally significant items like tapioca, banana, coconut and fish.

The study of C.D.S came as a sharp reaction against the findings of Dandekar and Rath. According to C.D.S estimates, 47 percent of the rural and 54 percent of the urban population were undernourished during 1961-62.

Ahluvalia has estimated the state wise rural poverty ratio for the period 1957-58 to 1973-74. According to him 59.6 percent, 57.8 percent, 62 percent and 49.3 percent of the rural population Kerala were below poverty line during 1957-58, 1960-61, 1970-71 and 1973-74 respectively.

Mahendra Dev has estimated the state wise poverty ratio on the basis of NSS data for the period 1961-62 to 1986-87. His study is based on the monthly percapita consumption expenditure of Rs.15 at 1960-61 prices. The estimate shows that during 1961-62, 49.7 percent of the rural people were below poverty line in Kerala. For the year 1970-71 this percentage was 61.8 and this has declined to 20.9 percent during 1986-87.

Gourav Datt and Martin Ravallion have estimated the state wise poverty ratio for the year 1983 on the basis of NSS data. They have considered monthly percapita consumption expenditure of Rs.89 as the poverty line. They found that 37.76 percent of urban and 39.07 percent of the rural people were below poverty line in Kerala in the year 1983. Thus the authors estimated that 38.82 percent of the total populations in Kerala were below poverty line.

Table 1.11

POVERTY IN KERALA AND INDIA

Year	Round	Poverty Rate (%) (Kerala)	Poverty Rate (%) (India)
1973-74	27	59.73	54.88
1977-78	32	52.22	51.32
1983	38	40.42	44.48
1987-88	43	31.79	38.86
1993-94	50	25.43	35.97
1999-00	55	12.72	26.10
2004-05	61	15.00	27.50
2009-10	66	12.00	29.80

Source: Planning Commission, 2011 and NSSO Data

According to the Planning Commission's estimate, 59.73 percent of the total Kerala population was lived below poverty line during 1973-74 while it was only 54.88 % in all India level in the same period. In the initial years of its formation the poverty ratio is high compared to the all India average and later it comes down.

1.13 POVERTY IN KERALA

The existing poverty measure of Planning Commission of India is based on the recommended nutritional requirements of 2400 calories/person/day in rural areas and 2100 calories/person/day in urban areas. The official percentage of population below poverty line is estimated based on the household consumer expenditure survey carried out by National Sample Survey Organization (NSSO). Former methods of poverty estimation viz; URP method of estimation and MRP

method of estimation have been replaced by Tendulkar method of estimation from NSSO 66th round onwards.

The state specific poverty line 2009-10 for Kerala is fixed at monthly per capita income of Rs. 775.30 which is above the poverty line of other states. The number of persons below poverty line for Kerala is exhibiting a downward trend. It is possible to achieve a zero poverty State in Kerala.

Till 1973-74, the incidence of poverty in Kerala, both rural and urban, was higher compared to that in the rest of the country. In 1983-84, however, the relative position of Kerala *vis-à-vis* India was reversed – the incidence of poverty in Kerala dropped below the Indian average. This was possible because both rural and urban poverty in Kerala declined steadily throughout the last four decades, and more sharply compared to the decline in the country as a whole.

1.14 TRENDS IN RURAL AND URBAN POVERTY IN KERALA

Kerala has made substantial progress in reducing the incidence of both rural and urban poverty. The percentage of rural population below poverty line was 59.19 percent and urban poverty was 62.74 percent during 1973-74, but in India, 56.4 percent of the rural and 49.00 percent of the urban population were lived below poverty line during the same period. The combined poverty ratio was 59.79 percentage for Kerala and 54.44 percent for India.

These figures declined to 12 percentage for rural people and 12.1 percentage for the urban in Kerala for the period 2009-10 and with a combined poverty ratio of 12 percentage. In the same period the rural and urban poverty for India is 33.8 percentage and 20.9 percentage respectively with a combined poverty ratio of 29.80 percentage. See Table 1.12 for details regarding this.

Table 1.12
HEAD COUNT INDEX OF POVERTY IN KERALA AND INDIA

Year	Rural Kerala	Urban Kerala	Total	Rural India	Urban India	Total
1973-74	59.19	62.74	59.79	56.40	49.00	54.88
1977-78	51.48	55.52	52.22	53.10	45.20	51.32
1983	39.03	45.68	40.42	45.60	40.80	44.48
1987-88	29.10	40.33	31.79	39.10	38.20	38.86
1993-94	25.73	24.55	25.43	50.10	31.80	35.97
1999-00	9.40	19.80	12.72	27.10	23.60	26.10
2004-05	20.20	18.4	19.60	28.30	25.70	27.50
2009-10	12.00	12.1	12.00	33.80	20.90	29.80

Source: Planning Commission, GOI.

The magnitude of urban poverty has been increasing due to stagnation in manufacturing industry resulting in lower income for urban dwellers. Due to rapid increase in land price and construction costs, a good number of the urban people in Kerala are forced to live in slums. Availability of drinking water and sanitation facilities is grossly inadequate. Urbanization is an important aspect in the process of economic and social development and is associated with many problems such as migration from villages to towns, relative cost of providing economic and social services in the towns of varying sizes, provision of housing for different sections of the people, provision of facilities like water supply, sanitation, transport and power, pattern of economic development, location and dispersal of industries, civic administration etc. Only one-fourth of households in slums have electricity. The composition of the poor has been changing. While rural poverty is getting concentrated in the agricultural labour and artisan household, urban poverty results in casual labour households.

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MODULE II

DEVELOPMENT EXPERIENCE

Economic Development Vs. social development-PQLI and HDI. Concept of Kerala Model-Decentralized Planning and Development-Peoples Planning in Kerala

ECONOMIC DEVELOPMENT

Economic development is a term that economists, politicians, and others have used frequently in the 20th century. Economic development generally refers to the sustained, concerted actions of policymakers and communities that promote the standard of living and economic health of a specific area. Economic development can also be referred to as the quantitative and qualitative changes in the economy. Such actions can involve multiple areas including development of human capital, critical infrastructure, regional competitiveness, environmental sustainability, social inclusion, health, safety, literacy, and other initiatives. Economic development differs from economic growth. Whereas economic development is a policy intervention endeavor with aims of economic and social well-being of people, economic growth is a phenomenon of market productivity and rise in GDP. Consequently, economic growth is one aspect of the process of economic development. The scope of economic development includes the process and policies by which a nation improves the economic, political, and social well-being of its people. Economic development typically involves improvements in a variety of indicators such as literacy rates, life expectancy, and poverty rates. GDP does not take into account other aspects such as leisure time, environmental quality, freedom, or social justice. Essentially, a country's economic development is related to its human development, which encompasses health and education. These factors are, however, closely related to economic growth so that development and growth often go together.

SOCIAL DEVELOPMENT

Social development theory attempts to explain qualitative changes in the structure and framework of society that help the society to better realize its aims and objectives. Development can be broadly defined in a manner applicable to all societies' at all historical periods as an upward ascending movement featuring greater levels of energy, efficiency, quality, productivity, complexity, comprehension, creativity, mastery, enjoyment and accomplishment. Development is a process of social change, not merely a set of policies and programs instituted for some specific results. The basic mechanism driving social change is increasing awareness leading to better organization. Life evolves by consciousness and

consciousness in turn progresses by organization. When society senses new and better opportunities for progress it accordingly develops new forms of organization to exploit these new openings successfully. The new forms of organization are better able to harness the available social energies and skills and resources to use the opportunities to get the intended results. Development is governed by many factors that influence the results of developmental efforts. There must be a motive that drives the social change and essential preconditions for that change to occur. The motive must be powerful enough to overcome obstructions that impede that change from occurring. Development also needs resources such as capital and technology and the availability of supporting infrastructures. Development is the result of society's capacity to organize human energies and productive resources in order to meet the challenges and opportunities that life presents society with all the times.

ECONOMIC DEVELOPMENT VERSUS SOCIAL DEVELOPMENT

One of the biggest choices governments can make is how to direct their country forward. Development is always a sensitive issue that polarizes the people into one camp or another. On one side, we can use our limited resources for economic development, on the other, social development. When governments make choices how to spend their money, they have to decide how much to divide into economic issues such as job creation, and social issues such as welfare.

SOCIO-ECONOMIC DEVELOPMENT

Socio-economic development is the process of social and economic development in a society. Socio-economic development is measured with indicators, such as GDP, life expectancy, literacy and levels of employment. Changes in less-tangible factors are also considered, such as personal dignity, freedom of association, personal safety and freedom from fear of physical harm, and the extent of participation in society. Causes of socio-economic impacts are, for example, new technologies, changes in laws, changes in the physical environment and ecological changes. The International Labour Organisation (ILO) approach emphasises that economic growth is an essential but not sufficient condition for poverty reduction. Poverty reduction involves growth with a substantial reorientation in favour of the poor (so called "pro-poor growth"). It includes changes in institutions, laws, regulations and practices that are part of the process that creates and perpetuates poverty.

THE DEVELOPMENT EXPERIENCE OF KERALA

The development experience of Kerala, popularly known as Kerala Model of Development (KMD), has received international attention owing to its high achievements in the social sectors with a weak commodity producing sectors. The remarkable achievement of Kerala in respect of human development, despite stagnation in agriculture and a low rate of economic growth has been a puzzle to development experts. The protagonists of the KMD argued that progressive state policies and public action in health, education and other social sectors could promote a high degree of human development even in the absence of rapid economic growth and higher investment. Hence, they felt that this is a fairly

cheap model of development, which can be emulated by other countries of the world and other states of India. However, those who did not approve Kerala's development experience as a "model" felt that development experience of Kerala represented a "lopsided development" and the absence of adequate economic growth and continually soaring unemployment in the state will thwart further progress in human development. According to them insufficient revenue to finance the social sector expenditures has resulted in a fiscal crisis which is causing a development crisis in the state. The stagnation of the states' economy during the period 1975-76 to 1986-87 made certain scholars to feel that the limits of Kerala model of development has reached and this has generated a debate on the sustainability of Kerala model of development. Thus economic development is an essential but not sufficient condition for economic welfare. The development experience of Kerala shows that a country can improve the welfare and standard of living of people with low economic growth

THE PHYSICAL QUALITY OF LIFE INDEX (PQLI)

In The 1970s there was a growing discontent with the predominant use of GNP Per Capita data for measuring economic progress and Human development. As a result the importance of establishing supplementary measures to GNP Per Capita As a unit for measuring Development Progress was recognized. In an effort to provide such an alternative measure, Morris developed for the Overseas Development Council the Physical Quality Of Life Index, PQLI (Morris 1979). Physical Quality Of Index Criteria: The Belief that economic growth does not trickle down to the poor has given birth to the non-income indicator of Development. One of them is PQLI, which was presented by Morris D.Morris. The PQLI is the composite of three indices, ranked from 1 to 100. The Zero Indicates Inferior and 100 indicates superior preference. The averages of three indices give a Composite Index.

PQLI is a weighted average of indices of life expectancy at age 1, infant mortality, and adult literacy. The Physical Quality of Life Index (PQLI) is an attempt to measure the quality of life or well-being of a country. The value is the average of three statistics: basic literacy rate, infant mortality, and life expectancy at age one, all equally weighted on a 0 to 100 scale. It was developed for the Overseas Development Council in the mid-1970s by Morris David Morris, as one of a number of measures created due to dissatisfaction with the use of GNP as an indicator of development. PQLI might be regarded as an improvement but shares the general problems of measuring quality of life in a quantitative way. It is a paradox that Kerala has a very high PQLI with high incidence of poverty during 1960-61. This is attributed to the unique development experience of Kerala with heavy emphasis on the expansion of education and health, even at the cost of agricultural and industrial progress. However, the PQLI has also been criticized as there is considerable overlap between infant mortality and life expectancy.

STEPS TO CALCULATE PHYSICAL QUALITY OF LIFE:

- 1) Find percentage of the population that is literate (literacy rate).

2) Find the infant mortality rate. (Out of 1000 births) INDEXED Infant Mortality Rate = $(166 - \text{infant mortality}) \times 0.625$

3) Find the Life Expectancy. INDEXED Life Expectancy = $(\text{Life expectancy} - 42) \times 2.7$

4) Physical Quality of Life =

$$\frac{(\text{Literacy Rate} + \text{INDEXED Infant Mortality Rate} + \text{INDEXED Life Expectancy})}{3}$$

PHYSICAL QUALITY OF LIFE INDEX (PQLI) OF KERALA

Kerala has had a commendable record in terms of the Physical Quality of Life Index. Indicators of PQLI like infant mortality (11%), female literacy (87.86%), and life expectancy at birth for males (68.23) and females (73.62), are well above all India levels. The major reason for this achievement is Kerala's focus on the service sector. About 37% of the total annual expenditure of the State is earmarked for health and education. Another reason for this is the existence of a larger network of hospital infrastructure under the Directorate of Health Services with 933 primary health centres and 5094 sub centres.

THE HUMAN DEVELOPMENT INDEX (HDI)

From 1990 onwards, the United Nations came with the Human Development Index (HDI). This is a composite statistic used to rank countries by level of "human development" and separate developed (high development), developing (middle development), and underdeveloped (low development) countries. The statistic is composed from data on Life Expectancy, Education and per-capita GDP (as an indicator of Standard of living) collected at the national level using a formula. The Human Development Index (HDI) is a composite statistic of life expectancy, education, and income indices used to rank countries into four tiers of human development. It was created by the Pakistani economist Mahbub ul Haq and the Indian economist Amartya Sen in 1990 and was published by the United Nations Development Programme. The first issue of the Human Development Report (HDR) in 1990 introduced the Human Development Index, which was continuously refined in later publications. The HDI is a weighted average of indices for life expectancy at birth, adult literacy, average years of schooling, and purchasing power adjusted real GDP per capita. This reflects the choice that "the measurement of human development should for the time being focus on the three essential elements of human life -longevity, knowledge and decent living standards. The UN Human Development Index is a more widely used means of measuring well-being. The origins of the HDI are found in the annual Development Reports of the United Nations Development Programme (UNDP). These were devised and launched for the explicit purpose "to shift the focus of development economics from national income accounting to people-centered policies". Thus, the HDI is the most recent indicator of development designed by united national development programmed (UNDP) as a new way of measuring human progress in 1990.As stated before, this indicator is

related to three aspects of human life- income for decent living, education attainment and life expectancy. Like the PQLI, the HDI also ranks each country from 0 scale to 1 on the basis of these three objectives of development from 0.0 to 0.50, medium human development from 0.51 to 0.79 and high human development from 0.80 to 1.0. As such, a HDI below 0.5 is considered to represent "low development". All 22 countries in that category are located in Africa. The highest-scoring Sub-Saharan countries, Gabon and South Africa, are ranked 119th and 121st, respectively. Nine countries departed from this category this year and joined the "medium development" group. A HDI of 0.8 or more is considered to represent "high development".

THE HUMAN DEVELOPMENT INDEX OF KERALA (HDI)

The Indian Human Development Report 2011 constitutes data from 2007 and 2008. According to the Indian Human Development Report 2011, among the Indian states, Kerala stands first in Human Development Index. This data is published by a third-party organisation and is not officially endorsed by the United Nations. Thus, it is incompatible with data published by the United Nations due to variations in the calculations and formulas used by both parties. India Human Development Report, 2011, prepared by Institute of Applied Manpower Research, placed Kerala on top of the index for achieving highest literacy rate, quality health services and consumption expenditure of people. Delhi, Himachal Pradesh and Goa were placed at second, third and fourth position respectively. The report was released today by Planning Commission Deputy Chairman Montek Singh Ahluwalia in the presence of Rural Development Minister Jairam Ramesh. It said, as on today, two-thirds of the households in the country reside in pucca (cemented) houses and three-fourth of families have access to electricity for domestic use. According to the report, India's HDI has registered an impressive gains in the last decade as the index increased by 21 percent to 0.467 in 2007-08, from 0.387 in 1999-2000.

Table 2.1

HUMAN DEVELOPMENT INDEX OF VARIOUS STATES IN INDIA

Rank	State/Union Territory	HDI (2011)
High human development		
1	Kerala	0.790
2	Delhi	0.750
Medium human development		
3	Himachal Pradesh	0.652
4	Goa	0.617
5	Punjab	0.605
6	North eastern India (excluding Assam)	0.573
7	Maharashtra	0.572

Rank	State/Union Territory	HDI (2011)
High human development		
8	Tamil Nadu	0.570
9	Haryana	0.552
10	Jammu and Kashmir	0.529
11	Gujarat	0.527
12	Karnataka	0.519
Low human development		
13	West Bengal	0.492
14	Uttarakhand	0.490
15	Andhra Pradesh	0.473
—	India (national average)	0.467
16	Assam	0.444
17	Rajasthan	0.434
18	Uttar Pradesh	0.380
19	Jharkhand	0.376
20	Madhya Pradesh	0.375
21	Bihar	0.367
22	Odisha	0.362
23	Chhattisgarh	0.358

THE KERALA MODEL OF DEVELOPMENT

The Centre for Development Studies at Thiruvananthapuram with the help of United Nations, conducted a case study of selected issues with reference to Kerala in 1970s. The results and recommendations of this study came to be known as the 'Kerala model' of equitable growth which emphasised land reforms, poverty reduction, educational access and child welfare. Professor K. N. Raj, a renowned economist who played an important role in India's planned development, drafting sections of India's first Five Year Plan, and a member of the first UN Committee for Development Planning in 1966, was the main person behind this study. He started the Centre for Development Studies in Thiruvananthapuram in 1971, by the request of the Kerala Chief Minister C Achutha Menon. The Kerala model brought a sea change in development thinking which was until then obsessed with achieving high GDP growth rates. However, Pakistani Economist Mahbub ul Haq in 1990, changed the focus of development economics from national income accounting to people centered

policies. To produce the Human Development Report (HDRs), Haq brought together a group of well known development economists including: Paul Streeten, Frances Stewart, Gustav Ranis, Keith Griffin, Sudhir Anand, and Meghnad Desai.

In collaboration with Raj's close colleague Amartya Sen, he persuaded the UNDP to carry out work on Human Development Indicators (HDIs) which started playing a larger role than GDP in the framing of development policies. Another decade down the road, the Millennium Development Goals, embracing many of the Kerala Model's features — with the notable omission of land reforms — became the new charter of development. Raj's seminal contribution to development policy thus had worldwide repercussions. The economists noted that despite low incomes, the state had high literacy rates, healthy citizens, and a politically active population. Researchers began to delve more deeply into what was going in the Kerala Model, since human development indexes seemed to show a standard of living which was comparable with life in developed nations, on a fraction of the income. The development standard in Kerala is comparable to that of many first world nations, and is widely considered to be the highest in India at that time.

Despite having high standards of human development, the Kerala Model ranks low in terms of industrial and economic development. The high rate of education in the region has resulted in a brain drain, with many citizens migrating to other parts of the world for employment. The overall job market in Kerala is also very depressed, forcing many to relocate to places like Dubai.

FEATURES OF KERALA MODEL OF DEVELOPMENT

Some of the important features of Kerala model of development are the very high Human Development Index, Health Care, Political awareness, Education and state policy or public intervention.

HUMAN DEVELOPMENT INDEX

This index, which has become one of the most influential and widely used indices to measure human development across countries, gives Kerala Model an international recognition. The HDI has been used since 1990 by the United Nations Development Programme for its annual Human Development Reports. From the starting of this index, Kerala has topped in all parameters, even more than the developed countries. The India Human Development Report, 2011 prepared by Institute of Applied Manpower Research placed Kerala on top of the index for achieving highest literacy rate, quality health services and consumption expenditure of people.

HEALTH CARE

The basis for the state's impressive health standards is the statewide infrastructure of primary health centres. There are over 2,700 government medical institutions in the state, with 330 beds per 100,000 populations, the highest in the country. With virtually all mothers taught to breast-feed, and a state-supported nutrition programme for pregnant and new mothers, infant mortality in 2011 was 12 per thousand, compared with 91 for low-income

countries generally. In Kerala the birth rate is 40 per cent below that of the national average and almost 60 per cent below the rate for poor countries in general. In fact, a 1992 survey found that the birth rate had fallen to replacement level. Kerala's birth rate is 14 per 1,000 females and falling fast. India's rate is 25 per 1,000 females and that of the U.S. is 16. Its adult literacy rate is 94.59 per cent compared to India's 65 and the US's 99. Life expectancy at birth in Kerala is 75 years compared to 64 years in India and 77 years in the US. Female life expectancy in Kerala exceeds that of the male, just as it does in the developed world, Kerala's maternal mortality rate is lowest in India.

POLITICAL AWARENESS

Political awareness among the common people including children is quite high, thanks to the unique political situation that exists in Kerala. Political history in Kerala shows a trend of an alternating elected right and left government, which results in an increase in public welfare activities, much to the benefit of the common man. In each town square, political parties maintain their icons in careful profile. Strikes, agitations, and stirs are so common as to be almost unnoticeable.

EDUCATION

In Kerala education is accessible to all, irrespective of caste or religion. Christian missionaries introduced English education. Kerala's literacy rate 91% (2001 survey) is almost as high as in China (93%) or Thailand (93.9%).

STATE POLICY

In 1957 Kerala elected a communist government headed by EMS Namboothiripad, introduced the revolutionary Land Reform Ordinance. The Land reform was implemented by the subsequent government, which had abolished tenancy, benefiting 1.5 million poor households. This achievement was the result of decades of struggle by Kerala's peasant associations. In 1967 in his second term as Chief Minister, Namboothiripad again pushed for reform. The land reform initiative abolished tenancy and landlord exploitation; effective public food distribution that provides subsidised rice to low-income households; protective laws for agricultural workers; pensions for retired agricultural laborers; and a high rate of government employment for members of formerly low-caste communities.

Thus the Kerala model of development refers to the state's achievement of significant improvements in material conditions of living, reflected in indicators of social development that are comparable to that of many developed countries, even though the state's per capita income is low in comparison to them. Achievements such as low levels of infant mortality and population growth, and high levels of literacy and life expectancy, along with the factors responsible for such achievements have been considered the constituting elements of the Kerala model. Precisely, the Kerala model has been defined as: A set of high material quality-of-life indicators coinciding with low per-capita incomes, both distributed across nearly the entire population of Kerala. A set of wealth and resource redistribution programmes that have largely brought about the high material

quality-of-life indicators. High levels of political participation and activism among ordinary people along with substantial numbers of dedicated leaders at all levels. Kerala's mass activism and committed cadre were able to function within a largely democratic structure, which their activism has served to reinforce.

CRITICISM OF KERALA MODEL

Despite its achievements, the model is heavily criticised for the low industrial development in the state and high levels of unemployment. The educational reforms failed to make a direct mark on the state, as people tend to go abroad for monetary benefits.

DECENTRALIZED PLANNING AND DEVELOPMENT IN KERALA

Participatory development and democratic decentralization are accepted as a strategy of development all over the world to enhance the quality of governance. Participation would strengthen democracy and thus promote good governance. The involvement of the people and utilisation of their knowledge and expertise will make development sustainable. The most important aspect of participation is effective devolution of power to the people so that they have a decisive role in making decisions concerning them. Participation also creates opportunities for the marginalised sections to influence decisions.

The 73rd and 74th Amendments in the Indian Constitution put forward the objective of democratic decentralization. Considering the importance of the 73rd & 74th Acts, the state government have initiated one of the most historic and revolutionary step towards decentralization process in the state. It was named as the Peoples Plan Campaign. It was launched in the beginning of the IXth Five Year plan by ensuring peoples participation in the decentralized planning process. It is basically the process of devolving the functions and resources of the state to the elected governments at the lower levels so as to facilitate greater direct participation by the citizens in governance including fixing of local priorities, identification of feasible schemes, selection of beneficiaries, monitoring of implementation etc. It was successfully completed two Five Year plans and now reached at the end of XIth Five year plan. Peoples Plan Campaign in the state was a remarkable experiment in decentralization of powers, functions, functionaries and finance to local governments with focus on local planning and implementation of development projects. Evolving a working methodology for participatory planning was one of the major priorities in IXth plan. During the Xth plan period the priority given was for institutionalization of the methodology of decentralized planning evolved during the IXth plan. In XIth plan, Government revamped the entire process giving stress to the concept of "People's Planning" focusing on completion of the process of institutionalization of decentralization.

MAJOR LANDMARKS IN KERALA'S DECENTRALIZED PLANNING

Some of the major landmarks in the decentralized planning process are: Enabled the state to structure a systematic participatory planning methodology at various stages of developmental planning process, implementation, monitoring etc. Initiated the transfer of about 25% of the annual plan allocation of the State Plan to the LSGs in the form of untied plan grant for implementing projects for

local development according to the wishes of the people. Enabled transfer of powers, functions, institutions and staff to LSGs and improved not only the capacity of the local public but also capability of the elected representatives in understanding and identifying local level planning. It introduced a transparent method in the selection of individual beneficiaries of the schemes based on some fixed criteria. Decentralised planning laid foundation for wide ranging reforms like right to information, a good practice in giving benefits, enhanced accountability mechanisms, outsourcing of technical support, improved management system and simplified planning process. It motivated improvement of accountability and introduced good governance features in the administrative set up. It made local governance more practical, responsive and transparent. Created a positive effect on reducing poverty to some extent by providing provisions to meet the basic needs of the weaker sections of the society especially by introducing Ashraya concept.

WORKING OF DECENTRALISED PLANNING IN KERALA

The decentralised planning in the State operated mainly through the Grama Sabha (GS). People's participation in decentralization was sought to be ensured mainly through meetings of the Grama Panchayat ward level Grama Sabha, chaired by the ward member. Ten per cent of the voters of the ward constitute the quorum; The officials of GP and implementing departments are required to attend the GS meetings. The Block level Grama Sabha consisting of GP Presidents and Block Samiti members and the District level Grama Sabha consisting of GP presidents, BP Presidents and DP members were meant to vertically integrate plans. The Neighbourhood Groups (NHGs) was envisaged as a sub-system of GS, an NHG (Ayalkoottam) would be formed as an association of 20-25 women members to identify women from among themselves to form Self Help Groups (SHGs) for carrying out the Women Component Plan (WCP). Based on GS recommendations, a one day DS would be held every year at the PRI level to which experts, elected members, representatives nominated by the GSs, to discuss the draft annual plan document of the PRIs, suggest the broad priorities of development projects and select members of Task Forces (Working Groups). At the apex level, the SPB, co-ordinates with the Department of Local Self Government and takes the lead in decentralized planning at different tiers by issuing Guidelines and observing compliance and progress. Apart from the conduct of Local body elections, the State Election Commission has been empowered to delimit the wards of PRIs for elections and to disqualify the defectors. The 1st State Finance Commission was constituted in 1994 and the 2nd in 1999. The 1st State Finance Commission (SFC) submitted its report in February 1996.

