

Unemployment in Kerala: An Analysis of Economic Causes

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Introduction

Chronic unemployment of a large portion of the active labour force has been the most serious socio-economic problem of Kerala during the last three decades. Due to the enormous increase in unemployment and its alarming nature, the unemployment issue has emerged as the foremost political issue of Kerala today. Ever since the formation of the State, demand for job reservation by different communities – forward, backward and scheduled caste and tribes – has been one of the important issues on which all elections in the State assembly were fought. Though unemployment has been the most serious socio-economic problem of Kerala, not many attempts have been made to study its causes (see Bibliography). The only exception is a study on educated unemployment which gives some explanations for the growing educated unemployment (B.A. Prakash, 1988). In this context, the main objective of this study is to examine the economic causes of the growing unemployment.

Unemployment is a complex social and economic problem which cannot be explained in a simple way. But in our analysis unemployment is viewed as a reflection of the State of labour market. A survey of contemporary theories on labour market shows that labour market distortions (arising out of labour legislations and trade union activities) or the inflexibility of the labour market (inflexible wages to the changing conditions of the market) as the major factors obstructing the smooth operation of the labour market causing unemployment (Michael Hopkins 1985). Examining the labour market, Lyn Squire has argued that removal of the distortions in the labor market is unlikely to increase labour productivity significantly in developing countries (Lyn Squire, 1981). Squire argues that analysis of factors determining the increase in labour demand and reducing labour supply are more crucial in an analysis of labour market than the factors influencing the operation of labour market.

Based on the above two approaches, we wish to investigate the causes of unemployment. Here the hypothesis is: “Labour market distortions as well as factors restraining the growth of demand for labour and the factors promoting the growth of the supply of labour determine the nature and magnitude of unemployment.”

In our analysis, educated is defined as those persons who have attained an educational level of a pass in SSLC and above. By non-educated, we mean all those who are below SSLC.

The study is presented in six sections. Section I discusses the nature and magnitude of unemployment in Kerala. Section II gives the changing demand and supply of labour. Section III contains an analysis of the factors affecting mobility of labour. Section IV examines the restrictive labour practices. Section V presents the policies affecting the labour supply and demand. And the last section gives the concluding observations.

I. Unemployment in Kerala : Nature and Magnitude

In this section we present the estimates on unemployment of the surveys conducted by National Sample Survey Organisation (N.S.S.), Department of Economics and Statistics (D.E.S.), Census Organization and the Employment Exchange Statistics of the job seekers.

1.1 N.S.S. Estimates

The N.S.S 14th Round (1958-59) on employment and unemployment was the earliest systematic survey which estimated rural and urban unemployment for the whole of Kerala since the formation of the State in 1956. The N.S.S. definition classified the activity status of individuals in the population into three namely: (1) gainfully employed if they have some gainful work, however nominal, on at least one day during the reference period, namely a week; (2) unemployed if they are without gainful work throughout the week and report themselves as seeking or available for work and (3) not in labour force (such as students, house workers, too old, too young, etc.) The estimates were made within the overall framework of N.S.S. methodology and the survey had a fairly good coverage throughout Kerala. The survey estimates that 3.6 per cent of the population in rural areas and 2.2 per cent population in urban areas were unemployed (Table 1).

Table 1
Percentage of Unemployed to total population
(NSS 14th and 16th Rounds)

N.S.S Rounds	Rural			Urban		
	Male	Female	Person	Male	Female	Person
14th Round (1958-59)	4.2	3.0	3.6	3.0	1.4	2.2
16th Round (1960-61)	3.2	3.3	3.2	3.5	1.4	2.4

Source: BES, NSS Reports Nos. 1, 4, 5 and 12

The N.S.S. 16th Round (1960-61) used the same definition to estimate unemployment. The survey estimates unemployed as 3.2 per cent of the population in rural areas and 2.4 per cent of the population in urban areas (Table 1).

In the subsequent N.S.S. Rounds namely 27th (1972-73), 32nd (1977-78) and 38th (1983), three definitions were used to measure unemployment based on usual status, current week status and current day status (Sarvekshana, Vol.9, No.4, April 1986). The population of age 5 years and above are classified into three statuses: usual status with a reference period of 365 days preceding the date of survey, current week status with a reference period of seven days preceding the date of survey and current day status with a reference period being each day of the seven days preceding the date of survey. According to the usual status, a person is classified as unemployed if he was not working but was either seeking or was available for work for relatively longer time during the reference period of 365 days. The weekly status approach classifies a person as unemployed if he has not worked for at least one hour on any day of the week but had been seeking work or had been available for work at any time during the week. The rate of unemployment according to the current week status corresponds to the unemployment measure of earlier N.S.S. surveys. The current day status rate is the ratio of unemployed days per week (seeking or available for work) to the total labour supply per week (working plus seeking plus available days).

Table 2 gives the three estimates on unemployment based on usual status, current weekly status and current day status for the three N.S.S. Rounds. Though the three measures give three

different rates of unemployment, the current day status measure is a better measure compared to others as it takes into account the fluctuations in unemployment during the week. And using the current day status measure, we can point out that the rate of unemployment prevailing in rural and urban areas in Kerala is very high. The N.S.S. 38th Round using the current day status measure has estimated that Kerala has the highest rate of unemployment for males in urban and rural areas (Appendix I).

The N.S.S. estimates presented earlier have two major drawbacks. Firstly the current week status definition mainly measures only the open unemployment. Secondly the definitions cover persons belonging to all age groups (14th and 16th Round) or persons of age five and above (subsequent rounds) and includes the non-working category of population such as children, old people, etc.

Table 2
Percentage of unemployed to total persons of age 5 years and above
(N.S.S. 27th, 32nd and 38th Rounds)

N.S.S. Rounds	Rural		Urban	
	Male	Female	Male	Female
27th Round (1972-73)				
1 Usual Status	3.13	1.32	5.90	3.59
2 Current Weekly Status	6.22	4.48	7.46	3.68
3 Current Day Status	12.84	7.28	12.53	5.37
32nd Round (1977-78)				
1 Usual Status	2.83	3.40	5.20	6.43
2 Current Weekly Status	7.48	4.13	8.52	3.10
3 Current Day Status	13.70	6.61	13.76	4.74
38th Round (1983)				
1 Usual Status	4.58	2.80	6.04	4.68
2 Current Weekly Status	8.60	4.85	8.21	4.91
3 Current Day Status	13.39	6.56	12.76	5.29

Source: Sarvekshana, Vol. IX, No. 4, April 1986

1.2 D.E.S. Estimates

B.E.S. Survey 1965-66

The Bureau of Economics and Statistics (later renamed as Department of Economics and Statistics) has conducted an employment survey and estimated unemployed as 5.47 lakh constituting 9 per cent of the labour force (Table 3). Unemployed is defined as “a person in the age group 15 to 59, without any gainful employment during the reference week and either seeking or available for work.” Compared to the earlier N.S.S. 14th and 16th Round surveys, the survey had a better coverage of 0.6 per cent of the total number of households distributed all over the State. The survey found that the intensity of unemployment among women was greater than men and unemployment among youth is chronic compared to older people. Compared to rural areas, the unemployment was found higher in urban areas. It was found that of the total unemployed nearly 65 per cent of the persons belonged to the age group of 15 and 24. A significant finding of the survey was that by 1965 educated unemployment had emerged as a serious problem accounting for about 26 per cent of the total unemployed (Table 4). The survey also gives a district wise rate of unemployment. Among the nine districts in 1965, the rate of unemployment was found highest in Trivandrum district followed by district of Trichur, Allepey, and Quilon in that order¹.

Table 3
Classification of Population by activity status
(B.E.S. Survey 1965-66)

Activity Status	No. of persons (in lakh)			Per cent		
	Male	Female	Persons	Male	Female	Persons
1 Employed	39.74	14.94	54.68	42.7	15.7	29.1
2 Unemployed	3.04	2.43	5.47	3.3	2.6	2.9
3 Labour Force (1+2)	42.78	17.37	60.15	46.0	18.3	32.0
4 Persons not in labour force	50.28	77.38	127.66	54.0	81.7	68.0
5 Total	93.06	94.75	187.81	100.0	100.0	100.0
6 Unemployed as percentage of labour force	7.10	13.98	9.09	-	-	-

Source: B.E.S., 1976, Planning for Employment in Kerala

Table4
Percentage Distribution of Unemployed by General Education
(B.E.S. Survey 1965-66)

General Education	Number of unemployed			Per cent		
	Male	Female	Persons	Male	Female	Persons
1 Illiterate	31330	66430	97760	10.3	27.3	17.8
2 Literate below Middle	131350	79810	211160	43.1	32.8	38.6
3 Middle below metric	59350	33800	93150	19.5	13.9	17.0
4 Metric	77440	60160	137600	25.4	24.7	25.1
5 Graduate	4610	1890	6500	1.5	0.7	1.1
6 Post Graduate	160	560	720	0.1	0.2	0.1
Total	304240	242650	546890	100.0	100.0	100.0

Source: Same as Table 3

D.E.S. Survey 1980

The D.E.S. Housing and Employment Survey of 1980 had estimated the employment seekers or unemployed as 14 lakh constituting 18 per cent of the labour force (Table 5). The employment seekers or unemployed are defined as those persons between the age of 15 and 60 who are not able to secure jobs even for a day during the previous year and are actively searching for a job. Among the surveys conducted so far to estimate unemployment, this survey has the merit of the largest coverage as it covered the entire households of Kerala except a few hilly pockets and the like. The survey found that the rate of unemployment was higher in urban areas than in rural areas. A district wise distribution of unemployed shows that the four districts namely Trivandrum, Quilon, Alleppey and Ernakulam accounted for 51 per cent of the unemployed.

Table 5
District wise Distribution of Employment Seekers
(D.E.S. Survey 1980)

District	Urban	Rural	Total			
	Employment seekers (Number in thousand)	Employment seekers as percentage of labour force	Employment seekers (Number in thousand)	Employment seekers as percentage of labour force	Employment seekers (Number in thousand)	Employment seekers as percentage of labour force
Trivandrum	57.63	25.3	147.34	23.3	204.97	23.9
Quilon	14.38	30.3	225.75	25.7	240.13	26.2
Alleppey	32.42	30.0	116.82	17.1	149.24	18.9
Kottayam	8.58	20.6	93.06	21.4	101.64	21.5
Idukki	1.08	9.9	34.83	9.8	35.91	9.9
Ernakulam	39.90	21.6	125.48	21.3	165.38	21.4
Trichur	10.07	17.0	103.61	15.9	113.68	16.1
Palghat	8.77	17.6	89.76	12.7	98.53	13.1
Malappuram	5.78	15.3	56.80	10.6	62.58	11.0
Kozhikode	30.52	16.6	98.26	18.5	128.78	18.0
Cannanore	4.92	11.6	95.69	11.5	100.61	11.5
Kerala	214.07	21.5	1187.41	17.4	1401.48	18.0

Source: D.E.S., 1982, Survey on Housing and Employment, 1980

D.E.S. Survey 1987

In the D.E.S. Survey 1987, the term employment seekers or unemployed include two categories of unemployed namely chronically unemployed and underemployed persons.

Chronically unemployed or open unemployed is defined as those who had not worked a single day during the reference year and are available and seeking employment. The underemployed is defined as those who worked for at least one day during the year, but had not worked for the major part of the year (less than 183 days) and are available and seeking for more days of work. Here unemployed includes persons belonging to all age groups of the population.

The survey estimates the open unemployed as 27.81 lakh accounting for 25.8 per cent of the labour force (Table 6). Compared to men, the rate of unemployment was found very high among women. The open unemployed as percentage of women labour force is estimated as 49 per cent. Open unemployed is found higher in urban areas compared to rural areas.