FUNCTIONS OF GRAMA PANCHAYAT

The GP is the lowest tier and there are mandatory functions as well as regulatory functions to GP. Civic functions like provision of local public goods such as roads, waterways, street lights, drainage, solid waste management, public markets, burial grounds, bathing places, ferries, parking places, waiting sheds etc. The regulatory functions assigned to the GP are regulating building

construction, slaughtering of animals, sales of meat, fish and perishable articles, regulating eating places, prevention of adulteration, regulation of fairs and festivals, licensing of destructive and offensive trades. Environmental protection, registration of birth and death, immunisation, vector control, and management of stray dogs are also the mandatory functions. The general functions of the GP include collection of data, organising voluntary work, campaigning for thrift, neighbourhood groups and self help groups, ensure people's participation, generation of communal harmony and awareness building on civic duties. Many welfare functions have been assigned to the GP. Identification of the homeless and provision of dwellings, implementation of family welfare programmes, running of Anganwadies, sanctioning and distribution of various pension schemes for the poor, implementation of poverty alleviation programmes, protection of relief works are some of the welfare functions assigned. The promotional functions are the development of co-operatives, self help groups among farmers, planting of trees, promotion of cottage industries, handicrafts, traditional industries, encouragement of use of biogas etc. The implementation of various schemes of central and state governments is also the function of the local bodies so that it performs the agency function.

FUNCTIONS OF BLOCK AND DISTRICT PANCHAYATS

Only limited functions have been envisaged for Block Panchayat. The general functions mainly consist of providing technical advice to the GPs, utilisation of technical expertise at Block level and preparation of complementary schemes to that of GP. The District Panchayat (DP) is the apex of local bodies, but each layer is autonomous. The general functions of the DP are similar to the BP such as mobilisation of technical expertise and provision of technical advice to BPs and GPs and Municipalities and preparing complementary schemes for the programmes at lower levels. The sectoral functions for BP as well as DP have been specified in the Act.

THE REVENUE SOURCES OF LOCAL BODIES

The revenue sources of the local body can be broadly classified into a) tax revenue b) non-tax revenue c) grants and d) loans. Tax revenue can again be classified into 1) own taxes, 2) assigned taxes and 3) shared taxes. Own taxes are assigned by state and levied and collected by the local body. Assigned taxes are those statutorily assigned to local bodies, but collected by state government and made over to local bodies. Shared taxes are assigned to the states and collected by them but a share of the proceeds is distributed among the local bodies. Non-tax revenue consists of income from property, markets, license fees, contributions etc. Grants-in-aid may be broadly divided into a) plan grant b) specific purpose grant, c) general purpose grant and d) central Finance Commission grant. Loans mainly consist of loans from government and other financial institutions (GoK 1996). The Kerala Panchayat Raj Act empowers the panchayats to raise loans (Section 197). Only the GP (also for urban local bodies) has got the power to tax. The newly created BP and DP have no tax source. Only assigned tax is part of basic tax to these bodies, which is provided in the form of

a grant. Hence, these bodies are almost fully relying on grants of the state government for its functioning.

PEOPLE'S PLAN CAMPAIGN (PPC)

The distinguishing feature of decentralisation in Kerala is the democratisation of the planning process. There existed no well-established or experimented methodology of grass root level planning for the state to emulate. Therefore, a methodology for bottom-up participatory planning was developed. In participatory planning, choice and priorities are fixed by the people. This necessitates drawing the people into the planning process. Hence, the planning process was launched as campaign. The methodology for the planning evolved for this had nine phases.

- 1) Grama Sabha
- 2) Development seminar
- 3) Task forces
- 4) Preparation of local plan
- 5) Preparation of higher level plan
- 6) Plan appraisal and sanction.
- 7) Implementation
- 8) Monitoring
- 9) Evaluation

All the voters in a ward are the members of the Grama Sabha (GS). Kerala Panchayat Raj Act 1994 empowers the GS to make decisions regarding the developmental issues in the locality. The financial condition of the local bodies in Kerala is very fragile. In 1993-94, 88 per cent of the GPs in Kerala did not have enough revenue from own source, to meet salary, office expenses and routine maintenance expenditures. More than half of the GPS failed to meet their revenue expenditure even after accounting for assigned taxes.

IMPORTANT FEATURES OF LSGS XI FIVE YEAR PLAN

Some distinctive features in LSGs plan during the XIth plan are:

1. The minimum ceiling prescribed to productive sector from the general sector plan grant was increased from 30% in the Xth plan to 40% in the XIth plan.
2. For beneficiary oriented projects, it is prescribed that 3% of beneficiaries will be disabled people with a view to ensure social security to them.
3. The Anti-poverty Sub Plan as per the methodology developed by Kudumbashree is included in the LSGs plan as a mandatory item.
4. The Ashraya project for destitute has been extended to both rural and urban areas from 2007-08 onwards.
5. Total Energy Security Mission is launched for implementing energy security through integrated energy plans of LSGs.

6. The integrated housing programme viz. EMS Housing Programme is introduced for providing shelter to all poor families having no shelter.

GRANT-IN-AID TO LSGS.

The third State Finance Commission had recommended certain reforms on the devolution of grant-in-aid (Plan fund) to LSGs from 2006-07 to 2010-11 and the quantum of funds to be utilized by LSGs from their own revenue for development purpose. As per the recommendation, the grant-in-aid earmarked to LSGs during 2006-07 is 1400 crore which will be increased at 10% per annum in each succeeding year. As reckoned by the third SFC, an anticipated amount of 803.29 crore was earmarked in the state plan budget from 2007-08 to 2010-11 as contribution of LSGs from their own revenue in addition to the plan grant from Govt. Thus the total plan share of LSGs in the first four years of the XI th plan was 7950.29 crore. As a percentage of the total state plan outlay during this period, the plan share of LSGs is 23.66. Compared to the increase of state plan size in each subsequent year, there is no proportionate hike in the plan share of LSGs. It declined from 26% to 22%.

DISTRIBUTION OF GRANT-IN-AID

The budgetary provision of grant-in-aid to LSGs has three categories viz. General Sector, Special Component Plan (SCP) and Tribal Sub Plan (TSP). For the intra-tier distribution of grant-in-aid to different tiers of LSGs, necessary criteria were developed. These criteria are used for the allocation of funds to different tiers of LSGs in 2009-10. As per the recommendation of the third SFC, the amount earmarked to LSGs during 2008-09 was 1694 crore. This amount is increased by 10% to fix the total outlay in 2009-10. Since the total outlay for the year 2009-10 is increased by 10%, the share under each tier of LSGs for the three categories are also increased by the same percentage from the amounts in 2008-09. Thus the total plan fund allocated in the Annual Plan 2009-10 to LSGs for the three categories is 1863 crore which is the recommended figure of 3rd SFC. In addition to this, as per budget estimate 2009-10 an amount of 222.13 crore was anticipated as contribution of LSGs from their own revenue. Consequently the total plan share of LSGs during 2009-10 increased to 2085.13 crore.

PERFORMANCE OF LSGS IN 2009-10

The grant-in -aid actually received by LSGs during 2009-10 was 1838.27 crore. As per Govt. decision the LSGs who had attained 70% and above expenditure in 2008-09 were permitted to retain the unspent balance of plan fund remaining in their account of 2009-10 as opening balance. Thus the total plan fund available with LSGs for allocating funds to various development sectors during 2009-10 was 2368.29 crore. Out of this 1749 crore was utilized. The utilization percentage is 3.85 which have marked a slight increase compared to the performance in 2008-09 of 73%. The Block Panchayats performed well during 2009-10 in the plan fund utilization by achieving 81.65% achievement when compared with other tiers of LSGs. Compared to the performance of 2008-09, the District Panchayats and Corporations have improved their performance in

utilization of plan funds during 2009-10. The plan expenditure of District Panchayat has increased from 66.17% to 70.79% and Corporations from 61.79% to 66.15%.

CATEGORY - WISE PERFORMANCE

The grant-in-aid to LSGs is distributed in three categories viz. General Sector, Special Component Plan (SCP) and Tribal Sub Plan (TSP). Regarding utilizing plan funds during 2009-10, the block panchayats achieved the highest expenditure, 81.65%. The Municipalities and Grama Panchayats performed well in spending plan funds in general sector by achieving 79.5% and 79.7% expenditure respectively. In the utilization of funds under SCP and TSP, the Block Panchayats which achieved 81% expenditure in SCP and 84% in TSP. Compared to the performance in general sector, the LSGs did not attain the desired level in SCP in 2009-10. During this period, the LSGs utilized 78% of funds of the outlay provided in general sector while in SCP it is only 65.56%. This shortfall in expenditure of SCP is a common phenomenon for all tiers of LSGs in 2009-10 and the rate of shortfall is comparatively high in the case of Corporations and Grama Panchayats. During 2009-10, there is a small increase in utilization of SCP funds; the percentage of expenditure becomes 65.56.

This poor performance in utilization of SCP funds by LSGs is a serious factor requiring immediate intervention. As one of the major objectives of Decentralised Planning is to improve the social economic status of SCs and STs by enhancing the quality of SCP and TSP through LSGs, conscious efforts have to be made at Govt. as well as LSGs levels to the effective implementation of these two plans.

SECTOR-WISE PERFORMANCE

The total plan fund available with LSGs during 2009-10 for allocating funds in the three sectors viz. productive, service and infrastructure sector was 2368.29 crore. Of this the allocation to productive sector constituted 19%, service sector 37% and infrastructure sector 11%. In addition to this, the LSGs allocated 33% of their plan funds as mandatory provision to the implementation of schemes/projects stipulated by Govt. as per guidelines. It is noted that the projects/schemes included under this category belong to service sector. At the same time, it is noticed that the percentage of productive sector declined (19%) as compared to 2008-09 (21%). Also the percentage of utilization in productive sector declined to 69 in 2009-10 from the previous years. This limited performance in the productive sector during 2009-10 is valid for all tiers of LSGs. The expenditure pattern of LSGs reveals that the Grama panchayats and Block Panchayats (72%) performed well in the productive sector in rural local bodies but in urban local bodies it is only 62%. Among the rural local bodies, the block panchayats achieved highest expenditure in service sector. In the case of urban local bodies, the municipalities are on top position in infrastructure sector. Though, the allocation rate in the infrastructure sector during 2009-10 is a minimum (11% of available plan funds), the performance is better with 73% of utilization. As far as the LSGs are concerned, they have a vital role in eradicating poverty at the local level by achieving local production, income and employment.

But the poor performance of LSGs in the productive sector will affect adversely the implementation of this role. Therefore, the priorities and strategies of LSGs planning will have to be reworked in favour of productive sector which is a key element in the overall economic development of the LSGs.

PERFORMANCE UNDER SPECIAL SECTOR PLANS

Introduction of Women Component Plan and Plan for Disadvantaged groups (aged, children and disabled) in the plan of local governments from Xth plan period onwards is one of the salient features in Kerala's decentralization. As per guidelines, the LSGs should earmark a minimum of 10% of their total plan outlay exclusively for projects which address the special problems of women and 5% for disadvantaged groups. In the year 2009-10 also the LSGs earmarked 13% for WCP and 9% for disadvantaged groups. The expenditure in WCP increased from 67% in 2008-09 to 72% during 2009-10 and from 76 to 82% in the case of disadvantaged groups. For implementing welfare oriented schemes benefiting the BPL families, there is a plan viz., 'Anti-poverty Sub Plan' as part of LSGs plan which is a mandatory item. The spending for this item shows that only the rural local bodies performed well and the performance of urban local bodies is not impressive compared to the performance in previous years. Though Kerala achieved a break through participatory poverty reduction through Kudumbasree with the leadership role of LSGs, the benefits of anti-poverty policies and programmes do not reach the absolutely poor at a satisfactory level. So the mission has to sensitize the LSGs about their new role in poverty eradication.

Ashraya is another innovative project introduced under LSGs plan during Xth plan period. It is a package of care services for the destitute families so as to avoid their social exclusion by improving their capacity and confidence. During 2009-10 an amount of 2281.48 lakh was earmarked to this programme, of which 77% of the share is that of Grama panchayats. The expenditure in solid waste management increased remarkably from 18% in 2008-09 to 64% in 2009-10. As far as LSGs are concerned, the implementation of solid waste management system is one of their prime responsibilities in providing quality services to public. EMS housing programme is a new initiative of Govt. in the XIth Five Year Plan of LSGs to provide shelter to all houseless poor families.

FINANCING OF LSGS PLANS

The total plan size of LSGs during 2009-10 was 6843.36 crore which includes own fund, grant from the Govt., loans from different sources etc. The own contribution of LSGs constituted 13% and the contribution of state/central including externally aided source 11%. The LSGs mobilized the balance 41% of funds as voluntary contribution, loan, beneficiary contribution etc. There is a high increase in the total plan size during 2009-10. In 2008-09, it was 4828.39 crore.

The central assistance and the loan component arranged by LSGs from financial institutions during the period are high compared to the previous year. On the other hand there is initiative on the part of LSGs for mobilizing resources through other components especially own fund mobilization. The own fund increased from 736 crore in 2008-09 to 878 crore in 2009-10. Against the total

plan size, the percentage of expenditure is only 44% while it was 51% in 2008-09. Out of the total expenditure, the plan grant share is 58%, own fund share 9%, sponsored schemes together with externally aided source 7% and the balance goes to funds from other sources. Even though there is 10% hike in the plan grant to LSGs in the Annual Plan 2009-10, no proportionate increase is noticed in the plan grant utilization, which is the major resource of LSGs plans. There is need to strengthen and enable the local government to evolve a realistic development vision and prepare a perspective plan to realize the vision.

MODULE III

POPULATION AND DEMOGRAPHY

Demographic transition in Kerala – Features of population as per the latest census report. Employment, unemployment work participation rate.

INTRODUCTION

Demography is the statistical study of human populations. Demography is the science of populations. Demographers seek to understand population dynamics by investigating three main demographic processes: birth, migration, and aging (including death). All three of these processes contribute to changes in populations, including how people inhabit the earth, form nations and societies, and develop culture. It can be a very general science that can be applied to any kind of dynamic living population, i.e., one that changes over time or space. It encompasses the study of the size, structure, and distribution of these populations, and spatial and/or temporal changes in them in response to birth, migration, aging and death. “Demo” means “the people” and “graphy” means “measurement”. Demographic analysis can be applied to whole societies. Formal demography limits its object of study to the measurement of population processes, while the broader field of social demography population studies also analyze the relationships between economic, social, cultural and biological processes influencing a population. Today, there is growing interest among the public in demography, as “demographic change” has become the subject of political debates in many developed countries. Most of these countries have birth rates below the replacement level of 2.1 children per woman, and, at the same time, life expectancy has been rising considerably and continues to rise – a development sometimes called “the aging of societies.” While demography cannot offer political advice on how to tackle demographic change, demographers seek to describe the phenomena related to this change, and to understand their causes. Using reliable data and the statistical processing of these data, modern demographic research embraces many scientific disciplines, including economics and other social sciences, geography or biology.

DEMOGRAPHIC TRANSITION

Demographic transition (DT) refers to the transition from high birth and death rates to low birth and death rates as a country develops from a pre-industrial to an industrialized economic system. Generally, it is considered that there are three stages in demographic transition. Most developed countries are in the last stage of demographic transition whereas majority

of developing countries have yet to reach the final stage. Thus, in less developed countries, this demographic transition started later and is still at an earlier stage.

In stage one; pre-industrial society, death rates and birth rates are high and roughly in balance. The death rates and birth rates were both high and fluctuated rapidly according to natural events, such as drought and disease, to produce a relatively constant and young population. Family planning and contraception were virtually nonexistent; therefore, birth rates were essentially only limited by the ability of women to bear children. Birth and death rates both tend to be very high in this stage. Because both rates are approximately in balance, population growth is typically very slow in stage one.

In stage two, that of a developing country, the death rates drop rapidly due to improvements in food supply and sanitation, which increase life spans and reduce disease. The improvements specific to food supply typically include selective breeding and crop rotation and farming techniques. Other improvements generally include access to technology, basic healthcare, and education. For example, numerous improvements in public health reduce mortality, especially childhood mortality. Prior to the mid-20th century, these improvements in public health were primarily in the areas of food handling, water supply, sewage, and personal hygiene. Interestingly, one of the variables often cited is the increase in female literacy combined with public health education programs which emerged in the late 19th and early 20th centuries. A consequence of the decline in mortality in Stage Two is an increasingly rapid rise in population growth (a "population explosion") as the gap between deaths and births grows wider. Note that this growth is not due to an increase in fertility (or birth rates) but to a decline in deaths. Without a corresponding fall in birth rates this produces an imbalance, and the countries in this stage experience a large increase in population.

In stage three, represents a developed country where there are both low birth rates and low death rates. Birth rates fall due to the adoption of family welfare measures (Family Planning), increases in literacy and educational status of women, increases in wages, urbanization, and increased agricultural production, , a reduction in the value of children's work, an increase in parental investment in the education of children and other social changes. Population growth begins to level off. The birth rate declines and the birth rate decline are caused also by a transition in values. Death rates may remain consistently low or increase slightly due to increases in lifestyle diseases due to low exercise levels and high obesity and an aging population in developed countries. Increasing female literacy and employment lowers the uncritical acceptance of childbearing and motherhood as measures of the status of women. Working women have less time to raise children; this is particularly an issue where fathers traditionally make little or no contribution to child-raising. As with all models, this is an idealized picture of population change in these countries. The model is a generalization that applies to these countries as a group and may not accurately describe all individual cases.

The resulting changes in the age structure of the population include a reduction in the youth dependency ratio and eventually population. During the

period between the decline in youth dependency and rise in old age dependency there is a demographic window of opportunity that can potentially produce economic growth through an increase in the ratio of working age to dependent population; the demographic dividend.

POPULATION OF KERALA ACCORDING TO DIFFERENT CENSUS

Population	1991 Census	2001 Census	2011 Census
Total population (lakhs)	290.99	318.41	333.88
Male population (lakhs)	142.89	154.69	160.21
Female population (lakhs)	148.10	163.73	173.66
Density per sq. km.	749	819	859
Sex ratio (Females per 1000 males):	1036	1058	1084
Literacy (per cent)	89.81	90.86	93.91
Male Literacy	93.62	94.24	96.02
Female Literacy	86.17	87.72	91.98
<u>Rural population</u> (lakhs)	214.18	235.75	--
<u>Urban population</u> (lakhs)	76.80	82.67	--
Growth of population (per cent)	13.88	9.43	4.86
Life Expectancy (years)	68	-	-
Infant mortality (per 1000)	22	16*	-
Birth Rate (per 1000)	19.8	18.3	-

Note: *Birth rate and infant mortality rate as in 1998. Birth rate dropped to 16.7, infant mortality to 11 & death rate to 6.3 by 2004.

POPULATION GROWTH RATE

Historically, Kerala has experienced a very low population growth rate compared to the national population growth rate. Kerala is heading for a significant phase in its demographic transition with the state moving towards achieving zero population growth rate, which will result in an increase in scarcity of labour. The very low natural increase in population, low fertility rate, stabilised death rate all leads to the third stage of demographic transition in Kerala -- zero population growth rate. The annual average growth of population in India in 2008 is 1.5 per cent. The average annual growth of population of Kerala during 1991-2001 was 0.91 per cent as against the average annual growth rate of 1.93 percent in India. In addition to achievements, such as low infant mortality rate and high life expectancy the population growth rate in the state remains the lowest in the country. It is also the state with the lowest positive population growth rate in India. The slowing of population growth of Kerala is not surprising.

The state has been experiencing sharp deceleration in its population growth rate since the decade of 1961-71. For instance, after a rise of 26.29% during that decade, the population growth slowed to 19.24% in 1971-81, and to 14.32% in 1981-91. Between 1991 and 2001, Kerala emerged as the only state in the country to experience single digit increase in its population. For that matter, the total fertility rate of the state was 1.9 according to the National Family Health Survey of 2005-06, below the 2.1 required to keep the population stable. The corresponding number for the country as a whole was 2.7. Kerala seems set to experience negative rate of growth of population, much like developed Europe and Japan in the recent decades. The state recorded its slowest decadal increase in population of 4.8% between 2001 and 2011. Among the districts, Malappuram (13.45 %) accounts for the highest growth rate of population followed by Kasaragod (8.58 %). The compounded average annual growth rate of population in Kerala is 0.48%. In other words, the annual population growth rate of Kerala is 0.5 percent, lowest in the country.

SEX RATIO

Kerala has a unique position in regard to sex ratio. In all the Censuses, females outnumbered males in Kerala, which is contrary to All India pattern. The sex ratio of Kerala has gradually increased from 1004 in 1901 to 1028 in 1951 and then to 1058 in 2001. The 2001 Census shows that Kerala is the only state in India where sex ratio is above the equality ratio and is a 100-year high with 1058 females per 1000 males. District-wise analysis shows that the highest sex ratio of 1094 is in Pathanamthitta District and the lowest in Idukki District with 993 females per 1000 males.

Another excellent feature of the state shown from the Kerala census 2011 is its sex ratio, which shows that Kerala has more female population than male. Sex Ratio in Kerala is 1084 which shows that there are 1084 females for each 1000 males, where as it is 940 for India as per 2011 census. Among the districts, Sex ratio is highest in Kannur (1136) followed by Pathanamthitta (1132).

URBANIZATION IN KERALA

Urbanization trend in the state of Kerala shows marked peculiarities. Generally, increase in urban population growth rate is the result of over concentration in the existing cities especially metropolitan cities. This is true in the case of urbanization in the other states of India. But in Kerala, the main reason for urban population growth is the increase in the number of urban areas and also urbanization of the peripheral areas of the existing major urban centres. The urban sector in Kerala comprise of five Municipal Corporations and 53 Municipalities. 25.97% of the populations live in urban areas. This is a little less than the National average. However, unlike the other parts of the country the Urbanization in Kerala is not limited to the designated cities and towns. Barring a few Panchayats in the hilly tracts and a few isolated areas here and there, the entire state depicts the picture of an urban rural continuum. The Kerala society by and large can be termed as urbanized. It is seen that in the year 1981, there were 106 census towns, which accommodated 4,771,275 population which worked out to 18.74 percent of the total population; and in 1991 there were 197

census towns with a population of 76,80,294 which worked out to 26.44 percent of the total population). The census of India 2001 recorded an urban population of 82,67,135 in the state, which is 25.97% of the total population of 3,18,38,619 and is spread over 159 census towns in the state. When the urban content of the total population increased from 18.74 in 1981 to 26.44 in 1991, it showed a declining trend during the decade 1991-2001, with an urban content of 25.97 in 2001. The percentage decennial growth of urban population in the state was 60.89 during 1981-91. But during 1991-2001 it is only 7.64%. The change in jurisdiction in statutory urban areas mainly speak for this.

The urban areas which have the potential to be developed as major growth centres with prospects in different sectors such as industries, tourism, I.T, trade, commerce, etc., shall be identified, planned and developed. The growth centres will improve the economic status of the people of the region, curtailing unplanned urban spillovers and adverse impact of the productive agriculture sector in rural areas. This will help in improving the balanced economic development of the state. The status of infrastructure in such growth centres will also be improved to meet the increase in demand. Prospects for private-public participation in implementing various projects in growth centres will be explored. As per the census, 2001, the district wise urban population in Kerala, Ernakulam district has registered a higher population of 1477085 followed by Kozhikode (1101157), Kannur (1101157), Thiruvananthapuram with 1091661. If we look at the lower urban population, Wynad district has a population of 29612 only followed by Idukki 17593 and Pathanamthitta with 59575. It is very interesting to observe that a positive correlation between district wise urban population and growth rate.

According to 2011 census, out of total population of Kerala, 47.70% people live in urban regions. The total figure of population living in urban areas is 15,934,926 of which 7,619,358 are males and while remaining 8,315,568 are females. The urban population in the last 10 years has increased by 47.70 percent. Average Literacy rate in Kerala for Urban regions was 95.11 percent in which males were 96.95% literate while female literacy stood at 102.99%.

RURAL POPULATION

According to 2011 census, of the total population of Kerala state, around 52.30 percent live in the villages of rural areas. In actual numbers, males and females were 8,408,054 and 9,063,081 respectively. Total population of rural areas of Kerala state was 17,471,135. The population growth rate recorded for this decade (2001-2011) was 52.30%. In rural regions of Kerala state, female sex ratio per 1000 males was 1078 while same for the child (0-6 age) was 965 girls per 1000 boys. In Kerala, 1,823,664 children (0-6) live in rural areas. Child population forms 10.44 percent of total rural population.

LITERACY RATIO

In 2001, literacy rate in Kerala stood at 90.86 percent of which male and female were 94.24 percent and 87.72 percent literate respectively. In actual numbers, total literates in Kerala stands at 28,135,824 of which males were 13,704,903 and females were 14,430,921.

Literacy rate in Kerala has seen upward trend and is 94.00 percent as per 2011 population census. Of that, male literacy stands at 96.02 percent while female literacy is at 91.98 percent. The Literacy rate of Kerala during 1951-2011 is depicted in table 3.1.

Table 3.1.
LITERACY RATE IN KERALA 1951-2011

Year	Persons	Males	Females
1	2	3	4
1951	47.18	58.35	36.43
1961	55.08	64.89	45.56
1971	69.75	77.13	62.53
1981	78.85	84.56	73.36
1991	89.81	93.62	86.17
2001	90.86	94.24	87.72
2011	93.91	96.02	91.98

Table 3.2
RANKING OF DISTRICTS BY LITERACY RATE AND SEX: 2011

Rank	Persons		Males		Females	
	District	Literacy Rate	District	Literacy Rate	District	Literacy Rate
1	2	3	4	5	6	7
1	Pathanamthitta	96.93	Alappuzha	97.90	Pathanamthitta	96.26
2	Kottayam	96.40	Pathanamthitta	97.70	Kottayam	95.67
3	Alappuzha	96.26	Kozhikode	97.57	Alappuzha	94.80
4	Ernakulam	95.68	Kannur	97.54	Ernakulam	94.27
5	Kannur	95.41	Kottayam	97.17	Thrissur	93.85
6	Thrissur	95.32	Ernakulam	97.14	Kannur	93.57
7	Kozhikode	95.24	Thrissur	96.98	Kozhikode	93.16
8	Kollam	93.77	Kollam	95.83	Kollam	91.95
9	Malappuram	93.55	Malappuram	95.78	Malappuram	91.55
10	Thiruvananthapuram	92.66	Idukki	94.84	Thiruvananthapuram	90.89
11	Idukki	92.20	Thiruvananthapuram	94.60	Idukki	89.59
12	Kasaragod	89.85	Kasaragod	93.93	Kasaragod	86.13
13	Wayanad	89.32	Wayanad	92.84	Wayanad	85.94
14	Palakkad	88.49	Palakkad	92.27	Palakkad	

LIFE EXPECTANCY IN KERALA

Among the Indian states, Kerala has the highest Life expectancy. The life expectancy at birth of Kerala was 75.8 in 2011 whereas the life expectancy of India was 65.5.

INFANT MORTALITY RATE (IMR)

The Infant mortality rate is measures number of infant (< 1 year) deaths per 1000 live births. The Infant mortality rate of Kerala is the lowest among the states in India. In 2009, the infant mortality rate of Kerala was 12 per thousand live births whereas it was 50 per thousand live births for India and maximum in Madhya Pradesh (67 per thousand live births).

AGEING POPULATION

Population ageing is unprecedented, a process without parallel in the history of humanity. A population ages when increases in the proportion of older persons (that is, those aged 60 years or over) are accompanied by reductions in the proportion of children (persons under age 15) and then by declines in the proportions of persons in the working ages (15 to 59). At the world level, the number of older persons is expected to exceed the number of children for the first time in 2045. In the more developed regions, where population ageing is far advanced, the number of children dropped below that of older persons in 1998.

The number of aged persons as a proportion of the total population has increased all over the world. The rate is more in developed countries as compared with developing countries. The increasing proportion of aged people is accompanied by a falling proportion of young persons. In 2000, the population aged 60 years or over numbered 600 million, triples the number present in 1950. In 2009, the number of older persons had surpassed 700 million. By 2050, 2 billion older persons are projected to be alive. Globally the population of older persons is growing at a rate of 2.6 per cent per year, considerably faster than the population as a whole, which is increasing at 1.2 per cent annually. It is a noteworthy feature of Kerala that the percentage of aged population (above 60 years) is increasing fast. During 1961, the aged population constituted only 5.9% of the total population in Kerala. It increased to 6.2% in 1971, 7.5% in 1981, 8.8% in 1991 and to 10.5 % in 2001. As per 2001 Census, the total number of old age persons was 33.36 lakhs. In Kerala the highest percentage of old age population is in Alappuzha district followed by Ernakulam, Kottayam, Thrissur and Thiruvananthapuram. The lowest is in Kozhikode and Wayanad District.

EMPLOYMENT AND UNEMPLOYMENT IN KERALA

Among the many challenges faced by the Kerala economy, provision of employment has been an important problem since the formation of the state in 1956. The governments in Kerala could not provide remunerative employment to its people mainly due to lack of industries in the state. Generation of employment to the educated is a more serious problem faced by the government and Planners in Kerala. Kerala is labour surplus economy and hence provision of employment to all who are willing to work is hardly possible. The major sources of data on

employment and unemployment are decennial population Censuses, surveys of the National Sample Survey Organisation (NSS) on employment and unemployment, data collected on per Employment Market Information (EMI) scheme, surveys of the Department of Economics and Statistics and data of the Employment Exchanges relating to job seekers. The detailed and comprehensive source of data relating to employment and its pattern is the decennial population Census. The Economic Tables of the Census categorise 'workers' according to occupation, and are classified according to educational level. In 1961 Census, a person was considered as 'worker' based on his participation in any economically productive work. In 1971, 'worker' was defined as a person whose main activity was participation in any economically productive work. In 1981 and 1991 Censuses 'workers' were classified into 'main' and 'marginal' workers. The Census provides occupational and industrial classification of the workers. District-wise and taluk-wise classification of cultivators, agricultural labourers, household industry workers and other workers according to sex, age and residential status are available in the Census. A major limitation of the Census is that it does not provide detailed estimates on unemployed persons.

The surveys of N.S.S. on employment and unemployment are another major source of data. These surveys give estimate on employment and unemployment and their pattern, in terms of rural-urban, male, female, age, level of education etc. Besides giving occupational and industrial categories of workers, the surveys provide other categories, viz. casually employed, self employed and regularly employed. The N.S.S. Surveys give comprehensive data relating to unemployment. The N.S.S. uses three definitions to measure employment and unemployment viz. usual-status, current-weekly status and current-day status. Using current-weekly status definition, the N.S.S. has estimated that 7.1 percent of male and 12.9 percent of the female labour force are unemployed in rural areas as in 1993-94. The corresponding rate for urban areas was 9.3 percent for male and 22.2 percent for females. The survey has ranked Kerala as the second highest in terms of rate of unemployment in India. The survey results also suggest that the incidence of unemployment was very high among educated, female, youth and urban areas. The surveys conducted by the Department of Economics and Statistics also provide data on employment and unemployment. Two notable surveys are Survey of Housing and Employment (1980) and Report of the Survey on Unemployment in Kerala (1987). The latter report gives an estimate on open unemployment and underemployment.

Work or employment is defined as engagement in economic activity ie. any activity resulting in production of goods and services that add value to the national product. Given the possibility of an individual being engaged in a multiplicity of activities over a year-long reference period, a majority time criterion was put in a place to yield estimates of employment and unemployment on the Usual Principal Status. In the first step, the population was classified as being in the labour force (LF) or outside the labour force (OLF) depending on which occupied 183 days or more in the preceding 365-days. The 3majority time within the days in the labour force was used to classify those in the labour force as either employed or unemployed on the usual principal status. Further, to

capture the labour input contribution of those classified either as unemployed or as being outside the labour force on the Urban Principal Status, we also have the concept of employment on usual subsidiary status – involving more or less regular work for at least 30-days in the year. Most analysts of the employment situation in India, as well as the Planning Commission till the Tenth Five Year Plan, use the Usual (Principal plus Subsidiary) Status estimate of employment and unemployment. Thus, there are various concepts of employment used in the literature and they are:

CLASSIFICATION OF PERSONS ACCORDING TO USUAL STATUS

According to the concept of usual status (Principal Status) a person is considered e or working if the person was engaged for a relatively longer time during the past year in any one or more work related activities. A person is considered as seeking work or unemployed if the person was not working but was either seeking or available for work for a relatively longer time during the past year.

CLASSIFICATION OF PERSONS ACCORDING TO CURRENT WEEKLY STATUS

Classification of persons according to the current weekly status approach is assigned a unique activity status with reference to a period of seven days preceding the date of survey. Accordingly a person is considered working or employed if the person was engaged for at least one hour on any one day of the previous week in any work related activity. A person is considered unemployed if he had not worked for even one hour on any one day of the week, but had been seeking work at any time for at least one hour during the week.

CLASSIFICATION OF PERSONS ACCORDING TO CURRENT DAILY STATUS

According to the National Sample Survey Organisation's current daily status, a person is considered employed if he is engaged in any economic activity if he had worked four hours or more during the day. An unemployed person is one who had not worked but either sought work or available for work is considered as unemployed.

National sample survey organisation (NSSO) which conducts household survey on employment and unemployment in its last survey during 2009-10 shows that among Indian States Kerala is the state having the highest unemployment. Unemployment in Kerala was 16.7% against the national average of 6.6%. In the live register of employment exchanges in India, registered job seekers were 386.5 lakhs in 2010 against 393.5 lakhs in 2005. It shows that registered job seekers have come down over the last 5 years. In Kerala, however, registered job seekers with employment exchanges were 43.10 lakhs in 2010 against 35 lakhs in 2005. It shows that while the number of job seekers have increased in Kerala, it has decreased in India. Similarly out of India's total job seekers, nearly 11% are Keralites. In other words out of 100 job seekers in India, 11 are Keralites. In 201, there are 1.55 lakhs registered professional and technical work seekers in Kerala who include medical and engineering graduates. It is also interesting to note that in Kerala out of the total job seekers 59% are women. Kerala economy has witnessed a structural change in terms of income

and employment during the last four decades. These changes may summarize as follows: (1) The share of employment in tertiary sector has gone up, but the structural change has not led to a reduction in its share in the primary sector. (2) There has not been much increase in the share of employment in secondary sector. (3) Employment in Kerala is still informal in nature comprising mostly self-employment and casual employment. (4) Economic development has failed to generate more employment opportunities in the organised public and private sectors. (5) There has been a substantial increase in the incidence of unemployment, especially educated unemployment. (6) The unemployed youth are forced to migrate to other parts of India and abroad during the last three decades; and (7) The unprecedented rate of emigration and the consequent inflow of large volume of remittances, has significant influence on the labour market, consumption, savings, investment and income distribution. Total work force of Kerala is estimated at 83 lakhs and out of them 19 lakhs are women. Kerala with high literacy rate and low work participation rate is facing acute unemployment problems. Gainful productive employment grow relatively at low rate despite the skill and adaptability of the workforce. Low rate of capital investment, high rate of labour cost and scarcity of skilled workers are the major problems of Kerala. State's labour policy stress more on workers social security particularly in the organised sector.

The total organised sector employment in the State declined from 11.11 lakh in March, 2010 to 10.88 lakh in March, 2011 showing a fall of 2.1%. In the Public Sector, the employment declined by 5.9% while in Private Sector, it recorded an increase of 2.7%. Kerala contributed 3.75% in the total organised sector employment at the all India level. In Kerala (2010) according to NSSO, self employed workers were 38.4%, regular wage/salaried were 23.2% and casual labourers were 38.4%.

In the organised sector wages are regular and working conditions are good. But in Kerala employment in the organised sector is coming down. For instance, persons employed in organised sector were 12.51 lakh in 2000 and it decreased to 11.02 lakhs in 2005 and to 11.00 lakhs in 2010. The organised sector comprise private and public sectors and in Kerala public sector employment are more when compared to private sector. For instance, in 2010 out of 11 lakh persons employed in the organised sector 6.08 lakhs (55%) are in public sector and 4.92 lakhs (45%) are in the private sector. Similarly with in public sector 43% are State Government and 10% are Central Government workers where as 28% are in state quasi and 15% are in Central quasi institutions. In organised sector, highest employment is in the community, social and personal services (44%) followed by manufacturing sector (22%). Agriculture account only 6.8% of employment in the organised sector.

There are about 28 welfare fund boards in Kerala which provide several welfare measures to workers and family members. In such a situation in future state has to stress more on capital investment, technology upgradation, skill development and improved working condition of workers. All these factors have to grow simultaneously for creation of gainful and productive employment for a sustainable solution to unemployment in Kerala.

UNORGANISED LABOUR

Unorganised workers can be categorized broadly under the following four heads. They are:

1. In terms of occupation: - Small and marginal farmers, landless agricultural labourers, share croppers, fishermen, those engaged in animal husbandry, in beedi rolling , beedi labelling and packing, building and other construction workers, leather workers, weavers, artisans, salt workers, workers in brick kilns and stone quarries, workers in saw mills, oil mill etc may come in this category.
2. In terms of nature of employment: Attached agricultural labourers, bonded labourers, migrant workers, contract and casual labourers come under this category.
3. In terms of specially distressed categories: Toddy tappers, scavengers, workers of head loads, drivers of animal driven vehicles, loading and unloading workers etc. belong to this category.
4. In terms of service categories: Midwives, domestic workers, fishermen and women, barbers, vegetable and fruit vendors, newspaper vendors etc come under this category.

EMPLOYMENT IN THE ORGANISED SECTOR IN KERALA

As on March 2010 the organized sector (public and private sector)together employ 11.33 lakhs employees in Kerala. There are 9462 private establishments and 11459 government institutions in the State. Private sector accounts for 44.83 percent of the employment in the organised sector in Kerala. The percentage of women employed in the government institutions in Kerala is lower compared to the percentage of men employed. Only 31.78 % of women are employed in these institutions as on March 2010. In 2010, the share of female employees in the organised sector in Kerala is 40 percent. In the private sector, share of female workers is 50.11 percent in Kerala. The total number of persons employed in the organized sector in March 2006 was 11.01lakh persons. The total number rose to 11.10 lakhs persons in 2007and again increased to 11.17 lakh in 2008 and further increased to 11.32 lakh in 2009. However, the number of employees in the organized sector slightly decreased to 11.11 lakh persons in March 2010.

EMPLOYMENT IN PUBLIC SECTOR IN KERALA

The total employment in the public sector increased from 6.076 lakh in 2008 to 6.15 lakh in December 2009. The branch-wise analysis shows that except Central Government all other sectors including local bodies showed a positive trend. District-wise employment in public sector as on 31st March 2010 revealed that out of the total 6.13 lakhs employees, 1.36 lakhs belongs to Thiruvananthapuram district, of which 0.40 lakhs are women. The lowest number of 14952 public sector employees is in Idukki district, of which 4066 are women. Sector- wise Employment in Public and Private Establishments in Kerala

as on March 2010 revealed that the highest employment is in the community, social and personnel services (44.29%) followed by manufacturing 22.91%.

UNEMPLOYMENT PROBLEM IN KERALA

In terms of quality of life indicators like literacy, life expectancy and infant mortality, the state of Kerala is ahead not only of the rest of the country but of almost all developing nations. Indeed, Kerala is often held up as an outstanding model of high social development in the developing world. In stark contrast is Kerala's low level of economic development. This is manifested most notably in a very pronounced incidence of unemployment which is three to five times higher than the all-India average.

In Kerala from the decade of 1970's onwards there has been a rapid rise in the labour supply because of the increase in the number of women seeking wage employment. Thus, though the supply of work seekers increased, the demand for them did not increase. As a consequence there was an alarming increase in unemployment rate from time to time. The unemployment problem in Kerala is not only about educational unemployment of the general category but it is also unemployment of skilled, professional, semi skilled, and unskilled workers. The unemployment among the educated in Kerala has assumed alarming proportions and that this is particularly acute among women who have passed their secondary school examinations. The peculiar socio-economic factors such as the overriding preference for regular employment rather than self-employment that have contributed to the extremely high incidence of educated unemployment in Kerala.

This is the highest in the country. One important feature of Kerala Economy, is the out migration of labour force particularly to Gulf region and inflow of huge remittances into the State. Huge out migration, is because of lack of employment opportunity with in the State.

UNEMPLOYMENT RATE AND WORK PARTICIPATION RATE.

Unemployment rate is defined as the percentage of unemployed persons in the total labour force. The work participation rate dente the percentage of workers to the total population provides an idea about the participation of population in economic activities.

Unemployment and under employment among workers in traditional sectors are indeed of major concerns. One of the most important groups of such workers is the traditional agricultural workers. According to the 2001 Census, the number of agricultural workers in Kerala was around 16.20 lakhs and this is more than twice the number of cultivators (7.20 lakhs) and more than four times the number in the household industry (3.70 lakhs). Close to three- fourth of workers in the household industry is in rural areas and nearly half of them are female workers. Both rural and urban female unemployment rate increased dramatically during the last five years. The pace of Employment growth rate in Kerala has been very low over the years. Key indicators of employment and unemployment pertaining to Kerala, released recently by the National Sample Survey Office (NSSO), show the number of unemployed having come down in the

State during 2005-2010. The results of the 66th round of survey by the NSSO indicated that rural unemployment had come down from 15.8 per cent in 2004-05 to 9 per cent in 2009-10. In the urban areas, it came down from 19.9 per cent in 2004-05 to 8.3 per cent in 2009-10. In the rural areas, 8.3 per cent of the grownup male population was unemployed as per the 2004-05 sample survey. This proportion diminished to 3.8 per cent as per the 2009-10 sample survey. And in the urban areas, the unemployment rate among men decreased from 9 per cent to 3.4 per cent during the five-year period, Dr. Isaac said. Among rural women, the unemployment rate decreased from 30.9 per cent to 21 per cent and among urban women, from 42.9 per cent to 19.8 per cent during the same period. The employment participation, which was 34.3 per cent in the rural areas in the State in 2004-05, increased to 35.3 per cent in 2009-10. It increased from 32.9 per cent to 34.4 per cent during the same period in the urban areas. However, while employment participation in the State was 54.4 per cent in the case of men, it was only 17.5 per cent in the case of women, according to the latest sample survey results. The fall in unemployment is attributed the vibrant functioning of the Kudumbasree movement, national employment guarantee scheme, and the stress given to traditional industries and paddy cultivation.

Unemployment increased due to several factors such as low rate of economic growth and the slow growth of the organized sector. The unemployment rate is increasing in both rural and urban areas in Kerala. As the economy developed, the demand for unskilled and less skilled labour seems to have declined. On the other hand, the demand for skilled labour, on account of technological development and upgradation and changes in the organisation of work, has begun to increase. At the same time the overall rate of growth in employment got decelerated by more than the rate of deceleration of workforce. There has been marginal progress in organized sector employment since 2006. Similarly, unorganized sector employment also increased. One of the reasons may be attributed to the poverty alleviation and employment generation programmes like NREGS.

EMPLOYMENT EXCHANGES

The Employment Department and the Industrial Training Department play a complementary role in providing employment to the un employed registered labour force in the State. The former under take skill training to make the man power marketable and the latter looks after the needs of the work seekers. All categories of employment seekers above the age of 14 are allowed to register in the Employment Exchanges. According to the Employment Directorate 43.28 lakhs of employment seekers are there in the Live Register of Employment Exchanges as on 30.06.2010 of which 25.474 lakhs are females. The Employment Department through 96 institutions and Local self government departments provide placement service, vocational guidance, employment market information, self-employment guidance, unemployment assistance and self-employment schemes for the registered unemployed.

In Kerala, the total number of work seekers in 2007 was 39.88 lakh. The number of jobseekers increased to 41.44 lakh in 2008, again to 43 lakh in 2009

and up to 43.287 lakh in June 2010. The number of general work seekers slightly increased from 41.34 lakhs in 2009 to 41.67 lakhs up to June 2010. Whereas the registered number of professional and technical workers decreased from 1.65 lakhs to 1.61 lakh in 2010. The number of work seekers below SSLC slightly increased from 6.21 lakhs in 2008 to 6.23 lakhs in 2009. As on June 2010 the number decreased to 6 lakhs. The total number of work seekers who possess SSLC and above increased from 36.76 lakhs in 2009 to 37.28 lakhs in 175 June 2010. The percentage of work seekers below SSLC to the total work seekers is showing a decreasing trend and the percentage of work seekers who possess SSLC and above is increasing. The number of PDC or HSC qualified candidates marginally declined from 7.076 in 2009 to 7.07 lakh in June 2010. There was an increase in the registration of graduates and decrease in the registration of post graduates with the employment exchanges. While the number of registered graduates increased from 2.39 lakh to 2.46 lakh, the number of post graduates decreased from 0.53 lakh to 0.44 lakh. The percentage share of work seekers in various levels of education is given in Table 19.15. Of the total employment seekers in 2010, 13.87 percent are below SSLC, 63.04 percent are SSLC, 16.34 percent PDC or equivalent, 5.70 percent graduates and 1.04 percent postgraduates. The number of professional and technical work seekers in 2009 was 1.65 lakhs. This number slightly decreased 1.61 lakhs in June 2010. The share of employment seekers with professional and technical qualifications is given in Table. 19.16, below and it is seen that more than 90 percent of the technical and professional employment seekers are ITI and Diploma holders in engineering. The job seekers with engineering degree decreased from 9495 in 2009 to 6965 in June 2010. Engineering diploma holders who had registered their names in employment exchanges decreased from 36181 in 2009 to 34653 in 2010. The ITI/ NTC Certificate holders seeking employment increased from 0.96 lakhs in 2009 to 1.02 lakhs in 2010. The number of medical graduates who had registered their names in the employment exchanges decreased from 2420 in 2009 to 1885 in 2010. The number of veterinary graduate work seekers has decreased from 602 in 2009 to 345 in 2010. The number of job seeking agricultural graduates has decreased from 581 in 2009 to 361 in 2010. Women outnumber men seeking employment through employment exchanges. This position is reflected in all the 14 districts of Kerala. Out of the total number of 41.90 lakhs work seekers in March 2010, women number 24.72 lakhs (58.99%).

Thiruvananthapuram District ranks first in the number of work seekers in both general and professional categories. As on 31.3.2010, the total number of work seekers in Thiruvananthapuram District is 6.06 lakhs of which 3.73 lakhs are women and 2.32 lakhs are men. The second largest number of work seekers is from Kollam district. There are 4.21 lakhs job seekers in Kollam District in March 2010, out of which 2.50 lakhs are women and 1.71 lakhs are men. The lowest number of work seekers is in Wayanad preceded by Kasaragod District. In Wayanad, there are 0.88 lakh work seekers, whereas in Kasaragod the number is 0.98 lakhs in March 2010.

UNEMPLOYMENT ALLOWANCE SCHEME (UAS)

Unemployment Allowance Scheme is an important Social Security Scheme of the Government of Kerala, started in 1982. The scheme is for providing a monthly allowance to the registered unemployed. As per the revised norms, an eligible candidate can submit his application to the concerned Local Body. The number of beneficiaries up to March 2010 is 2.836 lakh persons and the disbursed amount is ` 4096.654 lakh.

EMPLOYMENT GENERATION PROGRAMMES

Kerala State Self Employment Scheme for Registered Unemployment (KESRU) - KESRU has been there since March 1999. Unemployed persons in the Live Register of Employment Exchanges, within the age group of 21 to 50 years, with annual family income below as ` 40,000/- and personal monthly income below ` 500/- are eligible for assistance. Bank loan up to ` 1,00,000/- and Government subsidy of 20% of the loan amount is provided as assistance. The amount disbursed to 327 beneficiaries was ` 45.04 lakh and ` 236.866 lakh was disbursed to 1337 beneficiaries up to March 2010.

SARANYA

This new Self Employment Scheme is for uplifting the most backward and segregated women in the State like widows, divorced deserted, spinsters and unwedded mothers belonging to the Scheduled Tribe Community. The women should be in the age group of 18 to 55 years and their annual family income should not exceed Rs. One lakh. The beneficiaries will be given a loan amount of ` 50,000/- with 50% or a maximum subsidy of ` 25,000/-. The beneficiaries of this scheme should have valid registration in any of the employment Exchanges in the State of Kerala.

In Kerala total placement through Employment Exchanges had been increasing from 2005 to 2008 and decreasing from 2008 to 2010. Total placement declined to 7040 in June 2010 from 15612 in 2009. Monthly average number of persons using employment exchange also decreased from 325 to 250. During the last decade, the flow of migrant workers from Kerala to far away states for seeking job was most common. Now it is a fact that a large number of labourers are coming into our state, especially in the field of construction, for their livelihood. The migrant workers are coming from various states like West Bengal, Bihar, Chhattisgarh, Jharkhand etc.

LABOUR WELFARE IN KERALA

Kerala is a model state for labour welfare measures. About 28 Labour Welfare Fund Boards are functioning in Kerala under different departments. Out of this, 16 are under the control of Labour Department.

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MODULE IV

FEATURE OF DEVELOPMENT SECTORS

- a) Agriculture: Cropping pattern – Area and production of major crops – Paddy, Coconut, Rubber - Land Reforms in Kerala, an overview.
- b) Industry: Ownership and types of industries, traditional and modern.
- c) Trade: Imports and Exports, major items.
- d) Education:- Features of primary, secondary, higher & professional Education in Kerala - New Challenges.
- e) Health: Changes in the Health Profile of Kerala – Emerging issues.

INTRODUCTION

In the developmental process of a county various sectors in the economy has to play a crucial role. In the modern world not only agriculture and industry are important but also the external sector, education sector, health sector etc are to be worked together to get the momentum of development. In Kerala also these sectors are providing enough dynamism for its growth and development.

(A) AGRICULTURE

No doubt that Kerala has a glorious past in agriculture sector. Kerala is known for its lush green landscape, its dense forest cover, abundant water bodies, long coastline and its environment friendly culture. In 1960-61 the contribution of the primary sector to the GSDP is 56% while it falls into 9.1% in 2011-12 (constant prices). The share has been falling steadily over the years. There has been negative growth in this sector in all the years of the XIth Plan except in 2008-09. In 2011-12 the growth rate of the sector is -0.7%. The low availability of land and the high cost of other factors of production (farm labour, fertilizer, etc), the excessive dependence on volatile international commodity prices and the vagaries of the monsoon have resulted in low farm viability. However, this sector is very significant from the point of view of rural livelihood options, food security, and raw material for the food processing industries and for exports. It is this sector which gives character to the State and various initiatives have been taken to promote crop development, animal husbandry and fisheries in Kerala.

PERFORMANCE OF AGRICULTURE SECTOR

The growth performance of the agriculture sector has been fluctuating across the plan periods. It witnessed a negative growth rate of 1.3 percent in XIth

Five Year Plan while a positive growth of 1.8 percent in X th Plan period. The quick estimate of 2011-12 indicated a negative growth of 1.6 percent over the previous year. The provisional estimate of agricultural income of the state again shows a negative growth of 4.5 percent during 2010-11. The crippling growth rate in agriculture as against a reasonably robust annual growth rate of GSDP of the State is a cause of concern.

The agriculture in Kerala has undergone significant structural changes in the form of decline in share of GSDP from 26.9 Percent in 1990-91 to 9.1 percent in 2011-12, indicating a shift from the agrarian economy towards a service sector dominated economy. The annual growth rate of agricultural income and share of agricultural GSDP for the last five years are shown in Table 4.1.

Table 4.1

ANNUAL GROWTH RATE IN AGRICULTURAL INCOME & SHARE OF AGRICULTURAL GSDP IN KERALA

(Base 2004-05) *Provisional ** Quick

Sl. No.	Year	Rate of change over previous year	Share of Agriculture and Allied Sectors in GSDP
1	2007-08	-2.2	13.2
2	2008-09	2.1	12.7
3	2009-10	-3	11.5
4	2010-11*	-4.5	10.1
5	2011-12**	-1.6	9.1

Source: Directorate of Economics and Statistics

Reviving the agriculture sector require a quantum increase in productivity from the current levels. This in turn requires technological breakthrough given the limited supply of land and other structural rigidities, addressing low level of mechanization, shortage of irrigation facilities, treatment of soil acidity and multiple nutrient deficiencies, plant health management, remunerative prices and poor extension services.