Table 6
Distribution of Labour force by activity status to total population
(D.E.S. Survey 1987)

Category	Rural (in thousand)			Urban (in thousand)			Total (in thousand)		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
1. Employed	4472	1153	5625	658	161	819	5130	1314	6444
2. Underemployed	813	534	1347	134	47	181	947	581	1528
3. Open unemployed	1116	1168	2284	202	295	497	1318	1463	2781
4. Total unemployed or employment seekers (2+3)	1929	1702	3631	336	342	678	2265	2044	4309
5. Total labour force	6401	2855	9256	994	503	1497	7395	3358	10753
6. Underemployed as percentage of labour force	12.7	18.7	14.5	13.4	9.3	12.1	12.8	17.3	14.2
7. Open unemployed as percentage of labour force	17.4	40.9	24.7	20.3	58.6	33.2	17.8	48.9	25.8
8. Total unemployed as percentage of labour force	30.1	59.6	39.2	33.8	68.0	45.3	30.6	60.9	40.1

Source: D.E.S., 1988, Report of the Survey on Unemployment in Kerala, 1987

The survey estimates that 15.28 lakh persons are underemployed constituting 14 per cent of the labour force (Table 6). As in the case of open unemployment, the rate of underemployment was found high for women as compared to men. It is also found that the rate of underemployment in rural areas is higher than urban areas. Another significant finding of the survey is that the educated unemployed accounts for 29 per cent of the total unemployed (Table 7). The rate of unemployment is found the highest in the case of SSLC holders. The incidence of unemployment is found high in the case of non-educated persons comprising all those who are below SSLC.

The survey also found that 52 per cent of the technical certificate holders and 22 per cent of the technical diploma holders and 12 per cent of the technical degree holders are unemployed.

Table 7
Distribution of unemployed by educational level
(D.E.S. Survey 1987)

Educational level	Labour force		Unemployed		Unemployed as percentage of labour force
	Number ('000)	Percent	Number ('000)	Per cent	
1 Illiterate	1191	11.1	385	8.9	32.3
2 Literate without formal education	668	6.2	195	4.5	29.2
3 Primary	2924	27.2	870	20.2	29.7
4 Above primary but below SSLC	3507	32.6	1600	37.1	45.6
5 SSLC	1947	18.1	1062	24.7	54.5
6 Graduate	444	4.1	176	4.1	39.6
7 Post graduate and above	72	0.7	20	0.5	27.8
8 Total	10753	(100.0)	4308	(100.0)	40.0

Source: Same as Table 6

The survey result suggests that unemployment in Kerala is mainly a problem of the youth. Nearly 75 per cent of the unemployed belong to the age group of 15 and 29. The survey also collected information about the waiting period of unemployment. It was found that 21 per cent of the unemployed had a waiting period of more than 5 years. In the case of another 41 per cent, the waiting period ranges between two to five years. This long waiting period indicates the chronic and severe nature of unemployment that exists today.

The D.E.S. estimates presented above have certain drawbacks. The main drawback of the survey in 1965-66 and 1980 is the definition used to measure unemployment as it covers only open unemployment. On the other hand, the definition in 1987 Survey measures open as well as under employment. But its main defect is the inclusion of persons coming under all age groups as unemployed. The estimates are also not comparable due to the lack of uniformity in definition.

1.3 Census Estimates

The Census estimates on the workers and non workers based on a 20 per cent sample of the household is a reliable estimate we have about the activity status of the population. The estimate provides information about the unemployed who are categorized as a category of non-workers. Here we present the census estimates on unemployed of 1961 and 1981 census.

In 1961 Census, persons seeking employment for the first time and persons employed before but were out of employment and were seeking work during the reference period, who came under the category of non-workers are termed as unemployed [Census of India, 1961, Vol.7, Kerala, Part II B (i)]. As all the marginal workers including those who put in regular work of more than one hour a day were treated as workers, the unemployed mainly denote open unemployment.

In 1981 Census, unemployed is defined as those other non-workers who are not included in the other six categories of non-workers, but those termed as looking for work [Census of India 1981, Series 10, Kerala, Part III A&B (iii)]. Here the non-workers are those who have not worked at any time at all in the year preceding the enumeration period. Hence unemployed denotes open unemployment as in the case of 1961 Census. The main drawback of the estimate is that it covers only open unemployment and excludes all categories of underemployed.

Table 8 gives the estimates of urban and rural unemployment of 1961 and 1981 Censuses. The table shows that the rate of unemployment had registered a very steep increase both in urban and rural areas during the 20 year period. The estimates also show that the incidence of unemployment among women is higher compared to men and higher in urban areas compared to rural areas.

Table 8
Distribution of Labour Force by activity Status (in thousand)
(1961 and 1981 Census)

Activity	Rural			Urban			Total			
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons	
1961 Census										
1	Employed	3357	1518	4875	590	165	755	3947	1683	5630
2	Unemployed	101	26	127	36	9	45	137	35	172
3	Total Labour force	3458	1544	5002	626	174	800	4084	1718	5802
4	Unemployed as percentage of labour force	2.9	1.7	2.5	5.7	5.2	5.6	3.4	2.0	3.0
1981 Census										
1	Employed	4599	1864	6463	1025	283	1308	5624	2147	7771
2	Unemployed	601	303	904	200	107	307	801	410	1211
3	Total Labour force	5200	2167	7367	1225	390	1615	6425	2557	8982
4	Unemployed as percentage of labour force	11.6	14.0	12.3	16.3	27.4	19.0	12.5	16.0	13.5

Source: 1. Census of India 1961, Vol.7, Kerala Part II B (i) and Part II B (ii)

2. Census of India 1981, Series 10, Kerala, Part III A&B (i) and Part III A&B (iii)

Between 1961 and 1981, the number of unemployed persons had increased by 602 per cent (Table 9). A significant development was the higher rate of growth of female unemployed compared to male. The Census estimates also suggest that the unemployment of Kerala is mainly a problem of youth belonging to the age group of 15 and 34. Nearly 87 per cent of the unemployed belong to the age group of 15 and 34 in 1961 and 1981.

Table 9
Number of Unemployed Persons
(in thousand)

Age group	1961 Census			1981 Census			Growth rate (%)		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
0-14	5.0 (3.6)	0.9 (2.6)	5.9 (3.4)	54.5 (6.8)	30.4 (7.4)	84.9 (7.0)	990.0	3277.8	1339.0
15-34	115.8 (84.3)	33.6 (95.4)	149.4 (86.6)	692.9 (86.5)	368.8 (89.9)	1061.7 (87.7)	498.4	997.6	610.6
35-59	15.3 (11.1)	0.8 (2.0)	16.1 (9.3)	47.1 (5.9)	9.6 (2.3)	56.7 (4.7)	207.8	1100.0	252.2
60+	1.1 (1.0)	-	1.1 (0.7)	6.0 (0.8)	1.4 (0.3)	7.4 (0.6)	445.5	-	572.7
Age not specified	-	-	-	-	0.2 (0.1)	0.2	-	-	-
Total	137.3 (100.0)	35.2 (100.0)	172.5 (100.0)	800.6 (100.0)	410.4 (100.0)	1211.0 (100.0)	483.1	1065.9	602.0

Source: Same as Table 8 Figures in parenthesis are percentages.

1.4 Employment Exchange Statistics

The Employment Exchange data on the job seekers in the live register will give us an idea about the growing number of job seekers, especially the educated category of job seekers. Though we cannot consider the job seekers in the live register of the employment exchanges as unemployed

persons, the growth in their number will give an idea about the growing magnitude of unemployment. The total job seekers in the general category had increased from 1.51 lakh in 1960 to 29.51 lakh in 1987, denoting an increase of 19 times (Table 10). Of the total job seekers, 55 per cent are having an educational level of SSLC and above. An examination of the job seekers shows that the SSLC holders constitute the largest share of educated job seekers followed by pre-degree holders, graduates and post graduates. Between 1960 and 1987, the highest rate of growth was for pre-degree holders followed by graduates and post graduates.

Table 10
Number of General Education Category Work Seekers (Live Register)

Period	Total work seekers	SSLC	Pre- degree	Graduates	Post- graduates	SSLC & above	SSLC & above as % of work seekers
30.12.1960	151469 (100)	62930 (100)	1568 (100)	3489 (100)	NA	74287 (100)	49.0
31.12.1966	157156 (104)	79261 (115)	2923 (186)	3581 (103)	445 (100)	86210 (116)	54.9
31.12.1970	293754 (194)	151279 (219)	7469 (476)	17707 (508)	1994 (448)	178450 (240)	60.8
31.12.1975	691242 (456)	281989 (407)	28329 (1807)	44456 (1274)	4840 (1088)	359614 (484)	52.0
31.12.1980	1579164 (1043)	658652 (951)	79310 (5058)	67841 (1944)	8220 (1847)	814023 (1096)	51.6
31.12.1985	2574074 (1699)	1116495 (1613)	148464 (9468)	90329 (2589)	10062 (2261)	1365350 (1838)	53.0
31.12.1987	2951897 (1949)	1408007 (2034)	156522 (9982)	106567 (3054)	12210 (2744)	1683306 (2266)	57.0

Figures in parenthesis are Indices

Source: B.E.S. 1966, Fact Book on Manpower; B.E.S. 1977 Fact Book on Manpower, Kerala 1976; SPB 1987, Economic Review 1987.

Besides the general category, another 82,323 professional and technical category job seekers are also there in the live register as on December 1987 (Table 11). Among them the ITI holders constitute the largest category followed by diploma holders in engineering, engineering graduates and medical graduates. There has been a steady growth in all categories of work seekers except veterinary graduates between 1970 and 1987. The category of job seekers which registered the highest growth rate are ITI certificate holders, followed by medical graduates and diploma holders in engineering. This trend in growth rate gives a rough indication about the growing magnitude of unemployment of professional and technical job seekers.

Table 11
Number of Professional and Technical Work seekers (Live Register)

Period	Medical graduates	Engineering graduates	Diploma holders in Engineering	I.T.I. certificate holders	Agricultural graduates	Veterinary graduates	Total
31.12.1970	281 (100)	1852 (100)	3547 (100)	8380 (100)	133 (100)	70 (100)	14263 (100)
31.12.1975	809 (288)	1850 (100)	3990 (113)	20113 (240)	32 (24)	117 (167)	26911 (189)
31.12.1980	871 (310)	1505 (81)	6833 (193)	29973 (358)	106 (80)	17 (24)	39305 (276)
31.12.1985	1143 (407)	2917 (158)	11257 (317)	53237 (635)	149 (112)	25 (36)	68728 (432)
31.12.1987	1532 (545)	4443 (240)	15764 (444)	60262 (719)	297 (223)	25 (36)	82323 (577)

Figures in parenthesis are indices

Source: Same as Table 10

We can conclude the section with the following observations. Except the N.S.S. 27th, 32nd and 38th Rounds and Census estimates, the other estimates on unemployment are not comparable either due to non-uniformity of the definitions used to define unemployed or the non-uniformity of the age groups of the unemployed. However, the broad changes in the nature and magnitude of unemployment can be summarized as follows. Kerala's unemployment both open unemployment and under employment has been growing rapidly and reached at an alarming level by 1980s. There has

been a steady growth in the rate of unemployment among educated and non-educated. The unemployment has been increasing at a higher rate among educated compared to non-educated. Among educated unemployed, the incidence of unemployment has been increasing at a higher rate among women compared to men. Likewise unemployment has been increasing at a higher rate in urban areas compared to rural areas. Kerala's unemployment is mainly youth unemployment as young people in the age group 15 and 34 constitute nearly 88 per cent of the unemployed.

II. Changing Demand and Supply of Labour

This section examines the broad changes in the demand and supply of labour between 1961 and 1981 based on Census data. In labour market studies, labour demand is measured as persons employed plus the job vacancies and labour supply as persons employed plus unemployed. But due to the non-availability of data, labour demand is measured as persons employed and labour supply as persons employed plus unemployed.

2.1 Trend in Economic Growth

As the demand for labour is largely determined by the nature and pattern of economic development, we attempt a brief review of economic development of Kerala. Based on the D.E.S. data, we have worked out the annual average growth rate of Kerala for a period of 24 years² (Table 12). The table suggests that the basic developmental issue of Kerala had been the low and declining growth rate. Among the three sectors, the growth rate of primary sector is stagnating since the 1970s. The secondary sector shows a declining trend in the 1970s followed by a negative growth in the first half of the 1980s. And the only sector which achieved a steady growth during the entire period is tertiary sector. Due to the low growth rate, the growth of per capita income was only marginal during the period³.