CROPPING PATTERN IN KERALA

Cropping pattern means the proportion of area under different crops at a particular point of time. A change in cropping pattern implies a change in the proportion of area under different crops. Kerala is one of the states in India where land is put to more intensive use than anywhere else, mainly because of the lower per capita availability of land in the state. Kerala's cropping pattern is characterised by the domination of non-food crops or cash crops like rubber, coconut, pepper, arecanut, cashew nut, spices and plantation crops, which together account for more than 50% of the cropped area in the state. The agro climatic condition of the state is also in favour to the cash crops. Under colonial period the Britishers initiate the plantation crops and the Rajas of Travancore

also promotes such crops to tap the European capital, technology and man power. In cropping pattern Kerala resembles with the agricultural economy of Sri Lanka.

LAND USE PATTERN

Data on land use pattern of Kerala for the year 2011-12 is given in Table 4.2. Out of a total geographical area of 38.86 lakh hector, net sown area is about 53 per cent. The net sown area has declined by 1.5 percent in the current year over 2010-11. The share of total cropped area in the total geographical area is 68 percent. It marked an increase of 14296 hector during 2011-12 over the previous year while the net area sown declined by 31375 ha over the previous year. The share of land under non-agricultural uses out of total geographical area is 10 per cent in 2011-12. There is an increase in the area under current fallow (1028 ha) and increase in the area under fallow other than current fallow (5727 ha) during 2011-12. The area under cultivable waste also increased by 3772 ha and barren and uncultivated land declined by 2021 ha.

Table 4.2

LAND USE PATTERN OF KERALA (AREA IN HECTOR)

Classification of Land	2010-11	2011-12	% of Geographical Area	Change in area between 2010-11 & 2011-12	
				Actual	%
Total Geographical Area	38862687	3886287	100	0	0
Forest	1081509	1081509	28	0	0
Land put to non agricultural uses	384174	399924	10	15750	4
Barren & uncultivated land	19573	17552	0.5	-2021	-10
Permanent Pastures and Grazing Land	153	85	0	-68	-44
Land under miscellaneous tree crops	3690	3366	0.1	-324	-9
Cultivable waste	91665	95437	2	3772	4
Fallow other than current fallow	51943	57670	1	5727	11
Current Fallow	76028	77056	2	1028	1
Net area sown	2071507	2040132	53	-31375	-1.5
Area sown more than one	575954	621625	15	45671	8
Total cropped area	2647461	2661757	68	14296	1
Cropping intensity	128	130	0	2	

Source: Directorate of Economics and Statistics

TREND IN AREA, PRODUCTION AND PRODUCTIVITY OF CROPS AND PERFORMANCE

In Kerala total food grain production reached to 0.6 lakh MT during the respective year. Data regarding the area, production and productivity of important crops grown in Kerala are shown in Table 4.3 and Out of a gross cropped area of 26.6 lakh ha. in 2011-12, food crops comprising rice, pulses and tapioca occupy 10.8 per cent. Kerala state which had a low base in food production is facing serious challenges in retaining even this meagre area. Kerala agricultural economy is undergoing structural transformation from the mid seventies by switching over a large proportion of its traditional crop area which was devoted to subsistence crops like rice and tapioca to more remunerative crops like banana and plantations.

Table 4.3
AREA, PRODUCTION AND PRODUCTIVITY OF PRINCIPAL CROPS

SL No.	Crops	Area (Ha)		Production (MT)		Productivity (Kg/ha)	
		2010-11	2011-12	2010-11	2011-12	2010-11	2011-12
1	Rice	213187	208160	522738	568993	2452	2733
2	Pulses	3824	3668	2908	3128	760	853
3	Pepper	172182	85335	45267	37989	263	445
4	Ginger	6088	6908	33197	37130	5453	5375
5	Turmeric	2391	2970	6198	7946	2592	2675
6	Cardamom	41242	41600	7935	10222	192	246
7	Areca nut	99834	104548	99909	121623	1001	1163
8	Banana	58671	59069	483667	514054	8244	8703
9	Other Plantains	49129	48747	353772	330634	7201	6783
10	Cashew nut	43848	54052	34752	36743	793	680
11	Tapioca	72284	74498	2408962	2567953	33326	34470
12	Coconut *	770473	820867	5287	5941	6862	7237
13	Coffee	84931	84413	65650	68175	773	808
14	Tea	36965	37028	57291	57903	1550	1564
15	Rubber	534230	539565	770580	788940	1442	1462

Source: DES

* Production of coconut in million nuts and productivity in numbers

During 2011-12, the area under rice declined by 5027 ha. In the case of pepper, the area declined from 1.7 lakh ha in 2010-11 to 0.9 lakh hector in 2011-12. Area under coconut was 7.7 lakh hector in 2010-11. But it increased to 8.2 lakh ha during 2011-12. All the major crops except rice and pepper showed increase in area in 2011-12. Similarly production of all major crops increased in 2011-12 except pepper. Substantial increase in production of rice is reported to the tune of 9 percent in 2011-12. In the case of coconut 12 percent increase in productivity is also reported.

With the use of the index numbers it is easier to know the trends over time with respect to area, production, productivity of prominent crops. Index of area under food grains reveals again a declining trend. The deteriorating trend is more visible in the case of cereals. Area under pulses also shows a consistent fall during 2010-11 and 2011-12 periods. Despite of it, production and productivity levels improved in the respective periods. Area under coconut, plantation crops, vegetables and fruits, cashew and tapioca shows an increasing movement. Index of production of all these crops are expanded during the period. The productivity index of cashew fell drastically during 2011-12 due to rise in area coupled with comparatively small increase in production. Details are given in Table 4.4.

Table: 4.4

**INDEX OF AREA, PRODUCTION AND PRODUCTIVITY OF PROMINENT CROPS IN KERALA
(BASE- AVERAGE OF TRIENNIUM ENDING 1993-94)**

Sl. No	Crops	2009-10	2010-11	2011-12#
	Area			
A	All crops	87.88	87.18	87.65
	Food Grains	43.07	39.18	37.9
	Total Cereals	44.03	40.09	38.79
	Pulses	19.95	17.14	16.44
C	Non-Food Grains	88.58	88.53	75.37
	Oil Seeds (Coconut)	89.07	88.14	93.91
	Fibers(Cotton)	8.05	3.96	3.16
	plantation Crops	117.1	118.78	119.86
	Spices & Condimental	107.12	107.84	74.22
	Fruites & Vegitables	71.76	72.61	73.18
	Cashew nuts	44.82	40.13	49.46
	Tapioca	55.11	53.16	54.79

		Production		
A	All crops*	97.73	95.6	51.89
B	Food Grains	56.3	49.18	53.43
	Total Cereals	56.84	49.66	53.95
	Pulses	20.94	17.96	19.32
C	Non-Food Grains	103.86	102.47	51.66
	Oil Seeds (Coconut)	113.67	106.04	119.16
	Fibers(Cotton)	6.49	3.58	3.14
	plantation Crops	181.68	188.67	191.35
	Spices & Condimental	143.21	145.46	132.38
	Fruits & Vegetables**	99.97	99.47	0
	Cashew nuts	38.36	37.21	39.35
	Tapioca	96.03	91.6	97.65
		Productivity		
A	All crops	111.21	109.66	59.2
B	Food Grains	130.71	125.52	140.98
	Total Cereals	129.1	123.86	139.1
	Pulses	104.97	104.76	117.48
C	Non-Food Grains	117.24	115.74	68.54
	Oil Seeds (Coconut)	145.98	137.63	145.17
	Fibers(Cotton)	80.58	90.4	99.13
	plantation Crops	155.15	158.84	159.64
	Spices & Condimental	133.69	134.89	178.36
	Fruits & Vegetables	139.31	136.98	0
	Cashew nuts	85.59	92.74	79.55
	Tapioca	174.27	172.31	178.22

#Provisional *Production of Food and Non Food Grains **Production is not available for the year 2011-12

Source: Compiled from the Data of DES

CROP WISE ANALYSIS

RICE

The area under rice has been declining consistently over the last several years. After a long period of continuous decline, area under rice increased from 2.29 lakh ha in 2007-08 to 2.34 lakh ha in 2008-09 and sharply declined by 20828 ha in 2010-11 period over to the previous year. During 2011-12, the area under rice declined by 5027 ha, but the production has increased by 0.5 lakh MT. The production is increased due to increase in productivity. The productivity increased to the tune of 11.5 percent. The Area, Production and Productivity of HYV of Rice 2009-10 to 2011-12 can given in Table 4.5

Table 4.5

THE AREA, PRODUCTION AND PRODUCTIVITY OF HYV OF RICE 2009-10 TO 2011-12

A	Area	Hector
	2009-10	213706
	2010-11	198222
	2011-12#	194734
B	Production	MT
	2009-10	564217
	2010-11	498180
	2011-12#	545498
C	Productivity	Kg/Ha
	2009-10	2640
	2010-11	2513
	2011-12#	2801

#Provisional

In area wise the highest in Palakkad with 84058 Ha and lowest in Kozhikode with 883 Ha in 2011-12 estimate. In the case of production also the same districts keep the highest and lowest position with 218063 MT and 1929 MT respectively. While in productivity Pathanamthitta tops with 3208 Kg/Ha and Ernakulam in the bottom with 2140 Kg/Ha.

COCONUT

Coconut based farming is the main stay of farmers of the State with a coverage of 8.2 lakh ha which occupies 40.2 per cent of the net cropped area. During 2010-11, area and production of coconut in the State were declined by 1.2 percent and 6.7 percent respectively. In 2011-12, the situation has improved

with 6.6 percent expansion of area and 12.4 percent upsurge in production over the previous year. The productivity levels of coconut in Kerala also improved (5.5%) significantly.

The implementation of massive replanting of root wilt affected palms with seedlings of elite palms could be improved immediately campaign mode. Generation of technologies for different agro ecological situations may improve the level of adoption. Integrated farming system with due emphasis on multi-tier cropping systems needs to be promoted in different agro ecological situations for improving income of the farmers. Effective harvesting machines also need to be developed for promotion. Restructuring of the cluster development programme is also essential for more effectiveness. The initiatives of the Coconut Development Board for the skill development and formation of producers societies is expected to address a basic issue in coconut development. Restructuring of the cluster development programme is also essential for more effectiveness. The isolated attempts of production of dwarf coconut seedlings and hybrids need to be scaled up substantially with the support of Research and Development institutions. The strengthening of procurement of coconut as well as promotion of Neera are essential for the survival of the crop. In India, coconut is grown in an area of 2039.1 million ha. producing 14006.5 million nuts with a per hectare productivity of 6869 kg of nuts in 2011-12. Kerala's share in area as well as production of coconut in the country is declining over time. Kerala stands top by contributing 42.4 percent of total production of the crop in the country. The Area, Production and Productivity of Coconut in Kerala and India is given in Table:4.6.

Table:4.6.

THE AREA, PRODUCTION AND PRODUCTIVITY OF COCONUT IN KERALA AND INDIA

Sl.No.	Year	Area (000'Ha)		Production (Million Nuts)		Productivity (Nuts/Ha)	
		Kerala	India	Kerala	India	Kerala	India
1	2007-08	819	1903	5641	14744	6889	7747
2	2008-09	788	1895	5802	10148	7384	7749
3	2009-10	779	1900	5667	10824	7278	8300
4	2010-11	770	1896	5287	10840	6862	5718
5	2011-12	821	2039	5941	14006	7237	6869

Source: DES, CMIE and CDB

PEPPER

In Kerala, the area under pepper is estimated at 0.85 lakh ha and production at 0.38 lakh MT during 2011-12. It is noted that the production has declined by 16.1 percent in the respective period caused by erratic weather condition in growing regions and also on account of structural issues. Insect pest

problem of erythrina (standard), weather viability, absence of alternate standards, poor productivity, fluctuating prices etc. compounded the declining production.

The domestic price of pepper shows an upward trend from the mid of twenties and reached to 418.58 per kg in October 2012 and further declined in 378.04 per kg. in February 2013. Revitalization of pepper is essential for improving the livelihood of farmers. A convergence approach is to be followed for implementing schemes by the Spices Board, State Horticulture Mission and the Department of Agriculture. Reorientation of pepper development scheme is required to regain the supremacy of the crop covering technology and market support, revival of pepper samithies, good quality planting materials and promotion of alternate standards.

During 2011-12, in India a total quantity of 26,700 tonnes of pepper valued Rs.878.13 crore have been exported as against 18,850 tonnes valued 383.18 crore in the last year. Pepper production in India during 2011-12 is estimated at 48 thousand tonnes. This stagnant nature of pepper production in recent years is mainly due to low productivity and disease affected pepper gardens.

World pepper production during 2011-12 was estimated at 298.4 thousand tonnes compared to 329.7 thousand tonnes in 2010-11 period which shows a decline of 31.3 thousand tonnes. Vietnam holds the first position with 33.5 percent share of world pepper production and where India contribute 16.1 percent share with 2nd rank.

CASHEW

Area under the crop in Kerala, has been declining steadily from 1.25 lakh ha. in 1988-89 to 0.44 lakh ha. in 2010-11. During 2011-12, there is 23.3 percentage increase in the area (0.54 lakh ha) and the production also surged to 0.37 lakh MT from 0.35 lakh MT in 2010-11. The share of Kerala in the area under cashew in the country has come down from 23 per cent in 1987-88 to 5.4 percent in 2011-12 and the corresponding decline in share of production is from 31 per cent to 5.3 percent. Area and production are increasing steadily in other producing states in the country. Even though the major share of area under cashew comes from Andhra Pradesh (19.5%), Maharashtra is the leading producer with 32.2 percent share in production during 2011-12; Maharashtra's share was only 10 per cent in 1990-91. Kerala holds 4th position in cashew production.

In spite of operating special schemes for expansion of area under cashew, the coverage has been steadily declining during the last two decades except in 2011-12. Productivity of the crop, which was around 900 Kg./Ha., during late eighties has also started declining from 1995-96 onwards, reaching 562 Kg./Ha., during 1998-99 and thereafter hovering around 800 kg. In 2011-12, it further declined by 14 per cent (680 Kg./Ha.) over the previous year. Details are given in Table:4.7.

Table:4.7**THE AREA, PRODUCTION AND PRODUCTIVITY OF CASHEW IN KERALA AND INDIA**

Sl.No.	Year	Area (000'Ha)		Production (000'MT)		Productivity (Kg/Ha)	
		Kerala	India	Kerala	India	Kerala	India
1	2007-08	58.38	868	52.4	665	898	766
2	2008-09	53.01	893	42.33	695	799	778
3	2009-10	48.97	923	35.82	613	731	664
4	2010-11	43.85	945	34.75	653	792	691
5	2011-12	54.05	991	36.7	692	680	749

Source: DES, Cashew Export Promotion Council of India

PLANTATION CROPS

Plantation crops in general are either export oriented or import substituting and therefore assume special significance from the national point of view. It is estimated that nearly 14 lakh families are dependent on the plantation sector for livelihood. Each of the four plantation crops of South India has its distinct characteristics and economic problems. Consequent to the removal of quantitative restrictions on import, plantation crops in general are facing the threat of low quality imports.

Kerala has a substantial share in the four plantation crops of rubber, tea, coffee and cardamom. These four crops together occupy 7.02 lakh ha, accounting for 34.4 percent of the net cropped area in the state. Kerala's share in the national production of rubber is 87.3 per cent, cardamom 79 per cent, coffee 22 per cent and 7 percent in tea during the year 2011-12.

RUBBER

In Kerala the coverage under the crop in 2011-12 was 5.39 lakh ha, higher by 5335 ha. over the previous year. The production of natural rubber in Kerala during the period was 7.89 lakh tonnes indicating 2.4 percent increase over the previous year. In 2011-12, the productivity increased slightly to 1462 Kg/ha from 1442 Kg/ha in 2010-11. 87.3 percent of total rubber production in the country was from Kerala in the current year of 2011-12.

The production of natural rubber in the country was 9.04 lakh tonnes in 2011-12, registering a 4.9 per cent increase compared to 2010-11. The growth in production was attributed by favourable climate and attractive price. India continued to be in the first position in the world in productivity during 2011-12 also which increased to 1841 kg/ ha from 1806 kg/ha during 2010-11 in terms of yielding area. The total consumption of natural rubber in 2011-12 was 9.64 lakh tonnes with a growth of 1.8 percent as against 9.47 lakh tonnes during 2010-11. The import of Natural Rubber in the country up surged to 2.14 lakh tonnes in 2011-12 from 1.90 lakh tonnes in 2010-11. While export of Natural

Rubber during 2011-12 declined to 27145 tonnes from 29851 tonnes in the previous year.

The global Natural rubber production was also marked an increase of 5.75 lakh tones in 2011-12 and estimated at 109.74 lakh tonnes, which was 103.99 lakh tonnes in the previous period. All the major producing countries reported increase in crop, led by Thailand with a share of 30.9 percent share in the total world production, followed by Indonesia (27.2%) and Malaysia (9.1%). India holds only 4th position (8.1%) in this regard.

COFFEE

The area under coffee in Kerala was 0.84 lakh ha out of 4.09 lakh ha in the country during 2011-12, which works out to around 21 per cent. The percentage share of area under coffee is highest in Karnataka (56.1%). The share of Kerala in production is around 22 per cent during 2011-12. Major variety grown in Kerala is Robusta with a share of 97.1 per cent in planted area. Production of coffee during the year was only 0.68 lakh MT against 3.14 lakh MT for the country. Productivity of the crop in terms of bearing area in Kerala is 808 kg/ha which is lower than the national level of 852 kg/ha during 2011-12. Even though the area under coffee registered a slight decline during the period, the production has recorded 3.8 percent increase as against the previous year. Domestic coffee production for the year 2011-12 is more than 0.12 lakh tonnes compared to the previous year. Among the States, Kerala stands next to Karnataka which produces 70.4 percent of total coffee production.

Global coffee production during 2011-12 was estimated at 131.9 Million bags compared to 134.2 Million bags in the previous period. The decline in crop was reported from South American countries mainly Brazil (-4.6 Million bags) and Columbia (-0.7 Million bags). Brazil's position remained top in the world coffee scene with a share of 33 percent even there is a fall in the crop during the period. Vietnam occupies 2nd position with 15.2 percent share and Indonesia (6.3%) retained its 3rd place in the world coffee production. India slipped to seventh position (4%) , despite increase in production.

TEA

Against the total area of 5.8 lakh ha under tea in the country Kerala accounts for only 0.37 lakh ha 2011-12. Area under South India is estimated as 1.2 lakh ha in the period. In respect of total production of tea in India, the share of Kerala is 6.9 percent in 2011-12. There is a slight increase in production of tea in Kerala and it ranged from 0.57 lakh MT in 2010-11 to 0.58 lakh MT in 2011-12.

During 2011-12, slight increase in world tea production was reported i.e., 4217.1 M.kg. compared to 4162.5 M.kgs in the previous year. This increase was recorded from the two major producing countries, viz. China (74.9 M.Kgs) and India (21.9 M.kgs). In India, tea production during 2011-12 was placed at 988.3M.kgs against 966.4 MKgs in the previous year. During this period, the share of India is 23.4 percent in the World tea production, occupying 2nd position after China (36.8%).

CARDAMOM

Kerala accounted for a major share (78.8%) in the total cardamom production in the country. Karnataka and Tamilnadu contributed 14.7 percent and 6.5 percent share respectively. In Kerala, the area under cardamom is 0.42 lakh ha comprising 59.2 percent of total area of crop in the country during 2011-12. The production has increased from 0.08 lakh MT to 0.10 lakh MT in the respective year.

The price of cardamom in domestic market was Rs.1013 per kg. in 2010-11, which further declined Rs.614 per kg. in 2011-12 and slightly increased to Rs.677.59 per kg in February 2013. Remunerative prices are required for the development of crop in the state.

During 2011-12, India produced 12.98 thousand tonnes of Cardamom with an increase of 2.60 thousand tonnes compared to 10.38 thousand tonnes in the last year. Area under cardamom in the country is 0.71 lakh ha during this period.

LAND REFORMS IN KERALA

Land reforms being the State subject, considerable options have been left to the State governments. The Land reforms in Kerala is one of the most radical and egalitarian measures resorted by the government of Kerala in the agricultural front. It was considered as an important feature of the Kerala's unique development experience and a model to other states of India. Of the three regions that made Kerala state in 1956- Travancore, Cochin and Malabar- Malabar had the greatest struggle over land rights where the most oppressive land tenure systems exist.

OBJECTIVES OF LAND REFORMS IN KERALA

1. Abolition of intermediaries between the state and the tiller.
2. Conferment of security of tenure on cultivating tenants.
3. Regulation of rent.
4. Consolidation of holding.
5. Establishment of cooperative farming.

DIFFERENT LAND REFORM MEASURES AFTER THE FORMATION OF THE STATE

After the formation of the Kerala state on 1st November 1956 by rejoining Travancore, Cochin and Malabar the tempo of land reform measures was accelerated.

1. The Kerala Stay of Eviction Proceeding Act (1957): This act was intended to maintain the status quo in land relations till comprehensive reform measures could be undertaken.

2. **The Kerala Land Tax Act (1957):** This act was to extend the basic tax system of assessment to Malabar which up till then was part of the erstwhile Madras state. This act removed most of the tenure disparities arising from the modus operandi of the different modes of land revenue and generally helped the cultivators.

3. **The Kerala Conservancy Act:** It was enacted to check encroachment on government lands.

4. **The Kerala Relinquishment Act:** It legalise the relinquishment of lands by owners in fovour of the government.

5. **The Kerala Agrarian Relations Bill:** This was the most revolutionary measure in the field of land reforms that the state had ever undertaken. This was necessitated because of the failure of the initial measure.

6. **The Kerala Agriculturists Debt Relief Act (1958):** Helped to the agriculturists who are in debt.

7. **The Kerala Tenants Improvement Act (1958):** This act benefited the agriculturists of the whole state, provided compensation at the rate of 15 times the net annual yield for trees planted by tenants and the actual value for permanent structures put up by them, even if there was a contract to the contrary stipulated in the deep providing lease or Otti.

8. **The Kerala Agrarian Reforms Act (1960):** This act widened the definition of plantations, and consequently contiguous land interspersed with agricultural land within the boundaries of the plantations were made part and parcel of the plantations and those Kudiyans who had homesteads in the plantation area were brought under the mercy of the plantation owner. The act exempted the land belonging to religious, charitable and educational institutions of public nature, or a public trust from the purview of the ceiling. The definition of small holder was broadened and he was defined as one who had rights in less than 10 acres of double crop wet land but possessed only less than 5 acres of land. Under this act compensation is provided to landlords who surrender the surplus land to the state. This act was not effectively implemented as the Kerala High Court declared it to be unconstitutional.

9. **The Kerala Land Reforms Act (1963):** This act came into force on 1-4-1964 and enacted by the Congress Government. The Kerala Land Reforms Act superseded The Kerala Agrarian Reforms Act, 1960 implemented by the first communist ministry. The Kerala Land Reforms Act is the foremost of the land legislation. The Kerala Land Reforms Act laid down that no family or adult unmarried person shall own or hold more than 12 standard acres subject to a minimum of 15 acres and a maximum of 37 acres. The 1964 Act reduced the maximum area into 36 acres.

It gave absolute fixity of tenure to the tenants of a Kudikidappu and fixity of tenure to others subject to the landlord's right of resumption for personal cultivation. Resumption was allowed only for extension of any place of public religious worship and for the construction of residential buildings by land owners actually needed it and for self-cultivation. The tenants were given the right of

purchase of the superior interest in their holdings. According to this act the enhancement of rent was left to contracts between the landlords and tenants. The act also created land boards and land tribunals for implementing the various provisions of the act. Special protection was given to the landlords who owned small holdings keeping in view that the interests of the tenants do not suffer. The act retained certain conditions for eviction such as gross neglect and mismanagement on the part of tenant or for the landlord's direct operation of the land for himself.

10. **The Kerala Land Reforms (Amendment) Act (1969):** The Kerala Land Reforms Act, 1963 failed to give maximum benefits to the Kudikidappukars and actual cultivators of land. By taking into account the actual difficulties in the implementation of the act, the Kerala government has introduced another revolutionary bill which is termed as the Kerala Land Reforms (Amendment) Bill. This bill was passed in 1969 and came into force in 1st January 1970 with the following objectives.

- (a) To grant more benefits to tenants and Kudikidappukars.
- (b) To include certain classes of cultivators who do not fall within the category of tenants.
- (c) To provide for the compulsory vesting of the rights of the landlords and other intermediaries with the government on a date to be notified by the government.
- (d) For the assignment of those rights to the cultivating tenants and to provide for the constitution of a new fund of not less than Rs. 10 million called the Kudikidappukars' Benefit Fund.

In order to implement the provisions of the bill, land tribunals are established in each and every Taluk in the state.

MEASURES OF LAND REFORMS IN KERALA

The measures of land reforms in Kerala include abolition of intermediaries, tenancy reforms and land ceiling.

(1) ABOLITION OF INTERMEDIARIES

The Land Reforms Act has abolished once for all landlordism and intermediary tenures in the state. The elimination of the intermediaries was a pre-requisite for the reorganization of agriculture. Therefore top priority was given to abolition of these intermediaries. With the abolition of intermediaries lakhs of 'Kudiyans' and 'Kudikidappukars' became the land owners and the exploitation by the land lords was put to an end. The property rights of the landlords were acquired by the state on the payment of the compensation. With the disappearance of the semi-feudal land ownership system, the cultivators now breathe the air of freedom and equality.

(2) TENANCY REFORMS

The progress of implementation of land reforms has been commendable in the state. The provisions relating to the tenancy reforms and the purchase of

Kudikidappu Rights have been almost implemented in full. The Land Tribunals received more than 86 lakhs of application from tenants and 'Hutment' dwellers. Since the commencement of the implementation of land reforms, about 16 lakhs out of 25 lakhs 'Kaivasakudiyannars' had secured 'Janmavakasam'. Lakhs of tenants have not been paying rent because they have become defacto owners of the land they till. Evictions and other type of exploitation have become merely stories of the past.

(3) LAND CEILING

The land ceiling prescribed in the Kerala Land Reforms Act 1969 is 5 standard acres for the adult unmarried person, or a family consisting of two or more adult members but not more than five, with one additional standard acre for each additional member in excess of five. In case of companies and associations, the ceiling is 10 standard acres. As the social conditions, productivity of land, nature of the crop grown etc vary in different parts of the state, on an average one and half ordinary acres are considered equivalent to one standard acre. The maximum a family can own is fixed at 20 ordinary acres. The excess land would be taken over by the government for distribution among landless labourers and other weaker sections of the community.

ACHIEVEMENTS OF LAND REFORMS

1. Absentee landlordism was abolished.
2. Change the structure of ownership and operation of land holdings.
3. Surplus land is distributed to the people.
4. All tenants and hutment dwellers have been made owners of the land.
5. Reduce inequality among the people.
6. Helped to social justice.
7. Reduce poverty among the people.
8. Reduce the number of landless people.
9. Fair rent was fixed.
10. Land ceiling was fixed.
11. Improve the status of the tenants.

DEFECTS OF LAND REFORMS

1. It leads to the subdivision and fragmentation of land holdings.
2. Reduction in total agricultural land
3. Still the slogan 'Land to the tiller' is not achieved
4. Land is transferred to non farmers especially to teachers, layers. Shop keepers, Layers, political leaders etc.
5. No substantial improvement in production and productivity.
6. Agricultural land is changed into non agricultural purposes.
7. Change in cropping pattern.
8. Misinterpret land reform laws.
9. Delay in redistribution of surplus land.
10. Political interference.

(B) INDUSTRY

HISTORY OF INDUSTRIALISATION IN KERALA

From the days immemorial, traditional industries like mat 'weaving, handlooms, bamboo products etc. were popular in different parts of Travancore, Cochin and Malabar. The first textile factory was started at Quilon in 1881 by an American group. Subsequently, coir, tea and rubber factories flourished in different parts. While we trace the industrial development of Travancore, The golden era of Kerala's industrial development was the ten year period ending 1947, when Sir C.P. Ramaswamy Iyer ruled the state of Travancore as its Diwan. He realised the fact that capital and skilled labour are not sufficiently available in Travancore or nearby states and hence he invited outsiders to start industries in Kerala. Even foreign companies reacted favourably to the call given by him. For instance 'Alakan' a Canadian Company expressed their willingness which led to the starting of 'Indian Aluminium Company' at Eloor. The other major industries started during the days of Sri C.P. were Travancore Sugars and Chemicals Limited, Ogale Glass factory, Fertilisers and Chemicals Travancore Limited (FACT), The Indian Rare Earths (IRE) Travancore Rayons, Travancore Titanium Products Limited (TTP), Travancore Cements, Travancore Electro-Chemicals Industries, The Punalur Paper Mills, Kerala Ceramics, Indian Aluminium Company, Luxmi Starch western Indian Plywood etc. The important industries flourished in Cochin State were Coconut oil and Textiles. One of the important textile mills in Cochin State was Pushpagiri Weaving Mills started at Trichur in 1908, the present Sitaram Textiles.

An industrial survey was conducted in 1909 by Cochin state government, followed by an economic survey in 1920. The survey committee suggested the starting of an Industrial Advisory Board. As per this recommendation, the Board was constituted but soon after it was merged with the Economic Development Committee formed in 1925. Just like Cochin State, Malabar also earned good amount of foreign exchange from the export of coconut oil. Another important industry popular in Malabar was soap industry. While we trace the industrialization of Malabar or even North Kerala, the works of Basel Mission deserves special reference.

Started only by the middle of the 19th century, Kerala, the progressive land with immense opportunities for investors, bestows an investor-friendly environment with well-structured policies and pioneering initiatives. The world-class infrastructure and the support make way for a successful venture. Among the leading commercial and trading centres of India, Kerala offers good environment for setting up any industry. Finally creating centres of educational excellence, harnessing the multiplier effects of IT-related investments and high value service sector activities will enable both employment generation and capitalise on its comparative factor advantages. Kerala, notwithstanding its breathtaking scenic beauty, skills of its people and high quality of human resources, is nowhere near realising its full economic potential.

In Kerala, the Department of Industries and Commerce is headed by a Principal Secretary to Government. This department is responsible for promoting/ sponsoring, registering, financing and advising industries in the state. The department and its agencies also guide the entrepreneurs in the selection of appropriate industrial ranges in the private, public, joint and co-operative sectors. Directorates of industries and Commerce, Handloom and Textiles, Coir Development, Mining and Geology and 72 Public Sector undertakings fall under this department. Visit Kerala's position is 12th in the industrial ranking among the major 16 States in India. It was reported that about 22.5 % of the total income of the State came from the secondary sector during 1980-81, which was only 17% during 1970-71. The industrial sector of Kerala employed 15% of the total workers against the national average of 9%.

INDUSTRIES IN KERALA:

Kerala, with all its limitation, is putting efforts for speedy Industrial Development in the state. Traditional industries are handloom, cashew, Coir and Handicrafts where the persons employed are from weaker sections of the community. Other important industries are Rubber, Tea, Ceramics, Electric and Electronic Appliances, Telephone Cables, Transformers, Bricks and Tiles, Drugs and Chemicals, General Engineering, Plywood Splints and Veneers, Beedi and Cigar, Soaps & Oils, Fertilizers and Khadi and Village Industry Products. The modern industries in Kerala are Metal, Shipping, Softwares, Electronics, Automobiles, Real Estate, and Tourism. etc. There are a number of manufacturing units for production of precision instruments, machine tools, petroleum products, paints, pulp paper, newsprint, glass and non-ferrous metals. Principal export products are Cashew Nut, Tea, Coffee, Spices, Lemon Grass Oil, Seafood, Rose Wood and Coir. The land of Kerala is endowed with a number of deposits of good quality china clay and beach sands containing a variety of valuable minerals. Heavy mineral sands and china clay contribute more than 90 percent of the total value of mineral production in the state. Kerala possesses one of the world class deposits of mineral sands in the coastal tracts between Neendakara and Kayamkulam. Gold occurs in Kerala both as primary and placer deposits and the known occurrences are mainly in Wayanad and Nilambur regions.

STATE LEVEL PUBLIC SECTOR ENTERPRISES

The Public Sector Undertakings, administered by Industries Department of Government of Kerala. The situation that prevailed in many of the PSEs were pathetic resulting in disgruntled workers, abysmally low productivity, severe liquidity crunch, unprofessional management, corruption and nepotism. Growth and development of PSUs are taken as the essential part of the political and economic struggle in the present neo-liberal policy period. Special mention is necessary about the role of Trade Unions and Officers' associations in achieving results. The details of the PSEs are given below

STATE LEVEL PSES UNDER INDUSTRIES DEPARTMENT AS ON 31-03-2012

1. Number of PSEs-44

2. Sector wise PSEs: 9 in Textiles, 8 in Traditional and welfare, 7 in Chemical, 6 in engineering, 4 each in Development & Infrastructure and Electrical equipments, 3 in Electronics, 2 in Ceramics & Refractories and 1 in Wood & Agro based sectors
3. Profit Making Units-20, Mainly in Chemical, Development & Infrastructure and Electricals.
4. Loss making units-24, Mainly in Textile and Traditional industries.
5. Total Turnover during 2011-12 is Rs.3148.22 crore
6. Net Profit during 2011-12 is Rs. 245.8 Crore.
7. The Highest turnover is made by Kerala State Electronics Development Corporation of Rs.302.10 Crore and the lowest by Texfed of Rs. 0.22 Crores in 2011-12.
8. The highest profit making PSEs is Kerala Minerals and Metals Ltd of Rs.150.10 Crores and the Highest loss making PSEs is Travancore Titanium Product Ltd of Rs.24.16 Crores in 2011-12.

JOINT STOCK COMPANIES

The total number of Joint Stock Companies in Kerala as on March 2012 is 19521 of which nearly 93 percent are private limited and 7 percent are Public Limited. During 2011-12, 2823 Companies were newly registered which included 2757 private limited and 66 public limited companies

MAJOR INDUSTRIAL LOCATIONS IN KERALA

Most of the industrial and commercial establishments in Kerala are concentrated in the coastal zone. Among the coastal districts, Ernakulam and Trivandrum have fairly large number of industries along the coast, followed by Alappuzha, Kollam, Kozhikode, Kannur, Kasargod and Malappuram. Eloor-Edayar- Ambalamugal area is the major industrial area located in the coastal zone in the city of Kochi in Ernakulam District along the banks of the Cochin backwaters. Major industries in Kerala are:

1. Fertilizer and Chemicals Travancore Ltd.(FACT)
2. Kochi Refineries Ltd.(KRL)
3. Hindustan Organic Chemicals (HOC)
4. Cominco Binani and Cochin Shipyard are located in Kochi availing the advantage of the port facilities.
5. The world famous Chavara placer deposits of the Kollam district support three major mineral industries in Kerala viz.
6. The Indian Rare Earths Ltd. (IRE)
7. Kerala Minerals and Metals Ltd. (KMML) at Chavara (Kollam)
8. The Travancore Titanium Products (TTP) at Veli (Trivandrum).

These units are situated closer to the sea. The Excel Glass factory situated near Cherthala utilizes the silica sands of the coastal zone of Alappuzha district for the manufacture of glass. Most of the seafood and coir industries in Kerala are located in the coastal area and are concentrated in Alappuzha district. There are 101 seafood factories in the coastal zone with a freezing capacity of approximately 1868 t /day, of which 47 are approved by the European Union. Besides, there are 210 peeling sheds and 217 ice plants. Cashew processing industries, a traditional enterprise in the state are mainly situated in the coastal area of Kollam district. There are about 300 large and medium scale industries and 1,66,000 small scale industries, most of them are located in the coastal area.

INDUSTRIAL GROWTH IN 2011

It had been a satisfying year for industry and allied sectors in Kerala. During 2011-12, Kerala recorded a growth rate of 6.39%. The contribution of the manufacturing sector to GSDP at constant and current prices during 2011-12, was 6.39 %t and 13.46 % respectively. The income from manufacturing sector to GSDP and its growth rate are given Table 4:8

Table 4:8

GROWTH OF MANUFACTURING SECTOR IN KERALA (GSDP) (BAS YEAR 2004-05)

Year	Contribution of GSDP(Lakhs)		Growth Rate	
	At constant Price	At Current Price	At constant Price	At Current Price
2004-05	1022058	1022058		
2005-06	1043330	1092095	2.08	6.85
2006-07	1117876	1229466	7.12	12.58
2007-08	1316450	1508223	17.76	22.67
2008-09	1344072	1735690	2.1	15.08
2009-10	1348502	1756980	0.33	1.22
2010-11(P)	1461866	2020037	8.41	14.97
2011-12(Q)	1555314	2291924	6.39	13.46

Source: Dept. of Economics and Statistics

According to the latest estimates available on the Index of Industrial Production (IIP), the index of mining, manufacturing and electricity registered growth rates of 1.8 percent, 0.2 percent and 2.8 percent respectively during second quarter of 2012-13 as compared to the growth rate of (-) 4.1percent, 3.4 percent, and 10.5 percent in these industries in second quarter of 2011-12. The key indicators of construction sector, namely, cement production and steel consumption have registered growth rates of 5.1 percent and 2.3 percent respectively during second quarter of 2012-13. In Kerala, the manufacturing sector recorded a decline in growth rate of nearly 13.5 percent in GSDP at current prices during 2011-12 compared to the growth of almost 15 percent in the previous year. A drastic decline can be observed in the growth rate of

manufacturing during 2009-10 and after that there was an increase and again declined during 2011-12.

TRADITIONAL INDUSTRIES

Traditional industries form the back bone of industrial development of Kerala providing employment on a massive scale with minimum capital investment. But traditional sectors are operating at a low level of productivity and workers draw very low income. The traditional industries in Kerala particularly coir, handlooms, khadi, bamboo-based, handicrafts, artisanal and village (cottage) industries etc. are plagued by problems of high cost production, low quality, absence of diversified product range, inappropriate technology and incapacity for professional marketing and export. Increased mechanization, large scale of production and global competition in quality and price pose the threat of massive redundancies in these high employment sectors of Kerala, which may result in poverty and social problems.

To attract private sector investment badly needed in these sectors, a special scheme of investment subsidy with adequate incentives will be implemented, so that our reliance on cooperatives heavily dependents financially on the government for investment (often to the extent of 95% or more) will be reversed. Agencies created primarily as apex organizations and for marketing of traditional industry products like coir, handloom, khadi, cottage industry products, handicrafts etc. will be given programme funding rather than the non-conditional grants and share participation given in the past in order to avoid wastage of scarce Government resources on high overheads and to ensure delivery of their services (particularly marketing) in the most cost effective manner, using private sector finance and initiative at the retail level.

The development and production of value added, diversified and innovative products from traditional industries are proposed to be done by a cluster based approach which will ensure the critical mass for forward integration. Marketing, both domestic and global, is to be promoted by developing brand equity for Kerala's traditional industry products. Research and development to create new processes and appropriate machinery will be funded on a project-to-project basis with the provision for success fees linked to effective commercialization and commissioning.

(a) COIR INDUSTRY

Coir Industry is the largest agro based Traditional & Cottage industry in Kerala and is concentrated mainly in the rural areas. It provides livelihood to nearly 3.75 lakh people, of which women constitute 80 per cent. Government has given more emphasis on Coir Industry by considering the special features and problems being faced by it. India's export of coir accounts for a value of Rs.1052.63 crores during 2011-12 and Kerala's share is 80 per cent. Among the items of export coir fiber, coir pith, coir yarn, coir geo-textiles, handloom matting and rubberised coir have shown increase. Coir Geo-textiles has been identified as a major coir product with huge market potential in the multi disciplinary geo-textile engineering applications.

The industry is mainly organized in the cooperative sector with 804 registered primary cooperative societies of which only 410 are working as on 2007. COIRFED is the apex society. The major portion of coir yarn produced by coir societies is marketed by COIRFED. Kerala State Coir Corporation (KSCC), Foam Matting's India Ltd(FOMIL), National Coir Research & Management Institute(NCRMI), Exporters, Coir Co-operatives, Coir yarn producers, product manufactures and workers are the major stake holders of the Coir industry. The welfare activities are implemented through the Kerala State Coir Workers Welfare Fund Board. The Co-operative Sector as well as Private Players dominates the Coir Industry in Kerala.

The export of coir and coir products from India during the year 2011-12 was 410854 MT valued at Rs.1052.63 crore as against the export of 187567 MT valued at 592.08 crore in 2007-08. This recorded an increase of 119 per cent in quantity and an increase of 78 per cent in terms of value over the export achieved during 2007-08. Among the items of export from India, curled coir, coir fibre, coir pith, coir rope, coir yarn, coir other sorts coir geo-textile, handloom mattings, Power loom Mats & rubberized coir have shown an increase both in terms of quantity and value when compared to the previous year. The items such as coir rugs & carpets have shown a decrease both in terms of quantity and value over to the previous year. The items handloom mats & tufted mat have shown an increase in value even though the quantity has decreased. Government has been providing adequate financial support to the development of the sector. Coir Kerala-2012 – 'an International event on Coir and Natural Fiber Products' aimed at exploring and expanding the international market was conducted at Alappuzha, in which buyers from 32 countries participated. U.S.A is the largest importer of coir products from India followed by Germany, U.K, France, Netherlands, Italy and other European countries.

Under Regulated Mechanization of Coir Industry scheme, during 2011-12 as many as 97.77 lakh number of husk procured by spending an amount of Rs. 136.92 lakh, purchased 18348.12 tonnes of fibre at a cost of Rs.5701.97 lakh and produced 15408.2 tonnes of yarn worth Rs.3286.39 lakh, through coir co-operative societies. During 2012-13, the State Govt. has provided financial outlay to the tune of Rs.100.7crore under plan of which Rs. 44.55 crore has been expended as on 31st January2013. This sector, achieved 100 per cent financial targets in 2011 and 2012.

Geo-textiles and other innovative products from the biodegradable coir yarn are to be developed and made acceptable for civil engineering and other varied applications where massive potential demand exists both in India and abroad. Entrepreneur development, research and technology up-gradation programmes along with substantial private investment in the coir sector (now dominated by cooperatives) will be facilitated. Appropriate technology will be introduced to enhance productivity and maintain the competitive edge of Kerala coir, now seriously threatened by other fibres including polymers and coir products from the other states. Quality improvement, value addition, innovation, technology up-gradation, diversification and export-oriented growth capitalising

on the eco-friendliness of coir will constitute the development strategy for the coir sector.

Problems

1. Acute shortage of fibre and unprecedented increase in the price of fibre
2. Husk collection for commercial purpose is not effective
3. Prevalence of underemployment.
4. Traditional method of retting and fibre extraction leads to health and environmental issues.
5. Low productivity, low investment, low level of managerial skill, lack of basic infrastructure facilities, absence of R & D.
6. Competition from synthetic and cheaper substitutes.
7. Non-professionalized management system in co-operatives.

(b) HANDLOOM INDUSTRY

The Handloom Sector in Kerala stands second to the coir sector in providing employment among the traditional industries of the State. It provides employment to about 50000 of which 40 percent are women. The Handloom Industry in the State is mainly concentrated in Thiruvananthapuram and Kannur District and in some parts of Kozhikode, Palakkad, Thrissur, Ernakulam, Kollam and Kasaragod Districts. The Industry is dominated by the Co-operative sector covering with 94 percent of total looms. The remaining six per cent of Handlooms units are owned by Industrial entrepreneurs. The Co-operative sector consists of factory type and cottage type societies. There were 591 registered Primary Handloom Weavers Co-operative Societies in the State as on March, 2012, indicating almost a 8 per cent decrease from the previous year, of which 166 are factory type and 425 are Cottage type societies. All of these are in working condition as at the end of financial year 2011-12.

The major varieties of products produced in the handloom sector of the State are dhothis, furnishing material, bed sheets, grey saree and lungi. The productions of these items contribute 67 per cent of the total production of handlooms. About 80 percent of the major items are produced in the southern region followed by the North (12 per cent). Of the total production, nearly 95 per cent is contributed by the co-operative sector.

The total production of handloom cloth shows an increase of about 5 percent from 26.68 Million metres in 2010-11 to 27.89 Million metres in 2011-12. But the total value of production shows an increase of about 6 percent from Rs.190.96 crore to Rs.202.14 crore during the period. The total number of weavers employed increased from 52386 in 2010-11 to 51590 in 2011-12. The number of women employed is also increased from 20909 during 2010-11 to 21632 in 2011-12. The total employment decreased from 96.65 lakh man days in 2010-11 to 90.32 lakh man days in 2011-12

Hantex and Hanveev are two state level agencies dealing with the procurement and marketing of handloom fabrics. Kerala State Handloom

Weavers Cooperative Society (HANTEK), the apex organization of the cooperatives established for the supply of raw materials for the primary weaver's society and for the marketing of their products. There are 152 sales depots, two weaving factories two garment units and one cloth processing unit under Hantex. Kerala State Handloom Development Corporation Ltd (HANVEEV) providing services (especially marketing) to individual weavers, are the principal development agencies assisting the Department of Handlooms and Textiles, which is outside the purview of the cooperative fold, is acting as a link between the weavers and consumers and to eliminate the middlemen. The company has strength of 65000 registered weavers in its various units. To promote handloom industry the Government made two initiatives one for encouraging the use of handloom cloth uniforms by school children the second called Kerala 'Thanimaykku Kaithari' to encourage Government officials to wear handloom clothes on at least one working day in a week.

ACHIEVEMENTS

These include the establishment of Indian Institute of Handloom Technology at Kannur, establishment of hank yarn production centres at Kannur, Alappuzha and Thrissur co-operative spinning mills, Registration of the products such as Kuthampully saree, Kasargod saree and Balaramapuram saree and fine fabrics under Geographical Indication Act 1999 and setting up of 20 clusters and 21 Group projects with the support of GOI. Assistance has been given to the propagation of handloom mark scheme. A new project "Keralathanimakku kaithari" was introduced. New technology developed with the help of IIHT, Salem for pre-loom process and new designed products have been introduced. Handloom Industry provided employment to almost 1 lakh weavers.

Problems

1. Handloom sector lacks modern infrastructure facilities required for competing international markets.
2. At present this sector depends on other states for quality yarn, pre loom activities like dyeing and post loom processing, consequently the cost of production is comparatively high.
3. Competition from cheap power loom fabrics from other states/ countries, is affecting local handloom producing units.
4. Productivity of power loom is 10-12 times more than that of handloom; power looms can easily replicate products of handloom sector. Hence technology up gradation of handloom production is urgent.
5. Due to low wages, workers/weavers look for alternate jobs.
6. Lack of value added and diversified products.
7. Inefficiencies in the system, particularly in the cooperative sector

(c) BAMBOO INDUSTRY

Bamboo/Reeds industry is one of the age-old traditional industries of the state. The Kerala State Bamboo Corporation Ltd. was established in 1971 in

Kerala with main objectives to develop & promote industries based on bamboo, reed, cane and rattan. It is an ISO 9001-2000 certified Company now. Kerala State Bamboo Corporation's main activity is collection of good quality reeds from Government forests and distributing these reeds to the registered mat weavers of the Corporation, throughout the State of Kerala, on credit basis and procuring woven mats made of these reeds at reasonable prices, thus providing employment and regular means of livelihood to these weaver sections of the society. Bamboo mats, Bamboo ply, Flattened board, Flooring tiles are the main products. The Hi Tech Bamboo Flooring Tile Factory was commissioned in February 2011 at Nallalam, Kozhikode with a view to manufacture Hi-Tech Bamboo Flooring Tiles using Bamboo as the main raw material using imported Chinese Technology. There are four Feeder/Primary Processing Units at Palakkad, Kadampuzha, Mananthawady and Nadapuram.

Considering the major scope for development of bamboo in Kerala both as a raw material for the traditional handicraft sector as well as for modern industry (as in China), a special programme is proposed for cultivation of bamboo, creation of new designs for innovative products in the handicrafts sector along with the appropriate skill development, promotion of bamboo-based modern industries supported by technology adaptation and development by R & D organizations.

(d) KHADI & VILLAGE INDUSTRIES.

Khadi & Village Industries Board carries out its activities through cooperative societies, registered institutions and departmental units by availing financial assistance from State Government, Khadi Commission and Nationalized Banks. The Board has been promoting Sericulture through SERIFED which has opened a cocoon market in Palakkad and a SILK EXCHANGE facility in Kasaragod.

The khadi sector has at present most of the problems indicated for traditional industries including handloom, but in a more acute form. As the production process is totally manual, one unit of khadi cloth needs several times the man-days needed by the mechanized textile sector and 4 times of that of the handloom sector. At present there is a mismatch in production between the spinning and weaving sectors in Kerala, which is proposed to be rectified by expanding the weaving sector by retraining of trainable spinners as weavers and providing new looms to them. Innovative designs in keeping with consumer demand including in silk, permissible mechanization, standardization of quality, incentives for private sector production of ready made garments from khadi cloth, efficient marketing through private outlets with common branding and facilitation of global exports are envisaged.

Khadi and Village Industries play a substantial role in generating employment in rural areas with minimum investment. These industries use eco friendly, local resources and generating higher employment opportunities. The Kerala Khadi and Village Industries Board is a statutory body vested with the responsibility of organising, developing and promoting Khadi and Village Industries in the state. Co-operative societies, registered institutions and

departmental units carry out the activities of the Board, by availing finance assistance from State Government, Khadi Commission and Nationalised Bank. The Board has achieved 100 per cent financial targets in 2011 and 2012.

Problems

1. Unhealthy competition from substitute products
2. Shortage of quality raw material
3. Attitudinal change of the people
4. High price and inefficient marketing.
5. Too much dependence on government support
6. Lack of product diversification.

(e) HANDICRAFTS

Handicraft industry is one of the traditional industries of Kerala, providing employment to Artisans. Eighty percent of these artisans are from socially and economically backward classes. Kerala has the tradition of making beautiful handicrafts with ivory, bamboo, palm leaves, seashells, wood, coconut shells, clay, cloth, coir, metals, stone, lacquer ware etc. and the artists are experts in making beautiful flower vases, ash trays, ornamental plates, jewel boxes, miniature boats, elephants, idols, kathakali masks and embroidery works, Coconut Shell carving, straw picture making, cane work, bamboo and reed weaving, ivory carving, bell metal casting, screw pine and mat weaving are the major handicrafts in the State. Many antique handicraft treasures can be seen in palaces, old heritage homes and museums in the State.

Treating the handicrafts sector on par with the other traditional industries for incentives and concessions, cluster-based development, common facilities, mechanized production to reduce costs, targeting the global market and promotion of entrepreneurs in the business of production and marketing of handicrafts are the corner stones of the handicrafts development policy. An innovative approach of attracting outsourced production contracts for the ethnic handicrafts of other countries and regions will be attempted, considering Kerala's strengths of comparatively low cost production and high quality of workmanship in handicrafts. Skill development training and common facility centres for the provision of commonly needed but expensive equipment and professionalisation of marketing and export through the public and private sectors are also integral to this strategy.

Handicrafts Development Corporation and Artisans Development Corporation are the major promotional agencies of the industry. The Artisans Development Corporation is giving assistance to artisans in the trade of pottery, copper, bronze, gold smithy, carpentry etc. Kerala State Handicrafts Apex Cooperative Society (SURABHI) formed to support handicrafts in the State has 103 primary cooperative societies to market their products through a network of 16 sales showrooms across the country. SURABHI is the apex organization of primary handicrafts co-operatives established with a view to uplift the artisans by

marketing the product produced by the primary co-operatives and implementing welfare schemes with the assistance from State and Central Governments.

Handicrafts Development Corporation of Kerala is engaged in procuring and marketing handicraft products by giving fair returns to artisans through SMSE Institute and Kairali emporia spread all over India. At present it is having a net work of 19 such sales emporia. HDCK also owns a Common Facility Service Centre (CFSC) at Thiruvananthapuram where lots of artisans are provided with the facilities for the development of crafts. The Kerala Artisans Development Corporation (KADCO) is one of the State agencies to provide assistance to artisans for establishing production units, promoting marketing of products and providing employment opportunities through schemes of trade fairs and marketing centres.

Problems

1. Lack of modernization, value addition, new designs, good marketing and promotion strategies to match changing market conditions.
2. Inadequate marketing facilities for sale of products.
3. Shortage of capital.

(f) CASHEW INDUSTRY

Cashew is an important commercial horticulture crop of India and a traditional industry in Kerala mainly concentrated in Kollam District and is mainly controlled by private sector.. India is the biggest producer, processor and exporter of Cashew in the world. The industry has a long history of employing large numbers of workers in decentralised units. The industry is highly labour intensive and employs more than 3,00,000 workers. The unique feature of this Industry is that majority of the workers are women from lower economic strata of the society and skills of these workers do not include any entrepreneurial capacities. Many of the workers are barely literate.