The most disturbing development had been the stagnation of agriculture since the mid 1970s. Kerala's agricultural growth during the post formation period can be classified into two phases: the first phase upto 1974-75 with an overall increase in the rate of growth in area, production and productivity of major crops; and the second phase since the mid 1970s with stagnation in area, production and productivity of major crops. Except a few crops, area under cultivation of all the major crops like rice, areca nut, coconut and tapioca had declined. The stagnation of agriculture in a food deficit Kerala has further increased the import of food grains and other agricultural products from other parts of the country. Nearly 66 per cent of the total food grain requirement of the State is met

through the import through State agencies⁴. This excludes the import of food grains through private traders.

Table 12
Growth Rate of Net State Domestic Product of Kerala

	Industry of origin	Annual average* growth rate from 1960-61 to 1970-71 at 1960-61 prices	Annual average* growth rate from 1970-71 to 1980-81 at 1970-71 prices	Annual average* growth rate from 1980-81 to 1984-85 at 1970-71 prices
1	Agriculture	2.6	0.3	1.3
2	Forestry and logging	9.3	0.1	-14.9
3	Fishing	5.2	-0.1	1.8
4	Mining and quarrying	-1.9	8.2	1.9
5	Sub total Primary	2.8	0.2	1.0
6	Manufacturing registered	8.8	5.6	-0.7
7	Manufacturing unregistered	0.6	1.9	-0.3
8	Construction	3.8	7.2	-4.4
9	Electricity, gas and water supply	8.9	11.3	5.4
10	Sub total Secondary	5.1	4.8	-0.8
11	Railway	5.7	3.7	4.4
12	Transport by other means and storage	6.6	5.4	9.1
13	Communication	12.9	8.3	8.8
14	Trade, hotels and restaurants	5.5	1.3	1.0
15	Banking and insurance	6.9	9.9	5.5
16	Real eState, ownership of dwelling, etc.	2.7	2.7	3.7
17	Administration	9.8	11.0	8.3
18	Other services	2.4	2.1	1.9
19	Sub total tertiary	5.0	3.7	4.2
20	Net domestic product	3.8	2.3	1.9

*Average of the annual growth rates

Source: B.E.S., 1977, Statistics for Planning 1977, p.73 and D.E.S., State Income and Related aggregate of Kerala 1983-84 and 1985-86

Kerala also was not able to achieve an impressive industrial growth. Among the registered and unregistered industries, a moderate growth was achieved only in registered industries (Table 12). Except the decade 1970s, the unregistered industries remained stagnant between 1960 and 1985. The industrial sector is still dominated by labour intensive traditional industries like coir, cashew, beedi, handicrafts and handloom accounting for major share of industrial employment.

We may also examine the sectoral changes that had taken place based on the changing sectoral composition of State income (Table 13). The changes in the sectoral income for a period of 24 years suggest a declining primary sector, a somewhat stagnant secondary sector and a growing tertiary sector. Here the stagnation of secondary sector can be identified as a major factor restraining the development process.

Table 13
Net State Domestic Product of Kerala (sectoral share)

Industry of origin	Sectoral share (per cent) at 1960-61 prices		Sectoral share (per cent) at 1970-71 prices		
	1960-61	1970-71	1970-71	1980-81	1984-85
1 Agriculture	53.4	47.7	46.4	38.1	36.9
2 Forestry and logging	1.1	1.7	0.9	0.7	0.2
3 Fishing	1.1	1.0	2.0	1.4	1.4
4 Mining and quarrying	0.4	0.1	0.1	0.1	0.1
5 Subtotal Primary	56.0	50.5	49.4	40.3	38.6
6 Manufacturing registered	6.2	9.6	5.6	7.5	6.7
7 Manufacturing unregistered	6.2	4.6	6.9	6.5	5.9
8 Construction	2.3	2.1	2.9	4.4	3.4
9 Electricity, gas and water supply	0.5	0.8	0.9	2.2	2.4
10 Subtotal Secondary	15.2	17.1	16.3	20.6	18.5
11 Railway	0.7	0.8	0.5	0.6	0.6
12 Transport by other means and	2.6	3.3	3.7	4.9	6.5

	storage					
13	Communication	0.4	0.8	0.7	1.2	1.5
14	Trade, hotels and restaurants	9.7	11.3	13.0	11.7	11.3
15	Banking and insurance	0.9	1.3	1.3	2.5	2.9
16	Real eState, ownership of dwelling, etc.	2.7	2.4	1.9	2.0	2.1
17	Administration	2.6	4.4	3.0	6.3	7.9
18	Other services	9.2	8.1	10.3	10.0	10.0
19	Subtotal tertiary	28.8	32.4	34.2	39.2	42.9
20	Net domestic product of factor cost	100.0	100.0	100.0	100.0	100.0

Source: Same as Table 12

2.2 Changing Demand for Labour

We can get a broad picture about the changing demand for labour from the Census estimates of workers. As the Census definition of worker in 1961 and 1981 Census are comparable, we use the data to indicate the changing demand for labour. In comparing the workers, we have to point out an error in the industrial classification in 1961 Census. In 1961 Census, about 7.71 lakh workers whose activities are classified as unspecified and not adequately described were included as workers in other services (Census of India 1961, Vol.7, Kerala, Part III B (i) p.133). To get a comparable figure, we have to reclassify the workers by deducting it from other services and adding it to agricultural labourers. And the reclassified industrial classification of workers for 1961 and 1981 is shown in Table 14. The table shows that among the three sectors, the share of workers had declined in primary sector, remained constant in secondary sector and increased in tertiary sector.

Table 14

Industrial Classification of Workers in Kerala (in thousand) (1961 and 1981 Censuses)

	Industrial Category	1961 Census			1981 Census (main and marginal)		
		Male	Female	Persons	Male	Female	Persons
	Total workers	3947	1683	5630	5624	2147	7771

		(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
1	Cultivators	904	274	1178	901	162	1063
		(22.9)	(16.3)	(20.9)	(16.0)	(7.5)	(13.7)
2	Agricultural labourers including activities unspecified	1089	664	1753	1372	926	2298
		(27.5)	(39.5)	(31.2)	(24.4)	(43.1)	(29.5)
3	Livestock, forestry, fishing, mining, etc.	398	89	487	645	130	774
		(10.1)	(5.3)	(8.6)	(11.5)	(6.1)	(10.0)
4	Total Primary	2391	1027	3418	2918	1218	4135
		(60.5)	(61.0)	(60.7)	(51.9)	(56.7)	(53.2)
5	Household industry	189	300	489	135	179	314
		(4.8)	(17.8)	(8.7)	(2.4)	(8.3)	(4.0)
6	Other than household industry	393	136	529	665	307	972
		(10.0)	(8.1)	(9.4)	(11.8)	(14.3)	(12.5)
7	Construction	68	3	71	207	17	224
		(1.7)	(0.2)	(1.3)	(3.7)	(0.8)	(2.9)
8	Total Secondary	650	439	1089	1007	503	1510
		(16.5)	(26.1)	(19.4)	(17.9)	(23.4)	(19.4)
9	Trade and Commerce	298	24	322	731	62	793
		(7.5)	(1.4)	(5.7)	(13.0)	(2.9)	(10.2)
10	Transport, storage and communication	145	8	153	345	32	377
		(3.7)	(0.5)	(2.7)	(6.1)	(1.5)	(4.9)
11	Other services	463	185	648	623	332	955
		(11.8)	(11.0)	(11.5)	(11.1)	(15.5)	(12.3)
12	Total tertiary	906	217	1123	1699	426	2125
		(23.0)	(12.9)	(20.0)	(30.2)	(19.9)	(27.4)

Source: Census of India, 1961, Vol.7, Kerala Part II B(i) and

Census of India, 1981, Series 10, Kerala, Part III A&B (i)

In urban areas there had been a fall in cultivators, agricultural labourers and household industry workers (Table 15). On the other hand, the categories of activities which showed an increase in workers are construction, trade and commerce, transport, storage and communication.

The trend in overall growth combining urban and rural areas suggest a higher rate of growth of tertiary sector workers compared to other sectors (Table 15).

Table 15
Growth Rate of Workers between 1961 and 1981 (percent)

Industrial Category	Rural			Urban			Total		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
1 Cultivators	-8.6	-40.9	-9.9	7.4	-40.0	-5.4	-0.3	-40.9	-9.8
2 Agricultural labourers including activities unspecified	30.7	39.5	34.1	-21.2	35.3	-6.8	26.0	39.5	31.1
3 Livestock, forestry, fishing, mining, etc.	58.3	43.7	55.4	92.7	200.0	97.7	62.1	46.1	59.1
4 Total primary	22.7	18.3	21.4	18.7	26.7	14.1	22.0	18.6	21.0
5 Household industry	-34.3	-41.5	-38.8	20.0	-28.6	-8.3	-28.6	-40.3	-35.8
6 Other than household industry	57.7	123.0	76.4	98.2	125.0	102.9	69.2	125.7	83.7
7 Construction	169.1	450.0	178.9	361.5	400.0	364.3	204.4	466.7	215.5
8 Total secondary	39.3	9.0	26.1	110.3	53.8	95.4	54.9	14.6	38.7
9 Trade and Commerce	146.3	156.3	147.1	143.0	162.5	144.6	145.3	158.3	146.3
10 Transport, storage and communication	142.7	283.3	151.6	130.4	350.0	137.9	137.9	300.0	146.4
11 Other services	33.2	70.1	43.4	39.1	98.3	57.8	34.6	79.5	47.4
12 Total tertiary	85.7	87.9	86.1	92.4	116.2	97.1	87.5	96.3	89.2
Total workers	37.0	22.8	32.6	73.7	71.5	73.2	42.5	27.6	38.0

Source: Same as Table 14

We may also examine the educational level of the workers in order to get an idea about the changing demand of educated labour force. The educated workers defined as those with matriculation and above constituted 4.8 per cent of the total workers in 1961 (Table 16). By 1981 it had increased to 13.1 per cent. Between 1961 and 1981, the growth in the share of educated workers in primary and household industry was very small. This indicates the low preference of the educated people for primary occupation and household industries. But there had been a growth in the share of commerce, transport, storage and communication and other services. This suggests that the educated labour force has a higher preference for tertiary sector occupation compared to primary and secondary sector occupation.

Table 16
Industrial Classification of workers by educational level – Kerala (per cent)

Industrial Classification		1961 Census				1981 Census (Main and Marginal)			
		Illiterate	Below SSLC	Matriculation and above	Total workers	Illiterate	Below SSLC	Matriculation and above	Total workers
Primary	Male	37.4	6.6	2.0	100.0	22.1	72.4	5.5	100.0
	Female	74.1	25.7	0.2	100.0	49.9	48.4	1.7	100.0
	Persons	48.8	49.7	1.5	100.0	30.3	65.3	4.4	100.0
Household Industry	Male	31.9	67.5	0.6	100.0	16.3	78.8	4.9	100.0
	Female	65.9	34.0	0.1	100.0	31.3	66.6	2.1	100.0
	Persons	52.3	47.4	0.3	100.0	24.8	71.9	3.3	100.0
Other than household industry	Male	18.1	78.0	3.9	100.0	6.7	78.3	15.0	100.0
	Female	63.1	36.5	0.4	100.0	30.1	65.8	4.1	100.0
	Persons	29.7	67.3	3.0	100.0	14.0	74.4	11.6	100.0
Construction	Male	22.9	69.0	8.1	100.0	9.3	80.0	10.7	100.0
	Female	73.6	19.4	7.0	100.0	36.0	53.8	10.2	100.0
	Persons	29.7	66.9	8.0	100.0	11.3	78.1	10.6	100.0
Trade & Commerce	Male	17.9	74.4	7.7	100.0	8.3	73.0	18.7	100.0
	Female	75.2	23.0	1.7	100.0	35.5	42.0	21.9	100.0
	Persons	22.1	70.7	7.2	100.0	10.4	70.6	19.0	100.0
Transport, storage	Male	27.7	62.9	9.4	100.0	9.6	72.4	18.0	100.0

and communication	Female	65.4	23.1	11.4	100.0	32.3	43.8	23.9	100.0
	Persons	29.6	60.9	9.5	100.0	11.6	70.0	18.4	100.0
Other service	Male	32.9	55.1	11.9	100.0	-	-	-	-
including activities	Female	63.5	24.7	11.8	100.0	-	-	-	-
unspecified	Persons	41.3	46.8	11.9	100.0	-	-	-	-
Other services	Male	-	-	-	-	6.8	46.7	46.5	100.0
	Female	-	-	-	-	17.4	28.8	53.8	100.0
	Persons	-	-	-	-	10.5	40.5	49.0	100.0
Total workers	Male	32.0	12.5	5.5	100.0	15.4	70.8	13.8	100.0
	Female	63.5	24.7	11.8	100.0	39.7	49.1	11.2	100.0
	Persons	43.1	52.1	4.8	100.0	22.1	64.8	13.1	100.0

Source: Same as Table 142.3

Changing Supply of Labour

Population growth, changing age structure, changing educational levels and changing composition of non-working population are some of the major factors determining the supply of labour.

Kerala is one of the most densely populated parts of the world. Kerala's population had been growing at an annual average rate of more than 2 per cent between 1951 and 1981 (Table 17). But during the 1970s, the rate of growth had declined to 1.9 per cent. This small decline in the growth of population can be attributed to the fall in the birth rate of population.

Table 17
Population Growth of Kerala : 1900-1981

Census Year	Population in lakh			Decadal percentage of increase of population			Density of population per sq. km.	Percentage of urban population
	Male	Female	Persons	Male	Female	Persons		
1901	31.91	32.05	63.96	-	-	-	165	7.11
1911	35.60	35.88	71.48	11.6	12.0	11.8	184	7.34
1921	38.79	39.23	78.02	9.0	9.3	9.2	201	8.29
1931	47.03	48.04	95.07	21.3	22.5	21.9	245	9.12
1941	54.44	55.88	110.32	15.8	16.3	16.0	284	10.23
1951	66.82	68.67	135.49	22.7	22.9	22.8	349	11.74
1961	83.62	85.42	169.94	25.2	24.4	24.8	435	15.11
1971	105.88	107.59	213.47	26.6	26.0	26.3	549	16.24
1981	125.28	129.26	254.54	18.3	20.2	19.2	655	18.74

Source: Census of India, 1981, series 10, Kerala, paper 3 of 1981 final population tables

A significant achievement of Kerala during the post-independence period is the attainment of a reduction in birth rate, death rate, infant mortality rate and increase in life expectancy of the population (Table 18).

Table 18
Population Indicators

	Indicators	Year	Male	Female	Persons
1	Birth rate (per 1000 population)	1951-60	-	-	38.9
		1985	-	-	22.9
2	Death rate (per 1000 population)	1951-60	-	-	16.9
		1985	-	-	6.4
3	Infant mortality rate (per 1000 live birth)	1951-60	-	-	120
		1985	-	-	33
4	Life expectancy at birth	1951-60	46.17	50.00	-
		1981-83	66.02	71.78	-
5	Literacy rate (per cent)	1951	49.79	31.41	40.47
		1961	54.97	38.90	56.85
		1971	66.62	54.31	60.42
		1981	75.26	65.73	70.42

Source: B.E.S., 1977, Statistics for Planning and D.E.S., 1986, Statistics for Planning 1986 and SPB, Economic Review, 1987.

An age wise distribution of the population shows that the young population who are in the active job seeking age group of 15 and 34 registered the highest increase between 1961 and 1981 (Table 19). The share of the population in the age group also registered a steep increase during the period. The rapid growth in the young population is the basic reason for the excess supply of labour.

Table 19**Population Growth of Kerala between 1961 and 1981 (Population in thousand)**

Age wise	1961 Census			1981 Census			Growth rate from 1961 to 1981 (percent)		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
0-14	3647.06	3558.31	7205.37	4501.91	4398.85	8900.76	23.4	23.6	23.5
	43.6	41.7	42.6	35.9	34.0	35.0			
15-34	2495.03	2736.45	5231.48	4493.87	4804.41	9298.28	80.1	75.6	77.7
	29.8	32.0	30.9	35.9	37.2	36.5			
35-59	1745.60	1730.83	3476.43	2634.54	2707.89	5342.43	50.9	56.5	53.7
	20.9	20.3	20.6	21.0	20.9	21.0			
60+	472.14	514.24	986.38	896.27	1013.52	1909.79	89.8	97.1	93.6
	5.6	6.0	5.8	7.2	7.8	7.5			
Age not specified	2.10	1.95	4.05	1.17	1.25	2.42	-44.3	-35.7	-48.2
	0.00	0.00	0.00	0.00	0.00	0.00			
Total	8361.93	8541.79	16903.72	12527.77	12925.91	25453.68	49.8	51.3	50.6
	100.0	100.0	100.0	100.0	100.0	100.0			

Source: Same as Table 14

Kerala was also able to achieve a higher rate of literacy and educational levels of the population compared to other States in India. The educational development has provided basic educational facilities within easy access to the students throughout the State irrespective of urban, rural differences.

As a result of educational development, the educational levels of the population underwent considerable change between 1961 and 1981 (Table 20). The qualitative change of the population that had occurred may be summarized as follows. Firstly, the share of illiterate and literate population without educational level had registered a decline. Secondly the share of population having an educational level below SSLC had increased steadily for male and female for all age groups. Thirdly, the most significant development was the increase in the educated population having an educational level of SSLC and above from 3 per cent to 10 per cent. In the case of young population

who are in the employment seeking age group of 15 and 34, the percentage of educated population had increased from 7.6 per cent in 1961 to 21 in 1981.

The change in educational levels of the population had considerably altered the structure of labour force. The educated youth who are joining the labour force as active job seekers began to look for regular, remunerative and socially superior jobs other than primary occupations. The educational development also expanded the size of the labour force by bringing more educated female persons as active job seekers.

Table 20
Age, Sex and Level of Education of Population of Kerala: Percentage
(1961 and 1981 Census)

Age Group	Total Population			Illiterate			Literate (without educational level)			Below SSLC			SSLC and above		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
1961 Census															
0-14	100.0	100.0	100.0	64.9	68.2	66.6	24.3	22.8	23.8	10.3	8.9	9.6	0.02	0.01	0.01
15-34	100.0	100.0	100.0	23.5	44.0	34.2	43.9	35.2	39.3	22.3	15.7	18.9	10.3	5.1	7.6
35-59	100.0	100.0	100.0	33.6	66.7	50.1	50.0	26.5	38.3	12.0	5.9	9.0	4.4	0.9	2.6
60+	100.0	100.0	100.0	47.3	84.0	66.4	44.7	14.5	29.0	5.5	1.4	3.4	2.5	0.1	1.3
Age not started	100.0	100.0	100.0	45.1	66.3	55.3	39.4	24.6	32.3	10.4	7.0	8.8	5.1	2.2	3.7
Total	100.0	100.0	100.0	45.0	61.1	53.2	36.9	27.3	31.9	14.0	10.0	12.0	4.1	1.8	3.0
1981 Census															
0-14	100.0	100.0	100.0	43.7	44.0	43.9	26.1	25.4	25.7	30.1	30.5	30.3	0.1	0.1	0.1
15-34	100.0	100.0	100.0	7.2	14.3	10.8	8.3	8.8	8.6	62.3	57.1	59.6	22.3	19.8	21.0
35-59	100.0	100.0	100.0	19.2	41.6	30.5	29.2	25.1	27.1	38.0	26.8	32.3	13.7	6.6	10.1
60+	100.0	100.0	100.0	33.9	67.2	51.6	33.9	19.8	26.4	26.3	11.8	18.6	5.9	1.2	3.4
Age not started	100.0	100.0	100.0	30.1	28.3	29.2	43.6	27.5	35.2	27.6	17.0	22.1	7.7	27.6	18.0
Total	100.0	100.0	100.0	24.7	34.3	29.6	20.9	18.7	19.8	43.0	38.1	40.6	11.3	8.9	10.1

Source: Census of India 1961, Vol.7, Kerala Part II C, Cultural and Migration tables and Census of India 1981, Series 10, Kerala Part

IV A, Social and Cultural tables

The changing composition of the non-working force is another factor which affects the labour supply and labour participation in economic activity. The share of non-workers to total population has registered a rise between 1961 and 1981 (Table 21). An age wise distribution of the non-workers shows that the persons in age group 15 and 34 witnessed the highest increase.

Table 21
Age wise Distribution of Population into workers and non - Workers

Age group	Number of workers (in thousand)			Non-workers (in thousand)		
	Male	Female	Persons	Male	Female	Persons
1961 Census						
0-14	80.00	68.97	148.97	3567.06	3489.33	7056.39
	(2.1)	(1.9)	(2.0)	(97.9)	(98.1)	(98.0)
15-34	1908.25	892.38	2800.63	586.78	1844.07	2430.85
	(76.5)	(32.6)	(53.5)	(23.5)	(67.4)	(46.5)
35-59	1647.58	645.45	2293.03	98.02	1085.38	1183.40
	(94.4)	(37.3)	(66.0)	(5.6)	(62.7)	(44.0)
60+	309.92	75.90	385.82	162.22	438.34	600.56
	(65.6)	(14.8)	(39.1)	(34.4)	(85.2)	(60.9)
Age not specified	1.29	0.59	1.88	0.81	1.36	2.17
	(61.4)	(30.3)	(46.4)	(38.6)	(69.7)	(53.6)
Total	3947.04	1683.29	5630.33	4414.89	6858.49	11273.38
	(47.2)	(19.7)	(33.3)	(52.8)	(80.3)	(66.7)
1981 Census						
0-14	47.83	45.02	92.85	4454.08	4353.82	8807.90
	(1.1)	(1.0)	(1.0)	(98.9)	(99.0)	(99.0)
15-34	2742.23	1136.90	3879.13	1751.64	3667.51	5419.15
	(61.0)	(23.7)	(41.7)	(39.0)	(76.3)	(58.3)
35-59	2393.49	863.79	3257.25	241.05	1844.13	2085.18
	(90.9)	(31.9)	(61.0)	(9.1)	(68.1)	(39.0)
60+	440.05	101.12	541.47	456.22	913.10	1368.32

	(49.1)	(10.0)	(28.4)	(50.9)	(90.0)	(71.6)
Age not specified	0.31	0.20	0.51	0.86	1.05	1.91
	(26.6)	(15.9)	(21.1)	(73.4)	(84.1)	(78.9)
Total	5623.92	2147.30	7771.22	6903.85	10778.61	17682.46
	(44.9)	(16.6)	(30.5)	(55.1)	(83.4)	(69.5)

Figures in parentheses are percentage to total population

Source: Census of India 1981, Series 10, Kerala, Part III A&B (i) and Census of India 1961, Vol.7, Kerala, Part II B (i)

In order to identify the category of non-workers which registered a steep rise, we have attempted a category wise distribution of the non-workers in Table 22. Among the four categories of non-workers, the two categories which registered a substantial increase in their share during the 20 year period are full time students and the unemployed. The percentage of full time students had increased from 20 per cent in 1961 to 25.8 per cent in 1981 (Table 22). The percentage of unemployed had increased from 1 per cent to 4.8 per cent. Thus the growth in the share of non-working population during the 20 year period can be attributed to the increase in the share of full time students and unemployed.