Kerala has a long tradition both in cashew cultivation and cashew nut processing. Though the production of raw cashew nuts in Kerala shows an upward trend, during 2010-11 it has increased from 66000 MT in 2009-10 to 71000 MT. The total export of cashew kernels from Kerala during 2010-11 was 49692 MT valued at Rs.1417.28 crore. It showed a decreasing trend of 3.2 percent in quantity and 4.7 percent in value. Nearly 54 percent of total exports of India is from Kerala. The Kerala State Cashew Development Corporation KSCDC and Cashew workers' Apex Cooperative Society are the two State agencies engaged in the cashew processing sector in Kerala. In KSCDC there are about 15000 workers and majority of them are women. KSCDC exports cashew kernels and cashew shell liquid. Raw nuts are mainly imported to supplement the local availability. There are about 4000 workers under CAPEX. As part of product diversification effort of KSCDC has come upon the innovative product of cashew based noodles, which remains to hit the market.

ACHIEVEMENTS

1. Modernization of Cashew factories.

2. Value added products were produced.
3. Continuous Employment was given to workers of KSCDC & CAPEX with good ESI facilities and other benefits.
4. Branded products were established in domestic and international markets
5. A wide variety of Cashew Grafts was supplied to farmers and institutions through KSACC.

MAJOR ISSUES OF THE SECTOR

1. The rate of growth of production of raw nuts in India and Kerala is very low and the productivity per hectare is also low. Area and production under cashew crop has declined.
2. Cashew factories work at low level of capacity utilization and productivity.
3. Raw nut producing countries started processing kernels and they entered the world market posing a serious threat to Kerala.
4. Global market also witnessed growing demand for substitute nuts and kernels in the place of cashew.
5. The price of kernels which is controlled by market agents in New York undergoes wide fluctuations.
6. The commission system of cashew processing is growing to the advantage of workers as well as State agencies.

(g) BEEDI INDUSTRY

Beedi Industry in Kerala is concentrated in Kozhikode, Kannur and Kasaragod. The Kerala Dinesh Beedi Workers Central Co-operative Society Ltd. was the only agency in the State to promote beedi industry in the organized sector. During the period under review, the society concentrated on the upliftment of units for the diversified products for the rehabilitation of about 7000 beedi workers under the society. The society distributed Rs.466.03 lakh as Relief Pension to beedi workers and Rs.600.00 lakh as gratuity to the workers who retired from service from the year 2006-07 to 30.09.2009.

As part of product diversification programme, the Society started a Dinesh Garment unit, Dinesh Umbrella unit and Dinesh Foods. Dinesh Garment unit, Thana, Kannur provided employment to 150 workers. During 2010-11, the profit of the unit was Rs.57.58 lakh and the sales turnover was Rs.6.52 lakh. Two more units of Dinesh Garment at Chala, Kannur and Cheruvathur, Kasargod which will provide employment to 250 workers were initiated functioning with training to workers and the development activities of Dinesh Coconut milk unit is also started.

(f) SMALL-SCALE INDUSTRY (SSI)

Small-scale Industry has emerged as a major determining factor in the growth of our economy in terms of employment generation. The sector contributes maximum production for domestic and export markets and produces variety of products ranging from traditional to high tech. Out of the total number of registered working SSI units 195960 units, 41305 units are promoted by women, 6834 by SCs, 1414 by STs and 146407 by others. The additional investment made by the SSI units during 2006-07 (up to 1.10.2006) is Rs.8815 lakh and the employment provided is 12352. Out of the total 195960 units registered so far in the State, the number of units identified as sick as on March 2007 is 7586. Among the sick units, 2376 units are registered for revival and 1280 units are revived. The District Industries Centres revived eight sick units at Kollam, four at Wayanad, two at Kannur and one at Thrissur during 2006-07.

Problems of Small Scale Industries

1. Industrial Cluster Development Approach for the Growth of SSI sector is not at the desired level.
2. Land for the development of industry as visualized couldn't be acquired in time due to high cost of land, lack of available unused land, legal hurdles and environmental issues. Land-man ratio is the lowest in Kerala among the other states.
3. Lack of infrastructure facilities especially energy.
4. SSI sector received less priority under decentralized planning process.
5. Flagship Programme on promoting ancillary production has not taken off yet
6. due to the inertia of the implementing department
7. The progress in revival of sick industrial estates is also not satisfactory.

The Industrial sector in Kerala consists mainly of traditional industries and modern industries. Besides we now have new emerging areas like Information Technology (IT) and IT Enabled Services (ITES) and bio-technology. Since the bulk of industrial workers in the state are employed in traditional industries like Coir, Cashew, Handlooms and Beedi and Cigar making, top priority has to be given to revive, modernize and strengthen them to face the increasingly competitive market conditions. At the same time considering the large stock of educated unemployed, the development of modern industries has also to be encouraged. There is also a need to promote skill development to equip the unemployed to get gainful employment. Though private capital and entrepreneurs are willing to start new industries in the state they are confronting certain constraints like non-availability of land for industrial purpose, high land prices, lack of adequate infrastructure like roads and power, and, bureaucratic delays in getting government clearance on projects. Besides, objections from environmental activists and misgivings about some uncertainty in industrial relations add to woes of private investors in Kerala. We are trying to remove these constraints as fast as possible.

Traditional industries over the last few decades have witnessed substantial informalisation of production. In some of the traditional industries cooperative societies have been set up in large numbers with government assistance. But the onset of policies of liberalisation, stagnant demand, curtailment of state support on account of fiscal squeeze, failure to modernise production processes and also to diversify and improve quality of production have combined to push the traditional industries in to serious crisis. As a result, the condition of the workers has remained abysmal with low wages, uncertain employment, unhygienic conditions of work environment and weakening of collective bargaining strength of the working class and their trade unions. Therefore, it is imperative for the state to formulate an appropriate policy to tackle these problems facing the traditional industries and then to promote their development. The absence of timely state support will affect thousands of workers, mostly women workers who constitute the main work force in some of these traditional industries. Taking the distress that has been caused to the traditional industries by the recent global economic crisis, the Planning Board held discussions with industry representatives. In the light of that, we have provided substantial plan funds during 2008-09 to give relief to these industries.

MODERN INDUSTRIES IN KERALA

(1) IT/ITEs

The exponential growth witnessed during the past 10 years in the IT/ITEs industry has influenced the growth of the economy. The Indian IT/ITEs industry has been growing at a very healthy rate of 30 percent per annum. The industry has helped in creating large scale employment opportunities for technically qualified professionals as well as non-technical personnel in low end activities like back office operations, call centres, transcription services etc. This industry helps to protect environment and can attain goal with low investment. Today this industry is providing employment to over 1.6 million people across the country, grossing total revenue of Rs.1, 60,000 crores per year, from exports and domestic sales put together.

Government of Kerala is keen to play a catalytic role for the development of IT/ITEs industry within the State, as it is ideally suited for such a densely populated State, having vast multitude of highly qualified and experienced human resources, uniformly spread across the State. Unlike the rest of the country, the State is also blessed with quality social infrastructure and excellent physical connectivity, evenly distributed across the fourteen districts of the State. Due to certain inherent strengths of the State, Kerala is uniquely placed to emerge as a major IT destination in the country, though it has had a late start. With the industry galloping at a healthy CAGR of about 25 percent there is enough opportunity available for the State to capture a fair share of the growing IT/ITEs business.

Kerala State Information Technology Mission (KSITM), Indian Institute for Information Technology and Management-Kerala (IIITMK), Technopark, Infopark, Cyber Park and Kerala State Information Technology Infrastructure Ltd. (KSITIL)

are the major agencies involved in the implementation of Information Technology schemes in the State.

Technopark, Trivandrum is an autonomous Society under Travancore, Cochin Literary, Scientific and Charitable Societies Act established on July 1990, promoted by the Government of Kerala for providing infrastructural facilities of world class quality for IT and ITES Industries. It is India's first technology park and among the three largest IT parks in India today. This is the first CMMI level 4 assessed Technology Park. Spread over 330 acres, and about 4 million sq. ft of built-up space, Technopark hosts over 267 IT and ITES companies, including several CMMI Level 5, CMMI Level 3 and ISO 9000 certified companies with around 37000 employees. The total land available with Technopark is about 771.54 acres. Total investment during 2011-12 is Rs. 3000 crores and corresponding turnover is Rs. 2850 crore. Total export during 2011-12 is Rs.2800 crore.

CYBERPARK

Cyberpark is registered as a society under the Societies registration Act XXI of 1860, on 28th January 2009, promoted by government of Kerala under the Information Technology Department and governed by a General Body. The purpose of Cyberpark is to provide a friendly, cost effective and top of the line infrastructure to the IT/ITEs investors, there by acting as a catalyst for the social and infrastructure development of the region with a vision to provide employment opportunities and a substantial contribution to economic development of the state especially the Malabar Region. The total land available for Cyberpark is about 167.52 acres. The total investment upto March 2012 amounts to Rs. 5.58 crore.

INFOPARK

Infopark Kerala is a society registered under Travancore Cochin Literary Scientific and Charitable Society Act XII of 1955 and fully owned by government of Kerala. The main objectives include creation of state-of-art infrastructure facilities such as space for IT/ITEs companies, supply of power, water, connectivity etc. Since its inception in 2004, Infopark has created over 34 lakhs sq. ft of IT space and has provided employment to over 18000 professionals through around 125 IT companies who have taken space in the Parks. Total investment as on March 2012 is Rs. 1500 crore and the turnover upto March 2012 is Rs. 1150 crore. The export upto March 2012 is Rs.1100 crore. At present Infopark has the following IT Parks.

1. Infopark Kochi – Phase I - 100 acres in Kakkanad, Ernakulam
2. Infopark Kochi – Phase II - 160 acres in Kunnathunad, Ernakulam
3. Infopark, Thrissur - 30 acres in Koratty
4. Infopark, Cherthala - 66 acres in Pallippuram, Alapuzha

(2) ELECTRONICS INDUSTRY IN KERALA

The state has the availability of skilled and semi-skilled workers for the electronics industry. The Electronic Hub proposed at Kochi is a prestigious

project of Government of Kerala to promote electronic hardware manufacturing units and assembling units, R&D centres and for supporting infrastructure for the same. The Electronic Hub is a high priority area, which will promote a large number of small, medium and large scale industries in the state and will form a National Investment & Manufacturing Zone (NIMZ) for production of electronic hardware items. The self-contained Electronics Technology Park at Technopark, Trivandrum, has been instrumental in attracting global electronics manufacturers. The key players in electronics industry in Kerala are: Traco Cable Company Ltd, Transformers and Electricals Kerala Ltd (TELK), Kerala State Electronics Development Corporation Ltd.(Keltron)

Traco Cable Company Limited commenced operations in 1964, manufacturing high quality cables and wires in technical collaboration with Kelesey Engineering Co Ltd, Canada. TRACO currently meets the needs of public sector undertakings in India, such as, railways and the electricity boards of various states. The company has its head office at Kochi with factories at Ernakulam, Kannur and Thiruvalla.

TELK was incorporated in 1963 under an agreement with the Government of Kerala, Kerala State Industrial Development Corporation and Hitachi Limited, Japan. TELK manufactures transformers, bushings and tap changing gears. The factory and corporate office is located at Angamally, near Kochi.

Founded in 1973, Keltron is a state-owned electronic enterprise, employing around 1,800 people and has 10 production centres. Keltron provides technical manpower to major organisations such as Oil and Natural Gas Corporation Limited (ONGC). The company's products are aerospace electronics, security & surveillance systems, intelligent transportation systems, strategic electronics products, IT solutions, IT infrastructure solutions, process automation, ID card project, power electronics, electronic components and TE units. Keltron is headquartered in Thiruvananthapuram and has training centres in 30 locations across Kerala.

(3) REAL ESTATE

The real estate business in India and Kerala is experiencing a boom. This boom is spread across the country and hence the economy has managed to grow faster than 8% per year because of increasing real estate market trend. Easier access to bank loans and higher earnings are some of the pivotal reasons behind the sudden jump in Indian real estate. The growing IT revolution, increase in population and higher density, flow of huge FDI in Indian real estate market, pressure from the residential real estate sector, growing retail and tourism sector and the promotion of SEZ etc provide a favoring atmosphere for the growth of real estate business and the skyrocketing of land prices in India especially in Kerala. The important factors affecting demand for land in Kerala are growth of population, changes in inheritance system, development of commercial cultivation, income and tastes, migration of workers, inflow of remittance from abroad etc. Among the Indian states, Kerala experience a rampant increase in land transactions and prices since the 1990's. The phenomenon of the real estate boom was rampant in the early 90's in important cities and urban centers, but

towards the latter part of the 90's, the boom is especially spreading to semi urban and even in rural areas. Kerala being a land scarce and high density of populated state, scarcity of land for alternative and competing uses results in unhealthy and speculative types of land transactions in the state. As a result of greater demand for land due to the population pressure, spread of commercial cultivation with crops of perennial nature, Kerala was is one of the states in India with highest land value. The price of land should have further increased in Kerala as a result of increase in the inflow of remittances from outside. As more and more area getting privately owned and greater demand for land due to factors mentioned above, number of market transfers of land has been steadily increasing. In Kerala, the contribution of real estate sector to GSDP is a significant one and it is increasing which is shown in the Table 4.9

Table 4.9
SHARE OF REAL ESTATE TO GSDP AT FACTOR COST (2004-05 TO 2006-07)

SI. No	Industry of origin	At Constant Prices (1999-2000)					
		2004-05		2005-06 (P)		2006-07 (Q)	
		GSDP	%	GSDP	%	GSDP	%
1.	Real estate	8174.78	8.9	9072.36	9.2	9657.41	9
2.	Total GSDP	92074.98	100	98817.08	100	106832.7	100

Source: Department of Economics and Statistic, Govt. of Kerala P: Provisional, Q: Quick Estimate

As per the available data, the contribution of real estate to GSDP increases steadily from 2004 to 2007 (at constant prices). Its share increased from 8174.78 crores (8.9%) in 2004-05 to 9657.41 crores (9%) in 2006-07.

(4) TOURISM INDUSTRY IN KERALA

Kerala state situated on the tropical Malabar Coast of southwestern India is one of the most popular tourist destinations in the country. It is named as one of the ten paradises of the world by the National Geographic Traveler Kerala is famous especially for its ecotourism initiatives. Its unique culture and tradition coupled with its varied demography, has made Kerala one of the most popular tourist destinations in the world. Kerala is an established tourist destination for both Indians and non-Indians alike. Kerala is popular for her beaches, backwaters, mountain ranges and wildlife sanctuaries. The city of Kochi ranks first in the total number of international and domestic tourists in Kerala. Other popular attractions in the state include the beaches at Kovalam Cherai and Varkala; backwater tourism and lake resorts around Vembanad Lake, Kumarakom and Alappuzha; hill stations and resorts at Munnar,

Wayanad, Nelliampathi, Wagamon and Ponmudi and national parks and wildlife sanctuaries at Periyar and Eravikulam National Park. The “backwaters” region - an extensive network of interlocking rivers, lakes, and canals that centre on Alleppey, Kumarakom and Punnamada also see heavy tourist traffic. Heritage sites, such as the Padmanabhapuram Palace, Hill Palace, and Mattancherry Palace are also visited. The city of Kochi ranks first in the total number of international and domestic tourist arrivals in Kerala.

DEVELOPMENT OF TOURISM AS AN INDUSTRY

Since its incorporation as a state, Kerala's economy largely operated under welfare-based democratic Socialist principles. This mode of development, though resulted in a high Human Development Index and standard of Living among the people, lead to an economic stagnation in the 1980s (growth rate of 2.3% annually) This apparent paradox — high human development and low economic development — lead to a large number of educated unemployed seeking jobs overseas, especially in the Gulf countries. Due to the large number of expatriates, many travel operators and agencies set shop in the state to facilitate their travel needs. However, the trends soon reciprocated with the travel agencies noticing the undermined potential of the state as a tourist destination. First travel agency in Kerala, Kerala Travels was founded by Col G.V. Raja of the Travancore royal family along with P.G.C. Pillai .

Until the early 1980s, Kerala was a relatively unknown destination, with most tourism circuits concentrated around the north of the country. state—laid the foundation for the growth of the tourism industry. Kerala strongly realized the importance of Tourism during the mid 80's. Tourism was recognized as an industry in Kerala in 1986 – vide an order dated July 11, 1986. Kerala was the first state to declare tourism as an industry. The first tourism policy of the state was announced in 1995 underlining the importance of Public- Private Partnership. The Tourism Policy of Kerala stated as its main aim “to serve as a guiding force to make maximum use of Kerala’s tourism potential and also to make it an ideal instrument of social and economic growth”. By the early 2000s, tourism had grown into a fully fledged, multi-billion dollar industry. Over the last five year plan period priority has been given to the development of Responsible Tourism with the objective of improving the standard of life of the locals. Tourism has come a long way since capturing new markets with its innovative products and marketing strategies. India Government bestowed industry status on tourism only in 1992. Kerala Tourism subsequently adopted the tagline **God's Own Country** in its advertisement campaigns.

The year 2011-12 has recorded an impressive growth in tourism sector. International Tourist arrival had declined due to the impact of Global Economic crisis in the previous years. But the year 2012 marked a significant improvement. The number of foreign tourists in Kerala in the year 2011-12 is 732985 against 659265 in 2010-11. It shows an increase of around 11 per cent over the previous year. During 2011-12 Kerala has the distinction of nearly 12 per cent of the total foreign tourist arrivals to India. The number of domestic tourists in Kerala in the year 2011-12 was 9381455 against 8595075 in 2010-11. It shows an increase of over 9 per cent over the previous year.

Thiruvananthapuram and Ernakulam are the two leading districts recording foreign tourists arrivals to Kerala for the last few years. For the domestic tourist's arrival to Kerala, Ernakulam and Thrissur are the leading districts. Ernakulam is the leading district in domestic and foreign tourists' arrival while as Pathanamthitta is the least attractive destination among tourists.

Tourism contributes 9 percent of State's GDP. Tourism industry is a major contributor of foreign exchange earnings of the State. The foreign exchange earnings during the year 2011-12 is Rs. 4221.99 crore. The total revenue generated during the same period is Rs. 19037 crore (direct and indirect). It provides considerable employment opportunities for semi skilled workers in the trade, hospitality and transport sector. It indirectly encourages local manufacture of traditional goods. It stimulates ayurvedic practices in the state and serves to showcase Kerala's environment friendly and high human development indicators to the rest of the world.

POTENTIAL INDUSTRIES IN KERALA

The State is endowed with a variety of natural resources in the area of Agriculture, Information Technology, Bio Technology, Fisheries, Dairy Sector, Forest, Food, Processing, Rubber and Chemical Industries, etc. Kerala being a consumer State, a number of demands based items having scope for development especially in the field of Electronics, Electrical, Fruit Processing, etc., can be identified for industrial development. Repairing and Servicing Industries are now catching up demand and the economy of the State largely depends on these sectors. Industries in the area of Software development, Biotechnology, Simple Chemical and Engineering goods also can flourish in the State using Modern Technology, skill and quality service to customers. Considering the immense potential, resources and infrastructure facilities available, there exists scope for development of a number of industries in the State. The state is endowed with a large number of Agricultural products like Coconut, Tapioca, Plantains, Cashew, Coffee, Tea, Rubber, Fruits like Pineapple, Mango, Pappaya, Spices and Forest products etc. Livestock, Milk and Milk products also can prosper in the State. There has been oft-repeated mention that most of the resources available in the State has not been utilized for industrial purposes to the optimum level due to divergent socioeconomic factors and constraints. Due to improved training facilities available and the better infrastructure facilities for that, there exist prospects for a number of skill-based industries. With the setting up of KINFRA Parks for Information Technology, Textile, Food Processing, Fish Processing, Coir, Rubber, Electronic, Export Promotion, TV & Video etc., infrastructure resources improved substantially, in recent years, that would act as an impetus for a healthy and sound industrial growth. Electric power that would be generated by the commissioning of various ongoing projects would take care of the future demand –undoubtedly a healthy symptom for growth of industries based on the Resources and Demands. A list of items of industries, having scope for development in the State is given below:

I. Agricultural Products

1. Refined Coconut Oil
2. Coconut Milk/Cream
3. Desiccated Coconut
4. Arecanut Processing
5. Coconut Shell Products (Handicraft Item)
6. Coconut Shell Powder
7. Coir Products
8. Spices and Curry Powder
9. Modern Rice Mill
10. Tapioca Chips
11. Banana Powder
12. Coffee Powder
13. Flower Mill
14. Dehydrated Green Pepper
15. Copra Processing.

II Fruit and Vegetable Products

1. Ready to serve Fruit Beverages
2. Vegetable Pickles
3. Fruit Preservation
4. Jack Fruit Processed Products
5. Ice Cream
6. Mushroom Processing
7. Banana Powder

III. Rubber Based

1. Rubber Moulded Goods
2. Centrifuged Latex
3. Rubber Mats
4. Rubberised Coir Products
5. Rubber Sheets
6. Rubber Chappals
7. Rubber Wood Treatment
8. Wood Seasoning, Panel, Doors etc.
9. Wooden Furniture

IV Chemical/Mineral

1. Mineral Water
2. Tyre Retreading
3. Corrugated Paper Boxes
4. Woven Sacks
5. Water for Injection
6. Washing Soap
7. Detergent Powder
8. Plastic Moulded Items
9. Anodising
10. Plastic Reprocessing

11. Paints and Primer
12. Perfumes and Lotions
13. Toilet Soap
14. Surgical Cotton
15. Printing Ink
16. Cycle Tyre and Tubes
17. Disposable Cups and Plates
18. Water Storage Tank
19. PVC Chappals
20. Screen Printing
21. Prefabricated Building Materials
22. Decoration of Glass and Ceramic Wares
23. Glazed Tiles
24. Marble Cutting and Polishing
25. Stoneware Pipes
26. Spectacle Frames
27. Cement Concrete Blocks
28. Chalk Crayons
29. Computer Stationery Items
30. Prawn Culture
31. Aqua culture
32. Ornamental Fish

V Mechanical

1. Agriculture Implements
2. General Engineering and Fabrication
3. Automobile Repairing and Servicing
4. LPG Cooking Range
5. Interior Decoration
6. Industrial Knives
7. Stainless Steel Watch Strap
8. Steel Furniture
9. Fibre Glass Products
10. Artificial Jewellery
11. Aluminum Doors and Windows
12. Rolling Shutter
13. Wheel Balancing (Automatic)

VI Electrical/Electronics

1. Emergency Lamp
2. Inverters
3. Uninterrupted power supply (UPS)
4. Electronic Toys
5. CFL Ballast
6. Small Transformers

7. Uruli Roaster
8. Other electronic items
9. PVC Wires
10. Tube light fittings
11. Auto & GLS Lamps
12. Computer Software
13. Voltage Stabilizer
14. Bottle Coolers

B DEMAND BASED

1. Cattle Feed
2. Poultry Feed
3. Bone Meal
4. Fish Meal
5. Readymade Garments
6. Sanitary Napkins
7. Artificial and Fresh Flower Bouquet
8. Hosiery Items
9. Umbrella
10. Biscuits
11. Fish Processing
12. Fish Pickles
13. Meat Processing
14. Other Meat Products.

C SKILL BASED INDUSTRIES

1. Bell Metal Products
2. Synthetic Gem Cutting and Polishing
3. Diamond Cutting
4. Flower Nursery
5. Soft Toys
6. Beauty Parlour
7. Electronics Items (Rep. & Servicing Centre)
8. Orchid Culture
9. Wooden Handicrafts
10. Aranmula Kannadi
11. Carved Furniture
12. Handicraft Items made out of Sea Shells
13. Block Printing
14. Thazhapai/Kutta/Muram etc.
15. Fashion Designing
17. Leather Chappals.
18. School Bags (Rexine)
19. Children Shoes.
20. Dog Belts.

21. Screen printing.
22. Simple Chemical items like liquid soap, Phenoil etc.

(C) TRADE

Kerala has a long glorious history of trade with other countries in the world. But the direction and composition of the trade is changed a lot in years. Now the over dependence on horticulture and marine exports is risky as global commodity prices are beyond Kerala's control. Diversification of exports to include high value knowledge based goods and services will spread the risk as well as improve inward flows to the State.

Similarly, Kerala is known more for semi skilled emigrants, the one major exception being highly skilled nurses. Efforts should be made to increase the skill and employability of all Keralalites so that they may benefit from global opportunities. The benefits gained in being a globally sought after tourist destination can be further enhanced through a variety of measures which ensure that Kerala remains a clear, eco friendly and safe destination, with not only a rich historical and cultural tradition but a State which offers tourists world class recreation facilities.

Being the major gateway to Kerala, the lion's share of trade operations in the State is being conducted through Cochin Port. Items of trade include pepper, cashew, coir and coir products, tea, cardamom, ginger, spices and spices oil and marine products. Total traffic handled by the Cochin Port during 2011-12 was 200.91 lakh MT and that of 2010-11 was 178.72 lakh MT, registering an increase of 12.4 per cent.

MAJOR ITEMS OF EXPORTS

Total quantity of exports through Cochin Port during 2011-12 increased to 43.11 lakh MT from 34.04 lakh MT in 2010-11, a rise of 27 per cent in quantitative terms and 22 per cent in value terms. All commodities, except tea and coir products, exported through the Cochin Port showed an increasing trend during 2011-12. Exports of cashew kernels increased by 11 per cent, sea foods by 22 per cent, spices by 41 per cent and coffee by 36 per cent. Exports of tea has decreased slightly (by 0.21 per cent) and that of coir products by 6.5 per cent. The major exports of commodities through Cochin Port during 2010-11 to 2011-12 are given in the Table 4.10.