Table 22
Distribution of Non Workers by activity, age and sex
(Percentage to total population)

Age wise	Full time student			Household duties			Dependents, infants, retired rentiers, persons of independent means, beggars, vagrants, inmates of penal, mental and charitable institutions			Unemployed		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
1961 Census												
Total	22.5	17.6	20.0	-	33.3	16.8	28.6	28.9	28.9	1.6	0.4	1.0
0-14	43.0	37.4	40.3	-	3.2	1.6	54.6	57.4	56.0	0.1	-	0.1
15-34	12.0	6.2	9.2	-	55.9	29.2	6.3	4.0	5.1	4.6	1.2	2.8
35-59	-	-	-	-	57.9	28.9	4.7	4.7	4.7	0.9	-	0.5
60+	-	-	-	-	39.2	20.4	34.1	46.1	40.3	0.2	-	0.1
Age not specified	11.7	10.3	11.0	-	31.1	15.0	26.0	28.1	27.0	1.0	0.2	0.6
1981 Census												
Total	27.1	24.5	25.8	1.6	35.8	19.0	20.1	19.9	20.0	6.4	3.2	4.8
0-14	56.7	55.5	56.1	0.3	2.1	1.2	40.7	40.8	40.8	1.2	0.7	1.0
15-34	18.7	15.2	16.9	1.7	50.7	27.0	3.2	2.7	3.0	15.4	7.7	11.4
35-59	-	-	-	2.1	63.3	33.1	5.2	4.4	4.8	1.8	0.4	1.1
60+	0.1	0.1	0.1	6.2	38.0	23.1	44.0	51.8	48.1	0.7	0.1	0.4
Age not specified	24.3	25.5	24.9	0.1	10.6	5.5	44.9	27.5	35.9	3.7	12.6	8.3

Source: Same as Table 21

The increase in the share of non-workers indicates that the participation of population in economic activities is declining. It also shows a decline in work participation rate. Table 21 shows that the work participation had registered a fall for all age groups both for male and female between 1961 and 1981. During this period we can also notice a decline in work participation rate for male as well as female in all areas irrespective of urban rural differences (Table 23). It can be pointed out that compared to all India average, the work participation rate is much lower in Kerala.

Table 23
Work Participation Rate in Kerala and India

Census Year	Kerala			India		
	Persons	Male	Female	Persons	Male	Female
1961 Census						
Total	33.31	47.20	19.71	42.71	57.08	27.94
Rural	33.97	47.42	20.88	45.03	58.17	31.39
Urban	29.57	45.98	13.00	33.48	52.40	11.09
1981 Census						
Total	30.53	44.89	16.62	36.77	52.65	19.76
Rural	31.25	45.23	17.72	38.87	53.81	23.18
Urban	27.42	43.41	11.76	30.00	49.07	8.32

Source: Census of India 1981, Series 10, Kerala, Paper 5 of 1981, p.11 and p.12

Let us also examine the overall growth of the labour force. Table 24 gives an age wise distribution of the labour force for 20 years from 1961 to 1981. A notable aspect of the labour force is that majority of the labour force in 1961 and 1981 was in the age group 15 to 34. The share of labour force in this age group also increased from 50.8 per cent in 1961 to 55 per cent in 1981.

Table 24
Age wise Distribution of Labour Force
(in thousand)

Age Group	Number of workers			Number of unemployed (Open Unemployed)			Total Labour Force		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
1961 Census									
8-14	80.0	69.0	149.0	5.0	0.9	5.9	85.0	69.9	154.9
	2.0	4.1	2.6	3.6	2.6	3.4	2.1	4.1	2.7
15-34	1908.3	892.4	2800.7	115.8	33.6	149.4	2024.1	296.0	2950.1
	40.3	53.0	49.7	84.3	95.5	86.6	49.6	53.9	50.8
35-59	1647.6	645.5	2293.1	15.3	0.8	16.1	1662.9	646.3	2309.2
	41.7	38.3	40.7	11.1	2.3	9.3	40.7	37.6	39.8
60+	309.9	75.9	385.8	1.1	0.8	1.1	311.0	75.9	386.9
	7.9	4.5	6.9	0.0	0.0	0.6	7.6	4.4	6.7
TOTAL	3947.0	1683.3	5630.3	137.3	35.2	172.5	4084.3	1718.5	5802.8
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1981 Census									
8-14	47.8	45.0	92.8	54.5	30.4	84.9	102.3	75.4	177.7
	0.8	2.1	1.2	6.8	7.4	7.0	1.6	2.9	2.0
15-34	2742.2	1136.9	3879.1	692.9	368.8	1061.7	3435.1	1505.7	4940.8
	48.8	52.9	49.9	86.5	89.9	87.7	53.5	58.9	55.0
35-59	2393.5	863.8	3257.3	47.1	9.6	56.7	2440.6	873.4	3314.0
	42.6	40.2	41.9	5.9	2.3	4.7	38.0	34.1	36.9
60+	440.1	101.4	541.5	6.0	1.4	7.4	446.1	102.8	548.9
	7.8	4.7	7.0	0.7	0.3	0.6	6.9	4.8	6.1
TOTAL	5623.9	2147.3	7771.2	800.6	410.4	1211.0	6424.5	2557.7	8982.2
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Same as Table 21

Finally we may also examine the overall supply and demand of the labour force. During the 20 year period, the labour supply denoting labour force had increased by 54.8 per cent (Table 25). On the other hand, the demand for labour had increased only by 38 per cent. This gap in the supply and demand for labour had resulted in large unemployment. In the age group 15 and 34, the gap is very high denoting a situation of chronic unemployment of youth.

Table 25
Age wise Growth rate of Labour Force
(Percent)

Age Group	Number of workers			Number of Unemployed (Open Unemployed)			Total Labour Force		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
0-14	-40.3	-34.8	-37.7	990.0	3277.8	1339.0	20.4	7.9	14.7
15-34	43.7	27.4	38.5	498.4	997.6	610.0	69.7	62.6	67.5
35-59	45.3	33.8	42.0	207.8	1100.0	252.2	46.8	35.1	43.5
60+	42.0	33.6	40.4	445.5		572.7	43.4	35.4	41.9
TOTAL	42.5	27.6	38.0	483.1	1065.9	602.0	57.3	48.8	54.8

III. Factors Affecting Mobility of Labour

Of central importance in the labour marketing process is the mobility of labour, that is, the shifting of human resources into and out of labour force and among occupations, industries, geographic localities and labour sub markets. These kinds of movement of workers embrace all the processes whereby labour supply adjusts to changes in the level and composition of the demand for labour. This section examines the trend and pattern of labour mobility among labour sub markets, occupation and geographic regions during the post formation period of Kerala with a view to identifying the major factors affecting mobility of labour.

3.1 Labour Mobility in Labour Sub-markets

In Kerala, a person seeking employment is faced mainly with three labour sub markets namely the public sector; the private organized sector and the private unorganized sector. The

public sector labour sub market comprises of the jobs available in State and central governments, public autonomous bodies, public sector undertakings, semi government bodies, etc. Under public sector we may also include the aided private educational institutions like private schools, colleges and polytechnics whose salary is paid by the State government. The jobs in this sector are mostly regular and permanent in nature and the service conditions and service benefits are mostly similar to that of government employees of similar categories. This market provides sizeable employment in services, transport and communications, manufacturing, construction, electricity, gas and water supply services. The total employment in the market registered a steady increase between 1962 and 1986 (Table 26). The sub market also accounts for 6.4 per cent of the total census workers in 1981 (Table 27).

Table 26

Pattern of Employment in the Organised Public Sector in Kerala (in numbers)

	Industry Division	1962	1971	1981	1986
1	Agriculture, livestock, forestry, etc	4634 (100)	11304 (243.9)	17915 (386.6)	19237 (415.1)
2	Mining and quarrying	-	-	1047	1667
3	Manufacturing	10696 (100)	20868 (195.1)	73255 (684.9)	81128 (758.5)
4	Construction	15175 (100)	19428 (128.0)	22604 (149.0)	25525 (168.2)
5	Electricity, gas, water and sanitary services	8014 (100)	11633 (145.2)	16318 (203.6)	16436 (205.1)
6	Trade, restaurants and hotels	4832 (100)	-	3610 (74.7)	5525 (114.3)
7	Transport, storage and communication	30925 (100)	48260 (156.1)	69911 (226.1)	88555 (286.4)
8	Services including financing insurance, real eStates and business services	143189 (100)	203839 (142.4)	294637 (205.8)	333124 (232.6)
	TOTAL	217465 (100)	315332 (145.0)	499297 (229.6)	571197 (262.7)

Figures in parentheses are Indices

Source: B.E.S., 1966, Fact Book on Manpower, D.E.S., 1988, Fact Book on Manpower, D.E.S., 1986, Statistics for Planning 1986.

The private organized sector labour market comprises of all private sector establishments employing 10 or more persons. This includes the entire private factories which are registered under the Factories Act 1948. Though the employees coming under the Factories Act and a few other categories are entitled regular monthly pay and other service benefits, the majority of the employees in the sector are either employed on a daily monthly wage basis or piece wage basis. The market mainly provide employment in services manufacturing, agriculture and allied activities and trade and commerce. Except for the small growth in the 1970s, the employment in the market had been virtually stagnating between 1962 and 1986 (Table 28). Consequently the share of the market to total employment has also stagnated between 1962 and 1986 (Table 27).

Table 27

Percentage of workers in the Organised public and private sectors

	Industry Division	Workers in organized sector as percentage of census workers in 1961*		Workers in the organized sector as percentage of census workers in 1981	
		Public organized sector	Private organized sector	Public organized sector	Private organized sector
1	Primary	2.0	0.1	2.1	0.5
2	Manufacturing	17.7	1.1	19.4	5.7
3	Construction	12.4	21.4	1.1	10.1
4	Trade, restaurants and hotels	13.1	1.5	1.6	0.5
5	Transport & storage and communication	5.7	20.2	1.2	18.5
6	Other services	11.7	23.3	17.0	32.5
Total		6.8	3.9	6.7	6.4

*The data on workers in the organized private and public sectors used here relate to the year 1962

The private unorganized or informal labour market comprises of small enterprises which hire a few persons, household units, one man enterprises and all categories of casual workers who are casually employed on a daily monthly wage basis or piece rate. A recent survey shows

that of the total number of enterprises in the organised sector nearly 65 per cent of the enterprises are own account enterprises and the rest are enterprises with one or more hired workers (Table 29). Of this nearly 12 per cent of the enterprises function without premises and nearly 80 per cent operate without power. A rough estimate will place the workers in the unorganized enterprises as 33 per cent of the total census workers of Kerala (Table 30). The rest of the workers may be classified as casual labourers and includes all labourers who are either employed on a daily, monthly or piece wage basis. On a rough estimate, the total casual workers constitute nearly 54 per cent of the total workers of Kerala (Table 30). In the labour market a part of the market is restricted and free entry of labour is not allowed there. For instance, in the category of head load workers, toddy workers, agricultural workers, the entry of the market is restricted by trade union restrictions.

Table 28
Pattern of Employment in the Organised Private Sector in Kerala
(in numbers)

	Industry Division	1962	1971	1981	1986
1	Agriculture, livestock, forestry, etc.	69285 (100)	80751 (117)	85500 (123)	83689 (120)
2	Mining and Quarrying	-	610	293	369
3	Manufacturing	179856 (100)	168056 (93)	250104 (139)	228763 (127)
4	Construction	8813 (100)	4134 (47)	2566 (29)	838 (9)
5	Electricity, gas, water and sanitary services	331 (100)	217 (66)	31 (9)	55 (16)
6	Trade, restaurants and hotels	42297 (100)	8996 (21)	12766 (30)	13797 (32)
7	Transports, storage and communication	8762 (100)	5952 (68)	4541 (52)	3373 (38)
8	Services including financing insurance real estates and business services	75676 (100)	117718 (156)	162500 (215)	178976 (236)
9	Total	385020 (100)	386434 (100)	518031 (135)	509860 (132)

Source: Same as Table 26

Table 29
Number of Enterprises and Persons usually working in unorganized sector
(Economic Census 1980)

	Item	Enterprises		Total persons usually working		Hired persons usually working		Hired persons as per cent of total persons
		No. (in '000)	%	No. (in '000)	%	No. (in '000)	%	
1	Own account agriculture	38	4.2	-		-		-
2	Agriculture with one or more hired workers	16	1.7	-		38		-
3	Sub-total Agriculture	54	5.8	89	3.5	38		42.6
4	Own-account Non-Agricultural enterprises	567	61.2	-		-		-
5	Non-agricultural enterprises with one or more hired workers	306	33.0	-		1545		-
6	Sub-total Non-agriculture	873	94.2	2446	96.5	1545		63.2
	Total	927	100.0	2535	100.0	1583		62.5

Source: D.E.S., 1980, Economic Census 1980, Quick tabulation Results

Table 30

Employment in Organised, Unorganised sectors and Casual Labourers

		Number (in thousand)	Percentage
1	Workers in the organized private sector (EMI) in 1981	518	6.7
2	Workers in organized public sector (EMI) in 1981	499	6.4
3	Workers in the unorganized enterprises (Economic Census 1980)	2535	32.6
4	Casual labourers	4219	54.3
5	Total Census workers in 1981	7771	100.0

The requirement for entry, determination of wages and other benefits to be paid, the condition and duration of work, etc. varies considerably between the markets. The entry of public sector labour market is on the basis of specific educational and other qualifications and selection is done through a public recruiting agency. Usually jobs in the public sector are regular jobs with monthly payment of salaries and entitled to a number of service benefits including retirement benefits. Compared to the salaries in the private sector, the wages and other service benefits are far higher in public sector. The working hours of public sector employees are restricted to 8 hours or less. Besides the better salary and lifelong security attached to the job, the job also commands much social status. Majority of the employees in this sector are educated persons.