Table 4.10.**THE MAJOR EXPORTS OF COMMODITIES THROUGH COCHIN PORT DURING 2010-11 TO 2011-12**

Sl.No.	Commodity	2010-2011		2011-2012	
		Quantity	Value	Quantity	Value
1	Tea	111366	436.14	111137	464.68
2	Cashew Kernels	64298	1500.08	71187	2215.8
3	Sea Foods	169408	1780.3	207107	2673.11
4	Coir Products	131046	406.93	122521	400.49
5	Spices	81079	300.89	114669	873.54
6	Coffee	84792	689.2	115359	1146.29
7	Miscellaneous include POL	27662061	11807.19	3568925	12795.79
	Total	3404050	16920.73	43101905	20569.7

Source: Cochin Port Trust

MAJOR ITEMS OF IMPORTS

Imports through Cochin Port continued to increase and reached a level of 157.80 lakh MT in 2011-12. The main items of import include fertilizers and raw materials, food grains, iron and steel and machinery, newsprint and raw cashew nut. Import of iron and steel and machinery which increased by 82.5 per cent in 2010-11 sharply decreased by 78.6 per cent in 2011-12. Import of fertilizers and raw materials decreased by 30.5% during 2011-12. The commodity wise import through Cochin Port during 2010-11 to 2011-12 is given in Table: 4.11

Table: 4.11
COMMODITY WISE IMPORT THROUGH COCHIN PORT DURING
2010-11 TO 2011-12 (QUANTITY IN MT)

SI.No.	Commodity	2010-2011		2011-2012	
		Quantity	Growth Rate (%)	Quantity	Growth Rate (%)
1	Fertilizers& raw materials	619750	-0.3	430797	-30.49
2	Food grains	8797	0	17058	
3	Iron, Steel& Machinery	204122	82.49	43724	-78.58
4	Newsprint	119862	40.49	132725	10.73
5	Cashew nut	317259	10.35	252771	-20.33
6	Miscellaneous	13198910	3.71	14920069	13.04
	Total	14468700	4.59	15780086	9.06

Source: Cochin Port Trust

Exports of Cargo both coastal and foreign, from Cochin Port increased in 2011-12 by 23.4 per cent and 28 per cent respectively. Coastal exports increased to 14.86 lakh MT in 2011-12 from 12.04 lakh MT in 2010-11 while foreign exports marked an increase from 22.00 lakh MT in 2010-11 to 28.25 lakh MT in 2011-12. Both coastal and foreign imports increased by 7.3 per cent and 10 per cent respectively during 2011-12 (see Table 4.12)

Table 4.12
CARGO HANDLED AT COCHIN PORT DURING 2009-10 TO 2011-12 (IN LAKH MT)

Traffic	Export			Import		
	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
Coastal	12.83	12.04	14.86	42.65	48.21	51.74
Foreign	23.13	22	28.25	95.68	96.47	106.06
Total	35.96	34.04	43.11	138.33	144.68	157.8

Source: Cochin Port Trust

MARINE PRODUCTS

Contribution of Kerala towards India's marine exports in 2011-12 showed a markable increase over the earlier period both in quantity and value, an increase by around 18 per cent. Marine exports of Kerala during 2011-12 stood at 155714 MT with a value of Rs. 298833 lakh as against 124615 MT valued at Rs. 200210 lakh in 2010-11. Export details of Marine Products of Kerala compared to all India in Quantity and Value for years 2007-08 to 2011-12 are given in Table 4.13

Table 4.13

EXPORT TREND OF MARINE PRODUCTS – INDIA & KERALA 2007-08 TO 2011-12

Year	India		Kerala		Kerala's share in %	
	Quantity (Tonnes)	Value (Rs Lakh)	Quantity (Tonnes)	Value (Rs Lakh)	Quantity	Value
2007-08	541701	762092	100318	143091	18.52	18.78
2008-09	602835	8607.94	100780	157218	16.72	18.26
2009-10	678436	1004853	107293	167002	15.81	16.62
2010-11	813091	1290147	124615	200210	15.33	15.52
2011-12	862021	1659723	155714	298833	18.06	18

Source: The Marine Products Export Development Agency (MPEDA)

CASHEW

The percentage share of Kerala in cashew kernel export of India, both in value and quantity had been declining since 2006-07. Of the total exports of cashew kernels from India in 2011-12 Kerala's contribution in quantitative and value terms stood around 52 per cent. This was 53.5 per cent and 52.5 per cent respectively in 2010-11 (see Table:4.14). The major markets for Indian Cashew Kernels during 2011-12 were USA, UAE, Netherlands, Japan, Saudi Arabia, UK, France, Spain and Germany.

Table: 4.14

EXPORT OF CASHEW KERNELS – KERALA & INDIA (2007-08 TO 2011-12)
(QTY: MT, VALUE :RS.CRORE)

Year	Kerala*		India		Share of Kerala (%)	
	Quantity	Value	Quantity	Value	Quantity	Value
2007-08	69298	1395.02	114345	2289.02	60.6	60.94
2008-09	63730	1716.52	109523	2988.4	58.19	57.44
2009-10	61698	1635.79	108120	2905.82	57.06	56.29
2010-11**	56578	1478.67	105755	2819.39	53.5	52.45
2011-12**	69149	2299.67	131760	4390.68	52.48	52.38

*Export through Cochin Port.

Source: The Cashew Export Promotion Council of India

The export of cashew nut shell liquid/cardanol from India during 2011-12 was 13575 MT, valued at Rs.59.46 crore (US \$12 Million). There was an increase of 12.7 per cent in quantity, 76 per cent in Value in Rupee terms and 67.3 per cent in US \$ terms compared to the export of 12051 MT of cashew nut shell liquid valued at Rs. 33.77 crore (US \$ 7.4 Million) during 2010-11

Import of cashew nuts into India during 2011-12 was 809371 MT valued at Rs.5337.76 crore and that of 2010-11 was 529370 MT having a value of Rs.2649.56 crore. Import through Cochin Port during 2011-12 was estimated as 252771 MT, a decline of 20.3 per cent against 2010-11

COFFEE

Coffee Production in India during 2011-12 was estimated at 320000 MT. Though this amounts only to 4.5 per cent of the World's coffee production, India exports 70-80 per cent of its output. Indian coffee exports in quantity terms was 324052 MT valued at Rs.4544 crore in 2011-12.

Kerala produced 68350 MT of coffee during 2011-12 (while neighbouring states like Karnataka produced 226355 MT and Tamilnadu 18390 MT) and exported 115359 MT valued at Rs. 1146.29 crore. This export through Cochin Port, registered an increase of 36 per cent over 2010-11. Export of coffee in 2010-11 was 84792 MT valued at Rs. 689.20 Crore.

TEA

Exports of tea through Cochin Port during 2011-12 was 111137 MT valued at Rs464.7 Crore. The quantity of export is less than that of 2010-11, (111366 MT). However, due to a fall in the price of tea in 2011-12, the value earned was only Rs. 436.2 crore.

COIR AND COIR PRODUCTS

Exports of Coir and coir Products from India recorded an increase of 28 per cent in quantity and 30 per cent in value during 2011-12. This is a very high level of exports and the highest that has ever been achieved. The total export was 410853.90 MT valued at Rs.1052.63 crore.

However, exports of coir and coir products through Cochin Port continued to decrease in 2011-12 also. Quantity of exports in 2010-11 was 131046 MT valued at Rs. 406.9 crore. This decreased to 122521 MT valued at Rs. 400.5 crore in 2011-12. Items of export include coir mat, coir yarn and other coir products. China is the major importer among 112 countries for coir and coir products from India, its share being 30.2 per cent.

SPICES

Export of spices from India during 2011-12 has registered an increase of 9 percent in quantity and 43 percent in value. Exports which was 525750 MT with value of Rs. 6840.71 crore (US\$1502.85 million) in 2010-11 reached a level of 575270 MT and Rs. 9783.42 crore (US\$2037.76 million) respectively in 2011-12.

Kerala exports spices mainly through Cochin and Thiruvananthapuram ports. During 2011-12 spices exports through Kerala ports was 97079.26 MT

valued at Rs. 3200.32 crore. Compared with 2010-11, there is an increase of 23345.88 MT in quantity (32 per cent) and Rs.1315 crore in value (70 per cent). This rate of increase in quantity as well as value is an all time record . Pepper, cardamom, chilli, ginger, turmeric, coriander, cumin, celery, fennel, fenugreek, other seed spices, garlic, tamarind, nutmeg & maize, other miscellaneous spices, curry powder/mixture, spice oils and oleoresins and mint products are main items exported through the ports of Kerala.

During 2011-12 export of all spices except celery, other miscellaneous spices, spice oils & oleoresins and mint products have recorded increase, both in quantity and value, over the previous year. Export of pepper increased from 16294.97 MT (valued at Rs. 330.61crore) in the year 2010-11 to 24016.94 MT (valued at Rs.797.10 crore) in 2011-12. Export of pepper which was declining since 2008-09 began to revive in 2011-12. About 90% of pepper export from India is contributed by Kerala both in quantity and value. Item wise export of spices through Cochin and Trivandrum ports in Kerala in 2011-12 is furnished in Table: 4.15.

Table: 4.15.

ITEM WISE EXPORT OF SPICES THROUGH COCHIN & TRIVANDRUM PORTS IN KERALA IN 2011-12

Sl.No.	Item	2011-12	
		Quantity (MT)	Value (Rs. Lakhs)
1	Pepper	24016.94	79707.73
2	Cardamom(Small)	3611.15	28334.39
3	Chilli	21568.42	28917.43
4	Ginger	5962.77	9745.48
5	Turmeric	10350.17	14633.05
6	Coriander	3030.28	2715.47
7	Cumin	1282.48	2466.09
8	Celery	497.24	477.2
9	Fennel	288.08	380.57
10	Fenugreek	763.84	748.4
11	Other Seed Spices	263.19	376.78
12	Garlic	217.26	276.33
13	Tamarind	1799.95	1495.54
14	Nutmeg& Maize	2251.76	15452.16
15	Other Misc. Spices	6655.18	4292.17
16	Curry powder/Mixture	8098.46	14168.27
17	Spice Oils& Oleoresins	6397.45	115488.57
18	Mint Products	9.43	200.3
	Total	97079.26	320031.65

Source: Spices Board

(D) EDUCATION IN KERALA

Kerala has achieved a well developed educational system through the progressive State policies in education, community involvement in developing and sustaining village schools and Madrassas, efforts by Missionaries and indigenous Christian organizations and efforts by various associations formed by other communities (like SNDP by the Ezhava Community and NSS by the Nair Community). Their efforts to establish schools and enroll children have played a significant role in shaping the educational progress of the Kerala state.

Modern Education in the former Travancore State began with the Proclamation of 1844 by the Maharaja of Travancore that those educated in English school would be given preference in Public Service. Government established the Raja's Free School at Thiruvananthapuram as early as 1834 and it was the first school to import English education in the former Travancore State. In the former Cochin State, the Govt. comes in to the field of education in 1818 with the Proclamation, by which there established 33 Vernacular schools. The study of English language was helped by the missionary Rev. Dawson who opened an English school at Mattancherry in 1818. Thereafter, English schools were opened at Thrissur, Thrippunithura and Ernakulam. In 1868, the first batch was presented for the Matriculation examination. In Malabar area, the Local Boards Act of 1834 helped the establishment of schools. Later, the Elementary Education Act enabled the establishment of several Elementary schools and grant-in-aid was paid to Private schools by the District Educational Councils. From 1939 onwards, the disbursement of grant-in-aid to private schools was done by the District Educational Officers. The progressive educational policies of enlightened rulers of the erstwhile states of Travancore and Cochin and the educational activities initiated by the Christian Missionaries and other social organizations yielded remarkable development in the field of education in the State even before Independence.

The Private Secondary School Scheme was introduced in Travancore-Cochin from 1st December 1951 onwards. Payment to the teachers of private schools was made direct from the treasury from that date. Payment to non-teaching staff of private schools was made by management till 31st June 1959.

The Kerala Education Act and Kerala Education Rules came into force with effect from 1st June 1959. The post of the Director of Public Instruction was included in IAS cadre from the year 1960-61. The Examination Section which was functioning as part of the Directorate of Public Instruction was separated and Commissionerate of Govt. Examinations (Pareeksha Bhavan) was started with effect from 1st Oct. 1964 under the Directorate of Public Instruction. The Director of Public Instruction has been continuing as the Commissioner for Govt. Examinations since 1964. During the year 1956-57 there were 10,079 institutions under the Education department in the Kerala State. These consisted of 17 Arts and Science colleges in the Cochin and Malabar areas, two training colleges at Thrissur and Kozhikode, one post graduate training college at Thrissur, one Physical education college at Thiruvananthapuram, 762 High school, 1589 Middle schools, 6699 Primary schools, 87 Training schools, 7 Music and Fine arts

schools, 5 schools for the physically handicapped, 33 Fisheries schools, 13 Nursery and Kinder Garden schools, 6 Technical schools, 2 Certified schools, 460 Basic schools, 32 Social Education Centers and 363 other special schools. Of these, 2129 were Govt. institutions and the remaining 7950 were under private management.

At present, there are 12271 Schools consists of 67121 L.P. Schools, 2951 U.P Schools and 2608 High Schools in the State. Of these, 4492 are Government Schools (2551 LP, 957 UP and 984 HS), 7282 are Private aided Schools (4003 LP, 1870 UP and 1409 HS) and 497 are Private Unaided Schools (158 LP, 124 UP and 215 HS). In addition to these, there are 102 Teachers Training Institutes, 43 Special Schools for the handicapped children and 8 Anglo Indian High Schools.

During the year 1956-57, the enrolment of students was 2709271. It increased steadily and reached a maximum of 5901101 in 1990-91. There onwards the trend was reversed. The present enrolment is 4881585. The percentage of women to the total number of teachers significantly increased during the last five decades. It was 41% in 1956-57, 50% in 1976-77 and 68% in 2002-03. There is a slight decrease in the drop out rate during the last 5 years, which is an encouraging feature.

In accordance with the National Policy of Education (1986), District Institute of Education and Training (DIETs) were established In 14 districts of the State. The main function of DIETs is to provide academic and resource support at district level for the success of various program being undertaken in the field of primary and adult education.

The Vocational Higher Secondary Education was introduced In the State during 1983-84. It is designed to prepare skilled work force in the middle level in one or more group of occupations, trade or job after matriculation at 10+2 stage of Education. The objective of the course is to enhance individual employability to provide an alternative for those pursuing higher education without particular Interest or purpose. Consistent with the National Policy of Education (1986), Government have decided to de-link Pre degree Courses from Colleges in a phased manner and to Introduce 10+2 system in High schools of Kerala. Accordingly, Higher Secondary Course was introduced during the year 1990-91 as a step for reorganizing the secondary and collegiate education. The above two courses are functioning in High Schools by upgrading the classes, but the Administrative control is vested with separate Directorates.

The District Primary Education Program (DPEP) introduced in the State during 1994-95 was discontinued and a new scheme - Sarva Siksha Abhliyan (SSA) has now been started to universalize Elementary education by community ownership of the school system. The State Council of Educational Research and Training (SCERT) was established in the year 1994 as an autonomous organization by reorganizing the State Institute of Education (SIE) to provide academic support to General Education in the State. The Director of SCERT is the head of the Organization. It has a general body with the Hon'ble Minister for Education as chairman. A governing body with Secretary to Govt.(Gen.Edn) as

Chairman and the Director of Public Instruction as Vice-Chairman supervises the functioning of SCERT.

In brief, there was enormous expansion of educational facilities in the State since Independence. The development of Education over the years was tremendous.

As literacy development is concerned; Kerala has the distinction of being a historic state in India so far. Kerala's literacy rate is comparable to the most advanced regions of the world. Kerala's literacy rate which was only 47.18% in 1951 has almost doubled to 93.91% in 2011. Male, female literacy gap which was 21.92% in 1951 has narrowed down to 4.04% in 2011.

THE SCHOOL EDUCATION

There were 12644 schools in Kerala during 2011-12. Out of these 4620 were government schools, 7161 aided schools and 863 unaided schools. In the state, during 2011-12, 56.66% of total schools were aided schools, 36.5% government schools and 6.8% unaided schools. Compared to government upper primary and high schools more number of LP schools are functioning under government sector. Aided schools outnumber government schools in all sections. Malappuram District has the largest number of schools (1472) in the State followed by Kannur (1293) and Kozhikode (1237). Malappuram District has also the largest number of government (546) and unaided schools (145) in the State. But largest number of aided schools is functioning in Kannur district (961). In the State 946 schools are offering syllabus other than the one prescribed by the State Government. These include 797 CBSE schools, 108 ICSE schools, 27 Kendriya Vidhyalaya and 14 Jawahar Navodayas. One Jawahar Navodaya Vidhyalaya schools each is functioning in all the districts.

HIGHER SECONDARY EDUCATION

Education after the first 10 years was a part of the higher education system for many decades. Higher Secondary courses were introduced in the state during 1990-91 to reorganize the secondary level of education in accordance with National Education Policy. Higher Secondary Course is the turning point in the entire school education in our state. The department serves as a professional institution in formulating and maintaining the standards of Higher Secondary Education and in providing need based timely, scientific, effective and sustainable services to the students and teachers at the Higher Secondary level. 1836 Higher Secondary schools were there in 2012 in the state. Out of these 755 (41.2%) are Government schools, 668 (36.4%) are Aided schools and the remaining 413 (22.5%) are Unaided schools. Among the districts Kozhikode has the largest number of Higher Secondary schools (223 nos) in the state followed by Thrissur and Ernakulam (176 each) districts respectively. Now the govt: policy is allowing Higher Secondary Schools to every panchayaths in the state.

VOCATIONAL HIGHER SECONDARY EDUCATION

Vocational Higher Secondary Education was introduced in the state in 1983-84 Vocational Higher Secondary Education in the state impart education at plus two level with the objective to achieve self/wages/direct employment as well as vertical mobility. The course is designed to prepare skilled work force at middle

level in one group or more of occupations, trade or job after matriculation at 10+2 stage of education. 389 Vocational Higher Secondary Schools are there in the state with a total of 1099 batches. Out of these 261 are in the Government sector and 128 in the Aided sector. Kollam District (52 nos) has the largest number of Vocational Higher Secondary Schools in the state.

UNIVERSITY AND HIGHER EDUCATION

There are a total of 9 universities functioning in the state. Out of these four universities viz. Kerala, Mahatma Gandhi, Calicut and Kannur are general in nature and are offering various courses. Sree Sankaracharya University of Sanskrit, Cochin University of Science and Technology and Kerala Agricultural University offer specialized courses in specified subject areas. Besides these, the National University of Advanced Legal Studies (NUALS) established in 2005 and the Central University established in Kasargode district are also functioning.

ARTS AND SCIENCE COLLEGES

Including 150 Private Aided Colleges and 41 Government Colleges there are 191 Arts and Science Colleges in the State. Ernakulam district (25nos) has the largest number of Arts and Science colleges in the state followed by Kottayam (22 nos), Thiruvananthapuram (20 nos) and Thrissur (20 nos) districts. Thiruvananthapuram district has the largest number of Government colleges (8 nos) in the state.

TECHNICAL EDUCATION

Directorate of Technical Education is the nodal department for Technical Education in the state. Details of technical institution, under the administrative and financial control of the Directorate of Technical Education are given in Table 4.16.

Table 4.16

TECHNICAL INSTITUTIONS UNDER DIRECTORATE OF TECHNICAL EDUCATION-2012

Sl.No	Institutions	Nos
1	Government Engineering Colleges	9
2	Private Aided Engineering Colleges	3
3	Government Polytechnic Colleges	36
4	Government Women's Polytechnic Colleges	7
5	Private Aided Polytechnics	6
6	Fine Arts Colleges	3
7	Government Technical High Schools	39
8	Government Commercial Institutes	17
9	Tailoring and Garment making training centres	42
10	Vocational Training Centres	4
11	Unaided engineering Colleges	141
	Total	307

Source: Directorate of Technical Education

Achievements in Education

1. High literacy
2. Low gender difference
3. Low dropout
4. High enrolment ratio
5. Better primary education
6. No discrimination in education
7. Better results
8. Universalisation of Primary education

New Challenges to Education

1. Lack of quality education
2. Low enrollment ratio of males in higher education
3. Political interference
4. Religious or Community interference
5. Over influence of private
6. Out dated syllabus
7. Lack of technical education
8. Lack of vocational education
9. Over emphasis on arts subjects
10. Problems related to bureaucratic set up
11. Delay in publication of results
12. Mismanagement of allotted funds
13. Problems in pedagogy
14. Poor performance of the students

(E) HEALTH SECTOR IN KERALA

Kerala has a long history of health care. Even before the advent of the Allopathic medicine Kerala was in the care of indigenous Ayurveda medicine. Now in the state along with this Allopathy, Homeopathy and Unani are working effectively. It is said that the commendable achievements that gained by the Kerala state in birth rate, death rate, gender equality, life expectancy, infant mortality, maternal mortality etc is due to the well health care facilities provided by the state. This has been considered as a paradox, **'good health at low cost'**. The latest India Human Development Report 2011 placed Kerala on top of all the other states in India, because of easy accessibility and coverage of medical care facilities. The State is reported to have the lowest rural-urban inequalities in public health status. The success of Kerala health indicators is more due to the investment in the social capital rather than only in the public health care, resulting in a more accountable and integrated primary health care system High levels of education especially among women and greater health consciousness have played a key role in the attainment of good health standards in Kerala.

Health sector in Kerala is at a cross road. Early success in reducing mortality has led to an ageing population suffering from degenerative diseases associated with the demographic shift. The morbidity rate is high as compared to the national estimate which is 25.15 and 9.11 respectively according to the 2004 estimate. As a result of surpassing all the Indian states in morbidity rate, the state

is suffering with the prevalence of chronic and acute illness like diabetes, heart diseases, mental, asthma, blood pressure, cancer etc. Having abandoned the public health strategies that helped the State control communicable diseases in the past the State is witnessing the re-emergence of these diseases. Increase in alcoholism and accidents are worrying the state. Kerala has to recapture the basic structure and policies that helped us reduce mortality in the past and to develop the capacity to deal with the problems associated with non-communicable which now affect all segments of the population.

HEALTH CARE INFRA STRUCTURE IN GOVERNMENT SECTOR

The Health Care system in Kerala comprises mainly under three heads namely Allopathy, Ayurveda and Homoeopathy. The Health infrastructure consists of 2724 institutions with 52893 beds. Besides there are 5403 sub centres under Directorate of Health Services .Out of the total institutions 46.44% are under Allopathy, 32.2 % under Ayurveda and 21.36 % under Homoeopathy department. Medical services are also provided through the co-operative sector and the Private sector. There are 74 hospitals with 6767 beds under the Co-operative sector in the State.

Table 4.17

HEALTH INFRASTRUCTURE IN GOVERNMENT SECTOR DURING 2011

Sl. No.	System of medicine	Institutions	Beds	Patients treated	
				IP	OP
1	Allopathy(DHS)	1255	37750	1831724	53057551
2	Allopathy(DME)	10	10079	347334	3341592
3	Ayurveda(ISM)	874	2860	41102	10481288
4	Ayurveda Medical Education	3	1259	9072	386721
5	Homoeopathy	582	945	53442	11839811
	Total	2724	52893	2282674	79106963

Source: Allopathy, Medical Education, Ayurveda and Homoeo Departments

Table 4.18 shows the basic health indicators of both Kerala and India during 2011.

Table 4.18

BASIC HEALTH INDICATORS 2012

SI No	Health Indicators	Kerala	India
1.	Crude Birth rate ('000 population)	14.8	22.1
2.	Crude Death rate ('000 population)	7.0	7.2
3.	Infant mortality rate('000 population)	13	47
4.	Child mortality rate 0-4 years('000 population)	2	15
5.	Maternal mortality rate (per lakh live birth)	81	212
6.	Total fertility rate (children per woman)	1.7	2.6
7.	Couple protection rate (in percent)	62.3	52
8.	Life expectancy		
	Male	71.4	62.6
	Female	76.3	64.2
	Total	74.0	63.0

Source: Directorate of Health Services

DEPARTMENT OF HEALTH SERVICES

The department of Health Service is formed mainly for the establishment and maintenance of medical institutions with necessary infrastructure. It offers services such as control of communicable diseases, Family Welfare services including maternal and child health services, implementation of National control / eradication programmes, providing curative services and administration. Details of major medical institutions under DHS during 2010 & 2011 are shown in Table 4.19 below. There are 1254 institutions and 37177 beds under the Directorate of Health services which include 835 Primary Health Centres, 237 Community Health Centres, 78 Taluk Hospitals, 17 TB clinics/ centres, 29 grand- in- aid institutions and 3 leprosy control clinics/units. Besides, there are 5403 sub centres. Out of the 835 PHCs, 174 are now categorized as 24x7 PHCs.

Table 4.19
MAJOR MEDICAL INSTITUTIONS UNDER DHS (NO.)

SI.No	Institution	2010	2011
1	Primary Health Centres (including MCH Centres)	835	835
2	Community Health Centres	237	230
3	Taluk/District /Women &Children Hospitals	95	103
4	Dispensaries	24	25
5	T.B. Clinics/Centres	17	17
6	Grant-in-aid institutions	29	29
7	Leprosy Control Units	3	3
8	Sub Centres	5403	5403

Source: Directorate of Health Services

MEDICAL EDUCATION

There are 23 Medical Colleges in the State of which only five are in the public sector. Medical Education in the Government sector in the State is imparted through five Medical Colleges, three Dental colleges and five Nursing colleges. Government has announced the intention to start four new Medical Colleges in Idukki, Kasargod, Pathanamthitta, Harippad and Malappuram during 2011-12.

AYURVEDA

The Department of Indian System of Medicine has 119 Hospitals and 745 dispensaries across the State. Besides, there are around 900 small to medium size Hospitals in the private sector. The Directorate of Ayurveda Medical Education manages 16 institutions; 3 are in Government sector, 2 in private sector (Aided) and 11 in self financing sector.

HOMOEOPATHY

The Department of Homoeopathy has 551 dispensaries and 30 Hospitals with total bed strength of 945. Out of the 30 Hospitals, 13 are District Hospitals

and 17 Taluk Hospitals. In addition, Kerala State Homoeopathic Co-operative Pharmacy (HOMCO) Alappuzha, a medicine manufacturing unit is also functioning under the Directorate of Homoeopathy. Under Homoeo Medical Education, there are two Govt. Homoeopathic Medical Colleges, one functioning at Thiruvananthapuram and the other at Kozhikode.

MAJOR DISEASES IN KERALA

1. LIFE STYLE DISEASES

Longevity and changes in life style have contributed to the growth of chronic and degenerative diseases also referred to as non-communicable diseases. These include diseases such as heart disease, stroke, high blood pressure, cancer and diabetes.

It is estimated that there are about 1.5 million diabetic patients in Kerala. These people need lifetime management involving lifestyle modifications, drugs and diet. Recent surveys in different categories of subjects in Kerala reveal that one out of three adults in Kerala is a hypertensive. Hypertension leads to heart attacks, stroke and kidney failure. It is a lifelong disease and needs careful and sensible management throughout life. Alcohol consumption is increasing in the State.

According to WHO estimates, there are about 2 billion people who consume alcoholic beverages and 76.3 million with diagnosable alcohol-use disorders. Excessive drinking can cause a variety of health problems. More than 72 per cent accidents on national highways were related to drunken driving. Domestic violence is also on the increase due to high alcohol consumption. Alcohol related diseases are growing. Chronic alcohol use can lead to adverse immunological consequences resulting in poor response to medication and avoidable mortality. Similarly, overweight and obesity leads to heart attack, hypertension, breast cancer, and diabetes and diseases of bones and joints.