On the other hand, excepting for a few bigger private industrial or commercial establishments, the rest of them recruit people mainly on the basis of personal preference of the employer and those who are willing to work for a lower wage rate. Compared to similar categories of employees in the public sector, the workers were paid lower wages without much service benefits.⁵ Compared to eight hours work in public sector, those in the private shops have to work for more than 10 hours.

Except certain categories of trade union controlled jobs like head load workers, toddy tappers, agricultural labourers, etc. there are no restrictions of entry in the private unorganized labour market. Here workers usually work either on a daily/monthly wage basis or piece wage basis and the wages are determined on the basis of individual bargain between the employer and the employee. The wage rate varies considerably depending on the skill and type of the work. For instance the daily wage rate of skilled construction workers is higher than unskilled construction workers or agricultural labourers⁶. The wage rate is also higher in the case of those categories of workers who engage in manual type of work than the white collar categories of workers. Other than the mutually agreed daily or piece wage, the worker is not entitled to any other claims from the employer.

Among the three labour markets mentioned above, mobility of labour towards public organized labour market is very high compared to other labour markets. Due to the comparatively better wages, service benefits, lower hours of work, regularity of job, lifelong security and higher social status associated with jobs in public sector, the unemployed labour force and those employed in other labour markets have a very strong preference to move to the public sector labour market. But except the bigger private industrial or commercial establishments where the wages and service conditions are better, the mobility of labour to private organized labour market is comparatively low. The unemployed educated labour force had a low preference to move to private organized job market as the wages and service conditions are poor. The mobility of educated labour force to unorganized or informal sector is the lowest. In this context, the solution of unemployment lies in shifting the unemployed labour force to private organized and unorganized labour markets by expanding the market and making employment in the markets more attractive.

3.2 Occupational Mobility

Economic development is usually associated with an occupational shift of labour force from primary to non-primary occupations. Here we examine the trend and pattern of occupational shift that had taken place between 1961 and 1981 based on the census data (Table 31). A limitation of the 1981 Census data is that it excluded marginal workers. However the data

gives the broad trends in occupational shifts. A disturbing occupational shift that had been taking place was the steep decline in the share of production related workers, transport equipment operators and labourers. The production related workers comprising of miners, quarrymen, production processing, servicing and repair workers, construction workers and transport equipment operators, constitute the core of labour force engaged in production activity.

Table 31
Occupational Classification of workers other than Cultivators and Agricultural Labourers
(Per cent)

	Division	1961 Census			1981 Census		
		Male	Female	Persons	Male	Female	Persons
1	Professional, Technical and related workers	6.2	6.4	6.2	8.1	19.3	10.5
2	Administrative, executive and managerial workers	4.6	0.5	3.5	3.1	0.5	2.6
3	Clerical and related workers	4.0	0.6	3.1	8.1	5.8	7.6
4	Sales workers	10.6	2.2	8.3	14.4	3.3	12.0
5	Service, sports and recreation workers	6.1	12.1	7.7	8.6	13.6	9.7
6	Famers, fishermen, hunters and loggers and related workers	15.6	9.8	14.0	16.9	12.3	15.9
7,8,9	Production and related workers, transport equipment operators and labourers	52.7	68.2	56.9	40.3	44.8	41.2
10	Workers not classified by occupation	0.4	-	0.3	0.5	0.5	0.5
	Total workers	100.0	100.0	100.0	100.0	100.0	100.0

Source: Census of India, 1961, Vol.7, Kerala, Part II B (ii) and Census of India 1981, Series 10, Kerala Part III A&B (ii)

An examination of the educational level of the workers will give us an idea about the occupational preferences and occupational mobility of educated workers. The educational level of the workers show that those who have an educational level of SSLC and above, work in white collar jobs like professional, technical, administrative, managerial and clerical related jobs (Table 32).

Table 32
Occupational Classification of Main workers other than Cultivators and Agricultural labourers (1981 Census)

	Division		Total Main workers	Illiterate	Below SSLC	Matriculate/ Secondary	Above Secondary
1	Professional, Technical and related workers	Male	100.0	0.7	25.9	17.1	56.3
		Female	100.0	0.4	8.8	21.7	69.1
		Persons	100.0	0.6	19.2	18.9	61.3
2	Administrative, executive and managerial workers	Male	100.0	0.9	37.7	33.5	27.9
		Female	100.0	1.7	23.8	31.8	42.7
		Persons	100.0	1.0	37.2	33.4	28.4
3	Clerical and related workers	Male	100.0	-	35.2	37.8	27.0
		Female	100.0	-	11.1	44.8	44.1
		Persons	100.0	-	31.4	38.9	29.7
4	Sales workers	Male	100.0	8.6	76.9	10.8	3.7
		Female	100.0	50.6	44.4	3.8	1.2
		Persons	100.0	11.0	75.1	10.4	3.5
5	Service workers	Male	100.0	12.1	79.2	7.4	1.3
		Female	100.0	39.1	58.9	1.7	0.3
		Persons	100.0	20.2	73.1	5.7	1.0

6	Farmers, fishermen, hunters, loggers and related workers	Male	100.0	24.9	70.7	3.5	0.9
		Female	100.0	59.4	39.3	1.1	0.2
		Persons	100.0	30.6	65.5	3.1	0.8
7, 8, 9	Production and related workers, transport and equipment operators and labourers	Male	100.0	11.0	81.0	6.0	2.0
		Female	100.0	33.2	64.3	2.3	0.2
		Persons	100.0	16.2	77.1	5.1	1.6
10	Workers not classified by occupation	Male	100.0	24.5	48.0	14.6	12.9
		Female	100.0	42.2	35.4	11.3	9.1
		Persons	100.0	28.2	45.6	14.0	12.2
	All Division	Male	100.0	11.1	68.8	10.8	9.3
		Female	100.0	29.5	45.7	8.5	16.3
		Persons	100.0	15.0	63.9	10.3	10.8

Source: Same Census Report of 1981 as Table 31

Only a small per cent of the sales workers belong to the educated category. Likewise educated account for a small per cent of the service workers comprises of workers in hotels, restaurants, domestic servants, launderers, hair dressers, protective service workers, etc. The percentage of educated workers in production related occupations is also found to be lower. This indicates that the educated category of people mostly move to white collar regular occupations. The data also suggest that the female educated have a low mobility towards occupations like sales, personal services, production related occupations and agricultural occupations.

3.3 Geographic Mobility

Geographic mobility denoting mobility of labour force within different regions in the State, to other parts of India and abroad is a process by which labour supply adjusts to the

demand for labour. The high rate of growth of population coupled with high density in a land scarce industrially backward region having chronic unemployment have compelled the labour force to migrate to other parts of Kerala, other parts of India and abroad. Though large number of people had moved outside Kerala and abroad, Kerala also receives a large number of immigrants from other States. In this section we examine the broad trend and pattern of mobility of labour within the State, other parts of India and abroad based on census and D.E.S. Survey data.

The Census has estimated the internal and external migration of Kerala on the basis of 20 per cent sample using place of birth definition in 1961. If a person was born at a place other than the place of enumeration, he was treated as a migrant in census returns. From 1971 Census onwards, another estimate of migration was made on the basis of last residence in addition to the place of birth definition⁷. The Census gives a reliable estimate on the internal migration such as migration within the district and inter-district migration. But the census estimates on out migrants to other parts of India and abroad are mostly underestimates as the estimate is based on the sample within the State excluding those who settle outside Kerala and those who were absent at the time of enumeration.

(a) Internal Migration

The census estimate on internal migration shows that there had been an increase in the percentage of people who moved between districts during the 20 years (Table 33). This inter district migration was not a recent development. During the first half of the present century, the internal migration was prompted by three factors namely development of plantations in hilly regions, reclamation of submerged land for paddy cultivation and migration of cultivators from Travancore to Malabar to develop forest land for plantation and other crops (P.G.K. Panikar, et. al, 1978). A study on migration of farmers concluded that sizeable number of farmers migrated from Travancore to Malabar between 1930 and 1950 (P.K. Michael Tharakan 1978). The employment survey estimates that the districts which had the largest volume of immigration was Cannanore district followed by Kozhikode and Kottayam in 1965-66 (B.E.S., 1976, Planning for Employment in Kerala). The migrants were mostly farmers who moved to the districts either for raising plantation or clearing forest land for cultivation. Thus the above evidences suggest that the major category of migrants who migrated to other districts till 1960s are farmers. But since

then, the category of internal migrants work mostly as non-farmers. The 1981 Census using the place of last residence definition, estimates that out of the total inter-district migrants 17 per cent had migrated for employment (Table 34).

Table 33
Population Classified by Place of Birth
(in thousand)

	Population classified by place of birth	1961 Census			1981 Census		
		Male	Female	Persons	Male	Female	Persons
	Total Population	8361.9 (100.0)	8541.8 (100.0)	16903.7 (100.0)	12527.8 (100.0)	12925.9 (100.0)	25453.7 (100.0)
1	Born in India	8348.5 (99.8)	8528.9 (99.8)	16877.4 (99.8)	12518.3 (99.9)	12916.1 (99.9)	25434.4 (99.9)
2	Born in place of enumeration	6673.1 (79.8)	6027.1 (70.6)	12700.2 (75.1)	9953.0 (79.4)	8701.4 (67.3)	18654.4 (73.3)
3	Born elsewhere in the Districts of enumeration	1112.2 (13.3)	1931.4 (22.6)	3043.6 (18.0)	1523.5 (12.2)	2962.1 (22.9)	4485.6 (17.6)
4	Born in other districts of the State	440.3 (5.3)	459.9 (5.4)	900.2 (5.3)	871.6 (7.0)	1081.6 (8.4)	1953.2 (7.7)
5	States in India beyond the State of enumeration	122.9 (1.5)	110.5 (1.3)	233.4 (1.4)	170.2 (1.4)	170.9 (1.3)	341.1 (1.3)
6	Born in countries beyond India	14.4 (0.2)	12.9 (0.2)	27.2 (0.2)	9.4 (0.1)	9.9 (0.1)	19.3 (0.1)

Source: Census of India 1961, Kerala Part II C, Culture and Migration Tables and Census of India 1981, Series 10, Kerala, Part V A&B, Migration tables

Table 34**Migrants by place of last incidence and reasons for migration – 1981 Census****(in thousand)**

	Last Residence	Total migrants	Employment	Education	Family moved	Marriage	Others
1	Elsewhere in the district of enumeration	4739 (100.0)	250 (5.3)	65 (1.4)	1254 (26.5)	2058 (43.4)	1117 (23.6)
2	In other districts of the State	1812 (100.0)	309 (17.0)	47 (2.6)	718 (39.6)	497 (27.4)	241 (13.3)
3	States in India (States and union territories) beyond enumeration	373 (100.0)	108 (29.1)	8 (2.1)	128 (34.2)	69 (18.4)	61 (16.4)
4	Foreign countries	26 (100.0)	3 (12.6)	1 (4.6)	9 (34.6)	1 (3.8)	12 (44.4)
	Total	6950 (100.0)	670 (9.6)	121 (1.7)	2109 (30.4)	2625 (37.8)	1431 (20.6)

Source: Census of India 1981, Series 10, Kerala, Part V A&B, Migration tables

(b) Out-Migration

The out-migrants from Kerala can be classified into two categories namely migrants to other parts of India and migrants to foreign countries. Out migration to other parts of India includes migration to neighbouring States of Tamil Nadu and Karnataka, other States and union territories. The employment survey estimates that there had been a decline in the number of out-migrants to other parts of India between 1965 and 1980 (Table 35). The employment survey estimated that the total out-migrants for work to other parts of India and abroad as 4.32 lakh in 1965. The survey found that the largest number of out-migrants were from Palghat district followed by Trichur district⁸. The lowest rate of migration was observed from Ernakulam,

Trivandrum and Kottayam districts. The outmigration during the period was mostly towards other parts of India except a small share of migrants to foreign countries.