2. COMMUNICABLE DISEASES

Kerala which had effectively eliminated indigenous malaria through public health measures are finding it difficult to deal with communicable diseases like Chikungunia, Dengue fever, Malaria, Leptospirosis, Cholera, and Typhoid. We need to have a systematic programme to deal with each communicable disease, based on their seasonality, to prevent them and manage complications that arise from their incidence.

3. CANCER

Cancer is a major disease that affects all sections of human population. Every year 35000 new cases of Cancer are detected in Kerala. It is estimated that almost 5 lakhs of persons will develop cancer every year in the country and in any given year there will be almost 15 lakhs cancer patients.

4. AIDS

The estimated number of people infected with HIV in Kerala is 55167 in 2010. The route of HIV transmission in Kerala is categorized as heterosexual 82%, homosexual 2%, through injection and drug use 7.85%, mother to child 7%, through blood /blood products 1% and unspecified 5.5%.

5. MENTAL HEALTH

Mental health problems including higher suicide rates, health problems and death due to road traffic accidents are increasing. Total number of suicide in the state is 8556 during 2010. Compared to other states suicide rate among youngsters and family suicide are also on the higher side in Kerala. During 2010, 19.2% of the suicides were in the age group 15-29. Sex distributions of the suicide victims are also significant. Suicide is more among males (74%). The Male female ratio is 2.8:1. But the suicide attempts are high among the females. Rates of suicide are higher among those with physical disorders than among other people, this is especially marked in elderly people. Depression is associated with reduced levels of functioning of immune system and an increased risk of other physical disorders. People suffering from chronic physical conditions such as 'heart disease, diabetes and cancer have a heightened probability of developing mental disorders such as depression. The percapita alcohol consumption is 8 liters which is higher than the national average of 1.8 liter and international average of 5 liter and stood top among the Indian states.

ACTIONS TO BE TAKEN

1. Control and Management of Communicable diseases:
2. Prevention and management of lifestyle related diseases:
3. Prevention of accidents, trauma care:
4. Reduction of mortality and morbidity, IMR, MMR:
5. Mental Health:
6. State specific treatment protocols, referral systems, quality of care, safety:
7. Health of the aged and palliative care:
8. Infrastructure:
9. Health Manpower Medical education training:
10. Health Care Financing:
11. Governance for a good medical sector

ACHIEVEMENTS OF HEALTH SECTOR IN KERALA

Kerala enjoys a unique position in the health map of India. The health indicators in Kerala are at par with the Western world. The important achievements are the following.

1. Low Birth and death rate.
2. Low infant mortality rate.
3. Low child mortality rate.
4. Low Maternal mortality Rate.
5. Low cost medical facilities.
6. High life expectancy
7. High Couple protection rate.
8. High percapita medical expenditure.

9. High public and private participation in medical facilities.
10. Good medical infrastructure facilities.
11. Good Public health information system.
12. Good sanitation facilities.
13. Equality in rural-urban medical facilities.
14. Expansion of primary health care centers.
15. Institutionalization of delivery.
16. More gender equality.
17. Nearly full immunization.

NEW CHALLENGES TO THE HEALTH SECTOR IN KERALA

1. Spread of modern diseases.
2. Aging of the population.
3. Increase in suicide rate.
4. Increase in cost of medical facilities.
5. Death due to road accidents.
6. Mental health problems.
7. High Morbidity rate.
8. Prevalence of life style diseases.
9. Lack of infrastructure and trained personals.
10. Poor performance of the public sector.
11. Emergence of private sector.
12. Alcoholism.
13. Obesity.
14. Lack of physical exercise.
15. Increase in female foeticides.
16. Increase in communicable diseases.
17. Increase in low weight new born babies.
18. Increase in stress and strain
19. Unhealthy food habits.
20. Marginalization of the backward classes.
21. Child sex ratio is infavour to the male.
22. Nutritious problems.

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MODULE V

EMIGRATION AND MIGRATION

INTRODUCTION

Migration is a very relevant concept in this post modern era. The globalization makes possible circumstances to move people across the country irrelevance of boundary. People started to move towards the country for attaining better job, living condition, and possible standard of living. The purpose of migration is differing according to the people. Migration is a significant factor which helps to reduce poverty, unemployment and relative deprivation in Kerala. It has been a key engine of social, political and economic changes in Kerala. The pattern and their socio- economic impact of migration have significantly influenced the cultural and political process of Kerala.

High remittance helped to decrease unemployment and poverty, paradoxically giving rise to a consumerist culture and commodisation of public services such as education and health. The remittance, economy also changed pattern of land ownership and agriculture, besides impacting the environment and ecology due to an unprecedented boom in the construction sector and the pressure on land and paddy field for new construction.

CONCEPT OF MIGRATION

There are various concept of migration and the most important and widely used concepts are internal migration, in migration, outmigration and international migration.

- According to the USA multilingual demographic dictionary “Migration is a form of geographical mobility between one geographical unit to another and normally involves a change of residence from one place of origin to the place of destination”.
- Migration means a movement of people from one place to another permanently or semi- permanently.
- It is a process of changing an individual normal place of inhabitation primarily for solving his economic problems.
- Migration is the crossing of the boundary of a political or administrative unit for a certain minimum period of time

Migration is not merely a reallocation of human resources but is a process which has three fold impact; (a) on the area experiencing immigration, (b) on the area experiencing out migration, (c) on the migrants themselves, the purpose of migration may be employment, business, education, family movement, marriage, calamity etc.....

TYPES OF MIGRATION

The following are the various types of migration

1. INTERNAL MIGRATION

Internal migration means the movement of persons within a country, which involve a change of usual residence and taking up of life in a new or different place. It is moving to a new home within a state, country or continent. Internal migration classified in to

- ❖ *In-migration and Out-migration.* Both of these terms are related to internal migration. In- migration is the movement in to a particular area where as out-migration is movement out of a particular area. For eg. Migrants who come from Tamilnadu to Kerala are in-migrants for Kerala whereas it is out-migration for Tamilnadu.

2. INTERNATIONAL MIGRATION

International migration refers to change of residence over national boundaries. An international migrant is someone who moves to a different country or moving to a new home in a different state, country or continent. International migration are classified in to

- ❖ *Immigration and Emigration.* Both of these terms are related to international migration. Immigration means the movement of people in to a particular country or moving in to a new country. While, emigration means movement of people from a particular country or leaving one country to move to another. Thus migrants leaving India to settle down in London are immigrants to London whereas they are emigrants to India.

3. FORCED MIGRATION

Forced migration means when a government forces a large group of people out of a region, usually based on ethnicity or religion. This is also known as an involuntary migration.

4. IMPELLED MIGRATION

Impelled migration means, individuals are not forced out of their country, but leave because of unfavorable situations such as warfare, political problem or religious persecution. This is also known as “reluctant” or “imposed” migration.

5. STEP MIGRATION

Step migration, a series of shorter, less extreme migrations from a person’s place of origin to final destination- such as moving from a farm, to a village, to a town, and finally to a city.

6. CHAIN MIGRATION

Chain migration is a series of migrations within a family or defined group of people. A chain migration often begins with one family member who sends money to bring other family member to the new location.

7. **CIRCULAR MIGRATION**

Circular migration is the voluntary movement of immigrants back to their place of origin. This is also known as return migration.

8. **SEASONAL MIGRATION**

Seasonal migration is the process of moving for a period of time in response to labour or climate conditions.

9. **PRIMITIVE MIGRATION**

Primitive migration is in response to environmental conditions, usually undertaken by people at levels of development.

10. **FREE MIGRATION**

Free migration means an individual movement for economic betterment

11. **MASS MIGRATION**

Mass migration means a large numbers, entire communities moving en masse being fully informed on an individual basis of what to expect.

12. **VOLUNTARY MIGRATION**

Voluntary migration means a person who wishes to migrate because he wants to.

13. **TEMPORARY MIGRATION**

Temporary migration may be annual, seasonal or even of a shorter duration, like daily. Commutation is the term used for daily movement of people between city and its surroundings towns or villages

14. **INTERREGIONAL MIGRATION**

Interregional migration means a person's that migrate from one region to another within the same country or region.

STREAMS OF MIGRATION

The term migration streams denote the total number of moves made during a given migration interval which have a common area of origin and destination. There are four streams of migration. They are

- (a) Rural to Rural
- (b) Rural to Urban
- (c) Urban to Urban
- (d) Urban to Rural

CLASSIFICATION OF MIGRATION/MIGRANTS

There are two broad classifications of migrants. They are by Bilborrow (Bilborrow et al., 1997) and International labour organization (ILO-1989). The Bilborrow classified migrants in to the following five categories.

- **Foreigners admitted for special purpose** – for eg. Foreign students, foreign trainees etc....
- **Settlers:** people who have granted the right to stay indefinitely in the territory of a country other than their own and to enjoy the same social and economic rights as those of the citizens of that country.
- **Migrant workers:** people who are admitted by a country other than their own for the exploit purpose of carrying out an economic activity. It includes seasonal migrants' workers; project tied migrant workers, contract migrant's workers and temporary migrant workers.
- **Economic migrants:** This category of people includes business travelers and immigration investors.
- **Asylum migrants:** It covers the whole spectrum of international movements caused by persecutions and conflict. Thus, this category includes refugees and person admitted for humanitarian reasons asylum workers.

The International labour organization has classified migrants in to two categories. They are

- **Settlement migrants** (Brain drain) are the migration of people from one country to another so as to secure a job and then settle there.
- **Contract migrant** (block visa migration/projected migration) are a number of a group of foreign workers would be admitted to a country for the purpose of employment under a single authorization or a behalf of a single employer.

FACTORS CAUSING MIGRATION

In general two groups of factors causing migration .They are, PUSH and PULL factors. Both factors are those factors which either forcefully push people in to migration or attract them.

A push factor is a critical factor, which relates to the country from which a person migrates, such as lack of employment, primitive condition, desertification, famine/drought, political fear, poor medical care, loss of wealth, natural disasters, death threats, slavery, pollution, poor housing, landlord etc.,

A pull factors is something concerning the country to which a person migrates. Pull factors are, job opportunities, better living conditions, political and religious freedom, enjoyment, education, better medical care, security, family links etc.....

KERALA AND MIGRATION

In recent years, Kerala the southernmost state in India has emerged as a major centre for exporting human resources to the oil rich countries. The background to the gulf migrants of Kerala has begun with the dramatic increase in the oil price in the early 1970's. Among the total emigrants from Kerala, about 90% are working in Gulf countries. This has made a visible impact on the current socio-economic scenario of Kerala. Among various Indian states, Kerala grants first ranks in the human development index (HDI), prepared by UNDP. In 1970's,

there has been a large out-migration from Asian countries to the Middle East, particularly from India and Pakistan. Persian Gulf countries undertook a massive infrastructural reconstruction and in a relatively short period of time were able to transform themselves from semi-nomadic societies to some of the most technologically advanced nations of the world. Foreign labour was central to this transformation. The most of the imported labourers consisted of unskilled and semi- skilled workers.

The basic characteristics of migrant are the sex composition, age composition and marital status

- **Sex composition**

Migrants, especially external migrants, from Kerala are predominantly males. In 2011, only about 14% of the emigrants from Kerala were females compared with 40% among out migrants, and 52% in the general population. However, female out-migrants outnumbered male out-migrants (51%) in the age group of 20-24 years.

- **Age composition**

At the time of emigration or out-migration, migrants are relatively younger than the general population. The average age at migration of the emigrants was 24.78 years in 2011 and that of out-migrants was 18.91 years. The proportion of population in the age group 20-24 years was 16.5% among the general population, but was as high as 59.5% among the emigrants and 46.7% among the out-migrants.

- **Marital status**

Most of the emigrants from Kerala are unmarried, 61.1% of emigrants and 80% of out-migrants. However, most of the return emigrants and return out-migrants are married, 85.4% of return emigrants and 71.1% of return out-migrants. There are of course difference between males and females. Unlike male emigrants, majority (52.7) of female emigrants are married.

MIGRATION TRENDS

The number of Kerala emigrants living abroad in 2011 is estimated to be 2.28 million, up from 2.19 million in 2008, 1.84 million in 2003 and 1.36 million in 1998. The number of Kerala emigrants who returned and living in Kerala in 2011 is estimated to 1.15 million, 1.16 million in 2008. Kerala migrants living in other states in India in 2011 is estimated to be 931,000, up from 914,000 in 2008. Kerala out- migrants who returned and now living in Kerala (return out-migrants) are estimated to be 511,000 in 2011. The corresponding numbers was 686,000 in 2008, 994,000 in 2003 and 959,000 in 1998.

The total of keralities reside outside India, the majority of them are Muslims (45%) although Hindus (37.5%) and Christians (17.5%) are also significant in population. The largest populations are found in UAE (912,000) and KSA (570,000). The major concentrations of keralities are in Oman (195,300), Qatar (148,427) Kuwait (127,782), Bahrain (101,556), USA (68,076) and UK (44,640).

GEOGRAPHICAL ASPECTS OF MIGRATION

If demography is destiny, as is often claimed by demographers, Kerala's destiny is moving northwards. The origin of emigration from Kerala is moving to its north. More and more remittances are ending up in the north. In recent years more of the developments in education and health have taken place in the north than in the south. In 1998 only 33.4% of the Kerala's population with secondary or higher levels of education lived in the north (Malappuram- Kasaragod) and the remaining 66.6% lived in the south and central region of the state. By 2011, the corresponding proportion were 39.0 in the north and 61.0 in the other region. In 1998, the north accounted for only 33.4% of the employed persons, the by 2011, the corresponding proportion increased to 39.0%.

RELIGIOUS ASPECTS OF MIGRATION

Emigration from Kerala is dominated by Muslims whose share of the emigrants from the state (44.3%) continued to remain very much higher than their share in the population (26.5%). On the other hand, out-migrants from the state are mostly Hindus, whose share of out-migrants (64.6%) continued to remain very much higher than their share in the population (56.8%). Corresponding to 100 households, there are 59.1 emigrants in Muslim household, but only 18.1 emigrants in Hindu households and 29.0 emigrants in Christian households.

GEOGRAPHICAL ASPECTS OF INTERNAL MIGRATION

The palakkad district accounted for the largest number of out-migrants from Kerala, a position it retained from the beginning. Thus, the palakkad-Malappuram corridor is the most migration-prone area in the state, with Palakkad topping in the field of out-migration and Malappuram in emigration. Kottayam district comes second in the order of out-migration followed by Kannur district. The pathanamthitta district, which led all districts in 1998 in the matter of out-migration, is almost at the bottom of the list in 2011.

GEOGRAPHIC ASPECT OF EMIGRATION

The largest number of emigrants originated from Malappuram district, a position it retained from the beginning. However, its share from 21.8% in 1998 to 17.9% in 2011. The story is the same in the other major centers of emigration: Pathanamthitta and Thrissur districts. On the other hand, districts like Kannur, Kasaragod have gained considerably in recent years. In general, there was a northward shift in the origin of emigrants from Kerala.

EMIGRANTS BY DESTINATION COUNTRIES

The principal countries of destination of Kerala emigrants have remained more or less unchanged over these years, with 90% of the Kerala emigrants going to one or other of the Gulf countries. Within the Gulf region, the UAE retained its number one rank with Saudi Arabia coming in the second position. Nearly 40% of the Kerala's emigrants live in the UAE and 25% in Saudi Arabia. The emigrants by year wise of emigration are given in table

Table.5.1
YEAR-WISE EMIGRATION

Year	Emigrants
1982	230740
1985	313980
1988	405513
1991	566668
1994	819025
1997	1178589
2000	1501917
2003	1838478
2006	2093520
2009	2247678
2011	2330860

Source: Kerala migration Survey 2011

Table.5.2
THE EMIGRANTS BY DISTRICT -1998-2011

Districts	1998	2003	2008	2011
Trivandrum	130705	168046	308481	229732
Kollam	102977	148457	207516	167446
Pathanamthitta	97505	133720	120990	91381
Alappuzha	62870	75036	131719	144386
Kottayam	35494	106569	89351	117460
Idukki	7390	7880	5792	7690
Ernakulam	103750	121237	120979	136113
Thirssur	161102	178867	284068	198368
Palakkad	116026	177876	189815	142020
Malappuram	296710	271787	334572	408884
Kozhikode	116026	167436	199163	206719
Wayanad	4552	7704	13996	26874
Kannur	88065	202414	119119	283045
Kasaragod	38747	71449	67851	120425
KERALA	1361919	1838478	2193412	2280543

Source: Kerala migration Survey 2011

IMPACT OF EMIGRATION

The impact of emigration and remittance on Kerala is manifested in household consumption, saving and investment, the quality of houses and the possession of modern consumer durables. Remittances also play a major role in enhancing the quality of life and contribute to a high human development index for Kerala in terms of education and health, along with the reduction of poverty and unemployment. The economic, social and demographic impacts are explained below.

SOCIAL IMPACT

EDUCATION AND HEALTH

It goes to the credit of Kerala and it has achieved already all the millennium goals set for education; much ahead of time. Kerala was the first state has achieved universal literacy. Emigration has brought great changes in the attitude of the emigrants towards the education of their children. Educational needs like family improvement, community improvement and skill development etc....are influence the emigration. A large segment of the emigrant population from Kerala is literate, also influence the educational development. Educational reforms taking in to consideration both the emerging remittances induced job opportunities in the state and the requirements of job market in the Gulf. Today the Kerala economy is mostly linked to the outside countries particularly to the gulf countries than to some of the regions of the countries. Both the labour markets in abroad and the remittances of the emigrants have influenced state educational system.

Health of the people is a wealth of the nation and hence it is one of the main indicators of human development. Health systems are too often being devised outside the main stream of social and economic development. In the intrinsic sense health is important, because it is a direct measure of human wellbeing. It is a fulfillment of life. Better health can have interpersonal benefits. There is also evidence that emigrants spend a sizable amount of their income on healthcare. The growth of private hospitals and other private paramedical institutions in Kerala has improved the health and hygiene.

ECONOMIC IMPACT

➤ **Remittances**

Remittance plays a major role in enhancing the quality of life and Human development index. Remittances from emerging abroad to Kerala in 2011 were estimated to be approximately Rs.49, 695 crores compared with Rs. 43,288 crores in 2008. Remittances were Rs. 63,315 per household in 2011 compared with Rs. 57,227 in 2008. Muslim households received Rs.23, 089 crore as remittance from abroad in 2011.This amounts to 46.5% of the total remittances. Hindus received Rs.18, 089 crores or 36.4% of the total. The Christians community received Rs.8, 508 crores or 17.1%. Among the 14 districts in the state, Malappuram received the largest amount of remittance Rs.9040 crores which worked out to Rs. 114,313 per household.

➤ **Poverty and unemployment**

Kerala is approaching the end of the millennium with a little cheer in many people's homes as a result of migration which has contributed more to poverty alleviation than any other factor, including agrarian reforms, trade union activities and social welfare legislation. Migration has contributed more to poverty alleviation and reduction in unemployment in Kerala than any other factor. As a result of migration, the proportion of population below the poverty line has declined over the years.

➤ **Consumption, Saving and Investment**

Emigration and consequent inflow of remittances will have its effects on the consumption, saving and investments of emigrant household. Emigrant and their family spend a major share of their income on consumption such as clothing ,entertainment etc...Emigrant spend their income for the saving purposes and as a result of this, more and more investment take place in Kerala, that is the positive aspects of investment sector and the growth of the economy.

➤ **Economic development**

Migration has been one of the positive outcomes of the Kerala model of development. The state's dynamic social development in the past half of the century and the relative stagnation in its productive sectors have created ideal condition for an acceleration of migration from the state. Migrants contribute to economic growth in numerous ways by filling labour market needs in high skill and low skill segments of the market, rejuvenating the population, improving labour market efficiency, promoting entrepreneur- ship, spurring urban renewal, injecting dynamism and diversity in to destination countries and societies.

DEMOGRAPHIC IMPACT

One of the biggest achievements of karalla was in controlling the population growth. The rate of growth of population in Kerala was less than that of the country. So, emigration has brought behavioral changes in the demography. The crude birth rate had come down from 25.0 during 1974-80 to 14.7 in 2010-11 and also the total fertility rate declining every year and infant mortality rate to 12 in 2011. Compared to developed countries, the state witnessed positive demographic changes of low birth and death rates due to the overall development process. Kerala state has a very unique position with regard to sex ratio; the number of female outnumbered the number of mala in the state, it is 1036 in 1991 and 1084 in 2011. There is population decline caused by couple desiring fewer children, improved healthcare has pushed down the death and birth rate.

OTHER EFFECTS

Emigration has transformed about one million Gulf wives from the status of modest housewives to that of efficient managers of household affairs, capable of dealing with the outside world, maintaining family accounts, transacting business in banks, planning and pursuing the education of children and taking care of the health and well-being of the entire family.

Table.5.3

PERCENTAGE OF GULF WIVES BY RELIGION

Religion	2008	2011
Hindu	6.5	6.7
Christian	6.5	5.9
Muslim	25.0	24.0

Source: Kerala migration Survey 2011

MACRO-ECONOMIC IMPACT OF REMITTANCE

Workers' remittances to the Kerala have a major impact on Kerala economy. Remittances were 31.23% of the state's net state domestic product. The state's per Capita income was Rs.52, 084 in 2010, without taking in to consideration remittances to the state, but it stood at Rs.68, 375 if remittance were also included. Remittances are 1.6 times the revenue receipt of the Kerala government, 6.2 times what the state gets from the centre as revenue transfer. It is more than 60% of the state's public debt. The major indicators between 1998 and 2011 are given in table 5.4.

Table.5.4
MAJOR INDICATORS

Indicator	1998	2011
Remittances	13652	49695
Net SDP	53552	15144
PCI	16062	52084
Revenue receipt of Govt	7198	31181
Transfer from central Govt	1991	7982
Govt Non- plan expenditure	5855	22546
State Debt	15700	78239
Receipt from cashew export	1317	1636
Receipt from Marine product	817	1670

Sources: Economic review 2011

MIGRATION IN KERALA

A recent trend in the employment sector in the state is the inflow of interstate migrants' labour from other states like West Bengal, Bihar, Orissa, Chhattisgarh, Jharkhand etc..., beside from the adjacent states. Higher wages for unskilled labour in the state, large opportunities for employment and shortage of local labour, paradoxically, despite the high unemployment rate in the state, led to massive influx of migrant labour to the state. These workers are less advantaged group in the labour market working for a subsistence living. Below table shows the distribution of migrants from other state.

Table.5.5
DISTRIBUTION OF MIGRANTS - 2011

Districts	No. of Migrants
Ernakulum	55977
Idukki	53056
Thiruvnanthapuram	48575
Palakkad	47955

Kasaragod	31884
Kannur	28115
Thrissur	25358
Kozhikode	23118
Malappuram	22092
Wayanad	18710
Kollam	16797
Kottayam	16349
Pathanamthitta	13683
Aleppey	11180

Source: Compiled from census of India, 2011
Economic review, 2011

The migrant labourers get much higher monetary wages than in their native places and they work for longer hours and their real wages may be lower. They live in shanty houses/rooms in slums like localities often on a sharing basis. These workers are predominantly engaged in the construction, plywood and steel industries, their presence is noticeable in almost all employment including service sector in the state. Because of their lower levels of reservation wages and they do not have organization, union and lack of voice.

KERALA MIGRATION SURVEY 2011

Migration has been a significant factor in helping reduce poverty, unemployment and relative deprivation in Kerala. There has been steady migration from the state of Kerala to countries in the Gulf and different parts of India and the world. It is estimated that over 10% of the population of Kerala lives outside the state, in various parts of India and abroad particularly in the gulf region, US and Europe.

*Highlights of the study” Kerala migration survey2011” conducted by **Shri. K.C.Zachariah** and **Shri.S.Irudaya Rajan** - Centre for Development Studies, Thiruvananthapuram.*

EXTERNAL MIGRATION

- *It is estimated that the number of Kerala emigrants living abroad in 2011 is 2.28 million, up from 2.19 million in 2008, 1.84 million in 2003 and 1.36 million in 1998.*
- *The number of Kerala emigrants who returned and living in Kerala in 2011 is estimated to be 1.15 million. It was 1.16 million in 2008, 0.89 million in 2003 and 0.74 in 1998.*
- *Only about 18.2% of the Kerala households had an emigrant in 2011 and only 27.1% had an NRK. The vast majority of the households nearly 82% did not have an emigrant member. Nearly three- fourths had neither an emigrant nor a return emigrant.*

- *The vast majority of the emigrants from Kerala in 2011 were Muslims (about 45%), although their share in the total population was only about 26%. On the other hand, the Hindu emigrant were only 37.5% of the total, their share in total population is about 56%. However, over the years, the Hindu have improved their share, from 29.5% in 1998 to 37.5% in 2011. The gain among the Hindus was mostly at the expense of the Christians whose share shrank from 25.1 in 2003 to 17.9 by 2011.*
- *The largest number of emigrants originated from Malappuram district, a position it retained from the beginning. However, its share has shrunk somewhat from 21.8% in 1998 to 17.9% in 2011.*
- *The principal countries of destination of Kerala emigrants have remained more or less unchanged over the years, with 90% of the Kerala emigrants going to one or other of the Gulf countries. Within the Gulf region, the UAE retained its number one rank, with Saudi Arabia coming in the second position.*

INTERNAL MIGRATION

- *The number of Kerala migrants living on other states in India in 2011 is estimated to be 9.31 lakh, up from 9.14 lakh in 2008.*
- *The number of Kerala out-migrants who returned and are now living in Kerala in 2011 is estimated to be 5.11 lakh. The corresponding number was 6.86 lakh in 2008, 9.94 lakh in 2003 and 9.59 lakh in 1998.*
- *Interstate migrants numbered 1.44 million in 2011, 1.60 million in 2008, 2.11 million in 2003 and 1.65 million in 1998.*
- *The vast majority of the out-migrants from Kerala were Hindus 59.7% in 2011, the Christians were about 26.7% and Muslims were only 13.7%. Between 2008 and 2011, the share of the Hindu out-migrants declined from 61.7% to 59.7%, the share of the Christian out-migrants also declined from 30.9% to 26.7%, but the share of the Muslim out-migrants increased from 7.4% to 13.7%.*
- *Palakkad district accounted for the largest number of out-migrants from Kerala, a position it retained from the beginning. Thus the Palakkad-Malappuram corridor is the most migration-prone area in the state, with Palakkad topping in the field of out-migration and Malappuram in the case of emigration. Kottayam district comes second in the order of out-migration followed by Kannur district.*
- *Pathanamthitta district, which led all districts in 1998 in the matter of out-migration, is almost at the bottom of the list in 2011.*

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