Table 35
Out migration of workers from Kerala
(in lakh)

Category	Employment Survey 1965-66	Housing & Employment Survey 1980	
		Number	Percentage
Other parts of India	NA	3.01	59.1
Total foreign countries	NA	2.08	40.9
(a)Gulf Countries	NA	1.86	36.6
(b)Other Countries	NA	0.22	4.3
Total out migration	4.32	5.09	100.0
(indices 1965-66=100)	100	118.0	

NA – Not Available

Source: B.E.S., 1976, Planning for Employment in Kerala and D.E.S., 1982, Survey on Housing and Employment 1980

The employment survey in 1980, which was conducted on census basis, estimates the total out-migrants to other parts of India as 3 lakh (Table 35). The survey found that the largest number of out-migrants were from Alleppey followed by Trichur and Quilon districts⁹. Thus the above surveys give a declining trend in the out-migration of Keralites to other parts of India.

The 1981 Census also estimated the migrants to other parts of India based on the last residence definition. Though the Census estimate is an underestimate, the estimate also gives an indication about the share of migrants who migrated for employment. The Census estimates the out-migrants for work as 1.08 lakh constituting 29 per cent of the total migrants to other parts of India (Table 34). Thus the employment survey estimates as well as Census estimates suggest a decline in the out-migrants for work to other parts of India.

(c). Migration to foreign countries

The most significant development in out-migration during the post-formation period of Kerala was the large scale out-migration to Middle East countries (Saudi Arabia, Libya, Kuwait, Qatar and United Arab Emirates) during 1970s. Till the end of the 1960s the migrants to foreign countries were not sizeable and were mainly confined to countries in Asia and Europe. But the 1970s witnessed a spurt in the migration of people for work from Kerala to the Middle East especially to oil exporting countries bordering the Persian Gulf. Studies also suggest that migration to the Middle East Countries mainly started during the 1970s with a spurt since the mid 1970s (B.A. Prakash, 1978). By 1980, out of the total migrants to foreign countries nearly 89 per cent went to the Middle East Countries (Table 35). This large scale outmigration and consequent inflow of huge amount of foreign remittances had given the biggest push to the State's economy during the post-formation period of Kerala. According to a recent estimate, it is reported that the total number of migrants to the Middle East had risen to 3 lakh in 1987 (D.E.S., 1987, Report on the Survey on the Utilisation of Gulf Remittances in Kerala).

But the developments in the 1980s suggest that the migration prospects in the Middle East was already over and the phase of repatriation of workers has already begun. The developments such as oil crisis in the Middle East since 1983, the Gulf War, the competition of cheap labour from other Asian countries, completion of many of the large infrastructure projects, etc. have led to the retrenchment of large number of Keralites working there and reduced the flow of remittances to Kerala. A recent study covering a sample of 569 return migrants spread over the whole of Kerala, shows that 73 per cent of the migrants had returned due to expiry of contract, termination of employment or compulsory repatriation¹⁰. The D.E.S. survey in 1987 on Gulf migration also points out that out of the total 86,475 returned migrants, more than 70 per cent of them returned between 1984 and 1986.

(d). Immigration

Immigration of people from other parts of India to Kerala is not a recent development. With the development of plantations in Travancore, labourers from the region forming present day Tamil Nadu began to migrate to Travancore. Sizeable number of Tamil labourers migrated to Travancore between 1901 and 1931, a period which witnessed rapid expansion of plantations

(P.G.K. Panikar et. al, 1978). Due to the reluctance of labourers from other parts of Travancore to move to plantations in hilly regions, the Tamil labourers were recruited and later led to the immigration of Tamil labourers. Immigrants to Travancore-Cochin from Tamil Nadu accounted for 91 per cent of all life time immigrants in 1901 and 98 per cent in 1931 (P.G.K. Panikar et. al, 1978). With the development of plantations in the subsequent decades in Kottayam, Calicut and Cannanore districts, more labourers migrated from the neighbouring regions of the districts in Tamil Nadu and Karnataka.

The Employment Survey estimates that the total Tamil immigrants in Kottayam district which has the largest area of plantation as 97.5 thousand in 1965¹¹. It was found that majority of plantation labourers in Kottayam district are Tamil speaking people, who are immigrants from Tamil Nadu. But in Calicut and Cannanore, the migrant labourers came from Tamil Nadu as well as Karnataka.

During the 1970s other categories of workers began to migrate to Kerala from the neighbouring States especially from Tamil Nadu. Due to the impact of Gulf remittances, there had been a spurt in construction activities – residential building and other types of building in Kerala since the mid 1970s. The migration of a sizeable number of skilled construction workers like masons and carpenters from Kerala to the Middle East and the reluctance of unemployed labour force to move to construction related activities led to a shortage of construction workers in Kerala. This led to the migration of construction workers from Tamil Nadu to Kerala. The favourable conditions, like higher wages and the absence of restrictions for entry to the construction labour market, further accelerated the process of immigration. A recent study reports that large number of Tamil construction workers had been migrating to Kerala from Kanyakumari district since the mid 1970s (S. Anand, 1986). Based on the field survey, the study estimates that nearly 25 per cent of the male work force have migrated to Kerala from the surveyed village of Reetapuram in Kanyakumari district, as construction workers.

By the 1980s, the favorable atmosphere in Kerala has led to the migration of other categories of workers such as casual labourers, personal service workers like house servants, house maids, workers in hotels and restaurants, petty traders, cobblers, wood cutters and stone quarry workers. In the stone quarries in Trivandrum district, which are mainly localized in Kovalam region, majority of the workers engaged in blasting stones are Tamil workers¹².

Thus the immigration that has been taking place in Kerala prior to the 1970s and after was largely manual categories of workers like plantation labourers, construction workers and other categories of socially inferior categories for which the local labour force is reluctant to move.

The Census also gives a comparable estimate on the immigrants whose place of birth is in other parts of India for 1961 and 1981. The 1961 Census estimates the total immigrants as 2.33 lakh of which 84 per cent were from Tamil Nadu State and union territory of Pondicherry (Table 36). We cannot consider the entire immigration as immigrants due to historical reasons¹³. But a comparison of the immigrants between 1961 and 1981 shows that there had been an increase in the immigration from the neighbouring States of Tamil Nadu and Karnataka (Table 36).

Table 36
Population classified by Place of Birth (in numbers)

	States and Union Territories (Birth place)	1961 Census			1981 Census		
		Male	Female	Persons	Male	Female	Persons
States							
1	Andhra Pradesh	1105 (0.9)	857 (0.8)	1962 (0.8)	2643 (1.6)	2364 (1.4)	5007 (1.5)
2	Gujarat	2367 (1.9)	776 (0.7)	3143 (1.3)	1833 (1.1)	1936 (1.1)	3769 (1.1)
3	Karnataka	9654 (7.9)	11732 (10.6)	21386 (9.2)	16522 (9.7)	24030 (14.1)	40552 (11.9)
4	Maharashtra	3383 (2.8)	2309 (2.1)	5692 (2.4)	5944 (3.5)	6668 (3.9)	12612 (3.7)
5	Tamil Nadu	101031 (82.2)	91256 (82.6)	192287 (82.4)	130472 (76.6)	122037 (71.4)	252509 (74.0)
6	Uttar Pradesh	726 (0.6)	300 (0.3)	1026 (0.4)	1425 (0.8)	1059 (0.6)	2484 (0.7)
7	Punjab	847 (0.7)	305 (0.3)	1152 (0.5)	676 (0.4)	644 (0.4)	1320 (0.4)
8	Others	5985 (4.9)	5010 (4.5)	10995 (4.7)	5350 (3.1)	5342 (3.1)	10692 (3.1)
Union Territories							
1	Pondicherry	1323 (1.1)	1525 (1.4)	2848 (1.2)	3854 (2.3)	5274 (3.1)	9128 (2.7)
2	Others	898 (0.7)	481 (0.4)	1379 (0.6)	1514 (0.9)	1572 (0.9)	3086 (0.9)
	Grand Total	122877 (100.0)	110539 (100.0)	233416 (100.0)	170233 (100.0)	170926 (100.0)	341159 (100.0)

Source: Same as Table 33

IV. Restrictive Labour Practices

In this section, we examine the restrictive labour practices imposed by labour and labour organization which distorted labour market operation. The trade union activities were started in Kerala in the background of extremely appalling conditions of work with low wages. The emergence of trade unions in Kerala may be broadly classified into three phases. In the first phase covering the period up to independence, the main objective was for securing better wages, other benefits and working conditions in the background of extremely appalling conditions of work with low wages. The second phase roughly between 1947 and mid 1960s was a period when the unions were engaged in militant activities for enhancing the wages and securing more non-wage benefits. The third phase since the mid 1960s was a period when the main emphasis of trade union struggles were to retain the level of employment in a situation of decentralization of industries, out-migration of industries to other States and closure of industrial units.

Initially the trade union activities were confined to securing better wages and other benefits. But the emergence of militant trade union activities and changing labour practices had in due course resulted in decentralization of the major traditional industries, out-migration of industries to other States, technological stagnation of production process, creation of monopoly job markets and prohibition of non-union workers to certain categories of casual labour markets. The unfavourable labour atmosphere created due to militant trade union activities also discouraged private industrial investment.

4.1 Labour Practices in Coir weaving Industry

One classic example of an industry which experienced decentralization, out-migration to other States and technological stagnation due to emergence of strong, militant trade union movement is coir weaving industry which was largely localized in and around Alleppey town. By the 1930s, a powerful trade union movement had emerged in the large scale manufacturing units, and was highly successful in improving the working conditions such as putting an end to wage reduction, truck system and unjust fines, etc. (T.M. Thomas Issac, 1982). By the end of the 1940s, the organized coir workers emerged as a strong militant force and were in the forefront in

the Punnapra-Vayalar armed struggle against the Dewan's rule in 1946. Due to their militant posture, the workers union were banned twice in 1946 and 1950. During the early 1950s, due to the spurt in the strikes the workers were able to secure an increase in wages, bonus and other benefits like compensation for the loss of one hour of work due to regulation of hours of work according to Factories Act, E.S.I, maternity benefits, leave with wages, unemployment relief benefits, etc. But the workers in smaller units were not entitled to this revised benefits as they did not come under the Factories Act.

This implies a substantial difference in labour cost between large scale manufacturers in Alleppey and smaller establishments in rural areas. The cost difference which was smaller in the 1940s became substantial in the 1950s. According to one estimate, the labour cost in the smaller rural factory was nearly 40 per cent below the large scale units in Alleppey and 60 per cent in the case of still smaller rural establishments employing less than 10 workers in 1960 (T.M. Thomas Issac, 1982). With the extension of Employees Provident fund Scheme to the coir industry the labour cost further rose to another 6.25 per cent in establishments employing more than 20 workers. It was estimated that the disparity in the cost of production between units which pay agreed wages (plus statutory benefits) and those which do not was as wide as 40 per cent in 1970 (Planning Commission, 1973). The other benefits worked out to 33.25 per cent of the total wage bill.

As a result of this wide difference in production cost, the manufacturer-cum-exporter type large establishments find it profitable to purchase coir products for export from small handloom units instead of producing in their own factory. This led to decentralization of coir products manufacturing from factory type units to small scale and household units. It is estimated that the number of workers in the organized sector of mats and mattings manufacturing had declined from 35,000 workers in the early 1940s to 2500 workers in 1970 (Planning Commission, 1973). According to one estimate in 1976, all coir products meant for home and abroad were produced by 3500 small scale handloom units having about 20,000 workers, 14 manufacturing cooperatives having 1167 workers, a few private factories and Hindustan Coir, an undertaking of the Coir Board (B.A. Prakash, 1977). Another estimate placed the number of

workers directly employed in manufacturer-shipper type of units as 200 in 1979-80 (T.M. Thomas Issac, 1982).

In order to take advantage of the cost difference, the bigger firms began to curtail production and retrench the workers continuously. The struggles of the trade union to resist the retrenchment and their demands for restoring employment were not successful. Consequently, this led to virtual elimination of big factories from production by 1965. The subsequent emergence of trade unions in small scale manufacturing sector claiming better wages and other benefits resulted in further fragmentation of production to households.

In the context of steep decline in the quantity of exports of coir products since the mid 1960s arising out of stiff competition from other synthetic fibres and sophisticated coir products produced in Europe, there were moves for mechanization of coir weaving industry in Kerala. But the move was strongly resisted by trade unions. Due to the fierce opposition against mechanization in Kerala, a new factory supposed to be the world's largest mechanized coir factory has been set up across the Kerala border in Tamil Nadu by an Alleppey export house (T.M. Thomas Issac, 1982). Thus the resistance of the unions only resulted in out-migration of the industry from Kerala.

4.2 Labour Practices in Cashew Processing Industry

Another industry which experienced decentralization and outmigration to other States due to emergence of militant trade union movement is cashew processing, which was largely localized in Quilon district. The industry has a history of only half a century and commercial processing is reported to have started with the setting up of a factory in the mid 1920s (K.P. Kannan, 1983). The industry which uses manual methods of processing, provided employment to more than a lakh workers mostly women and accounted for nearly half of the employment in the factory sector of Kerala. And the exports of cashew kernel from Quilon accounted for nearly 50 per cent of the world export by the end of 1970s.

The emergence of trade union movement in cashew processing industry may be classified into two phases: the first phase is the pre-independence period roughly between 1937 and 1947 and the second phase the post-independence period. The trade union movement had emerged in the 1930s mainly due to the inhuman and miserable conditions of work that prevailed during the early stages of development of the industry. The main demands of the unions were to reduce the hours of work, payment of bonus and better conditions and terms of work. It was possible to secure many of these within the limits of the Factories Act. During the 1940s the trade union movement gave active support to the political struggles for attaining independence.

During the post-independence period, the process of unionization by different political parties started. During the 1970s, all the major unions were split into two or more unions leading to a situation of too many unions fighting one another for the cause of the workers (K.P. Kannan, 1981). The trade union struggles waged in the 1950s were mainly directed at securing fixation of minimum wage rate and payment of bonus. During 1951 and 1952, unions organized struggles which resulted in large scale disruption of industrial activity in the cashew industry. Based on the report of Minimum Wages Committee in 1952, some marginal increase in wages was effected. But the Committee did not recommend the payment of Dearness Allowance. Consequently payment of a separate DA due to the increase in the cost of living was the major demand between 1958 and 1960. In 1960, more than 50 per cent of the total number of disputes in the State and 90 per cent of workers affected by such disputes related to cashew industry (K.P. Kannan, 1981). Based on the recommendations of a Minimum Wages Advisory Committee, minimum wages were revised in 1960. One of the important recommendations of the Committee was the payment of DA subject to fulfillment of minimum stipulated output. Subsequently the minimum wage rates were revised in 1964, 1967 and 1975.

Consequent to the implementation of minimum wages, the employers began to adopt a variety of measures to evade payment of minimum wages. Evasion of payment of minimum wages took place on a large scale mainly for the piece-rated workers, who were all women. The methods resorted to include reducing the quantity of raw nuts supplied to each worker by recruiting more workers (thereby making them ineligible for payment of Dearness Allowance); under weighting their output; false recording of the number of days worked (thus denying the

advantages of Provident Fund, Employees State Insurance, maternity benefits, etc.); and keeping several workers on rolls as apprentices (K.P. Kannan, 1983). Another method was to declare a factory as closed and resort to cottage processing or processing on an informal basis in the factory at a wage less than the minimum wage to evade payment of minimum wages and other benefits. Later another type of cottage processing i.e. practice of processing of cashew in households which are collected and packed by companies for export also became widespread. Thus cashew industry began to decentralize from factory sector to cottage sector.

When the practice of cottage processing tended to become widespread, the trade unions actively intervened and in 1967 succeeded in getting the cottage processing banned in the State by the government. With the imposition of the ban, the industry began to shift to Kanyakumari district of Tamil Nadu, where the labour is very cheap and no minimum wage legislation existed. According to one estimate, the mean wage rate of cashew processing in Tamil Nadu was only 38 per cent of the factory wage in Kerala (K.P. Kannan, 1983). If we include the non-wage benefits payable to factory workers in Kerala, the processing in Tamil Nadu would be relatively still cheaper.

Within the period of five to six years from 1967, a significant portion of processing was thus shifted to Tamil Nadu, reducing the employment of cashew workers in Quilon. It is estimated that during 1975-78, nearly half of the total quantity of nuts available for processing in Kerala was diverted to places outside the State (K.P. Kannan, 1983). As a result, the cashew worker in Kerala, on an average lost 120 days of employment in 1975 and 93 days and 65 days in 1977 and 1978 respectively. It is significant to note that the shifting is done by the owners of the cashew factories in Quilon to take advantage of the cheap labour cost.

4.3 Labour Practice in Beedi Industry

Beedi industry, largely localized in Cannanore district, is another industry which experienced decentralization and out-migration to other States due to emergence of militant trade union movement. The changes in the industrial organization can be broadly divided into four phases (Pyarelal Raghavan, 1986). The first phase consists of the period between 1930 and 1937

with the growth of large scale beedi establishments. The second phase, between 1937 and 1951, witnessed the decentralization of production to small establishments under the branch system. In the third phase between 1951 and 1968, the developments in the industry led to the emergence of indirect system of production through middlemen. The fourth phase since 1968 witnessed the shifting of production from small scale establishments to household workers; shifting of production to Karnataka and the adjoining taluk of Kasargod and Hosdurg in Cannanore district where the wages are lower; and the emergence of the cooperative sector in the beedi industry.

Though the manufacturing of beedi on commercial scale started earlier, the industry came to be firmly established in Cannanore after the First World War. The growth in the demand for beedis in the export market and the internal market led to the establishment of large firms employing up to 100 to 150 workers in Cannanore by the mid 1930s (Pyarelal Raghavan, 1986). In order to take advantage of the lower rates prevailing in Cannanore district, some of the Mangalore firms began to establish their branches in Cannanore district during the 1930s.

Consequent to the extension of factories act to non-power using establishments employing 20 or more workers in 1937, the industry began to decentralize its production by starting branch establishments employing less than 20 workers. This was done to evade the payment of financial benefits given to workers as per factories act. The trade unions strongly resisted the attempt of bifurcating the establishments by resorting to a general strike in December 1937 lasting for 38 days. But the struggles of the trade unions to stop the branch system of production was not successful. However, the subsequent exclusion of the beedi industry from the purview of the factories act in 1941 led to an increase in the size of employment in the beedi branch establishments.

Following the exclusion of the beedi industry from the provisions of the Factories Act in 1941, the Madras Government set up a court of enquiry to study the labour conditions in beedi, cigar, snuff, tobacco curing and tanning industries. Based on the recommendations of the enquiry, the beedi industry was brought under the purview of the Factories Act 1948 and Minimum Wages Act in 1948. Following this some of the beedi entrepreneurs had initiated steps to decentralize production. But these attempts were foiled by the resistance of trade unions. But

by 1950, the two largest beedi firms had changed over to indirect production followed by smaller firms. The change over to indirect production resulted in the shrinkage of the number and size of large scale establishments under the direct control of the beedi firms and the proliferation of small establishments owned by middlemen. The enactment of Kerala Beedi and Cigar Industrial Premises Act in 1961 further accelerated the decentralization process. The small firms began to organize production in households and the system was known as pass book system. Under the system the beedi firms directly supply the raw materials and take back the rolled beedis.

The attempt to implement the Beedi and Cigar Workers (conditions of Employment) Act 1966 further accelerated the decentralization process to household production. The Act sought to eliminate middlemen in the industry by recognizing the relations between the beedi firms and workers engaged indirectly through middlemen. The Act also sought to improve the working conditions in the beedi establishments and provide the workers with provident fund, gratuity, maternity benefit and medical allowance. Consequent to this, all major beedi firms in Cannanore stopped beedi production by October 1968. The beedi firms were willing to restart production only on the condition of staying the implementation of the Act. And the beedi firms in order to evade the additional payments to workers began to start benami firms and started production under pass book system. It is estimated that by February 1969, the total number of workers who came under the benami firms in the household sector was 3200 workers (Pyaralal Raghavan, 1986). Though the State government was willing for a compromise with the beedi firms by effecting a stay on the implementation of the legislation, the trade unions prevented the government from such moves. The resistance of the trade unions to arrest the decentralization process failed and by the end of the 1960s, almost all major firms decentralized their production to household production. It is estimated that out of the total 40378 beedi workers in Cannanore district in 1971, the workers in registered establishments accounts for not even one per cent (Pyaralal Raghavan). The decentralization of production to households was accompanied by a shift of production to low wage areas of Kasargod and Hosdurg taluks.

The decentralization of production to households which was started in the late 1960s accelerated in the 1970s and 1980s. Except for one beedi firms, all other private entrepreneurs shifted beedi rolling from establishments to households (Pyaralal Raghavan, 1986). Another

development during the period was the out-migration of industry to Karnataka. The large scale unemployment of the workers arising out of this crisis was met to some extent with the organization of industrial cooperatives.

4.4 Labour Practices of the Casual Labourers

The trade union activities were started among casual workers like headload workers, toddy tappers and agricultural labourers with the main objective of securing better wages, other benefits and working conditions. But due to the militant trade union activities, the trade unions were successful in imposing some restrictive labour practices. The restrictive labour practices imposed include restrictions on mobility of labour, prohibition of entry of non-trade union worker to labour market; creation of job monopolies, imposing unreasonable charges for the work and creating extremely turbulent atmosphere in the work areas by indulging in frequent conflicts and confrontations. In this section we examine the restrictive practices of trade unions of headload workers, who work in all urban centres of Kerala.

Headload workers comprise of casual workers in the tertiary sector engaged in the operation of loading, unloading, carrying and other types of activity in connection with storage and transportation of goods (P.S. Vijaysankar, 1986). Except a few per cent of workers who are employed regularly in shops and other establishments, the rest of them do not have a direct employer but are hired by customers and vehicle drivers when the need for their service arises. Majority of the workers are concentrated in the major market centres in towns, while others are scattered in rural market areas and important transport junction. The three major categories of workers are those engaged in loading and unloading goods from vehicles (*Attimari workers*); those carrying goods between the shops and vehicles (*Kayattirakku workers*) and those stacking and unstacking within the shop.

The growth of trade union movement among the headload workers may be classified into three phases: the first phase between 1957 and 1959, consisting of the formation of the union and its struggles to wrest recognition from the employees and the government; the second phase between 1960 and 1967 forcing the employers to accept the existence of an employer-employee

relationship in the headload labour market; and the third phase between the 1968-1969 characterised by numerous localised struggles, inter-union rivalries and compromises, tensions and convulsions arising from the tactics adopted by the unions in their effort to provide security of income and employment to a large number of non regular workers (P.S. Vijaysankar, 1986). In the post-independence period, the factors that helped the emergence of strong militant trade unions are the general radical political atmosphere of Kerala conducive for the unionization of the casual labourers and the encouragement given by the left front government with their policy of police neutrality in trade union struggles.

Initially the objective of trade union activity was to gain formal recognition of the union by the employers and government. But in the 1960s, it was for gaining formal acceptance of employer/employee relationship and in the 1970s, it was for guaranteeing the security of non-regular workers. Due to the militant trade union activities, the workers were able to enhance their wages substantially during the decade 1970s compared to the similar categories of casual labourers such as agricultural labourers and construction workers (P.S. Vijaysankar, 1986).

In their attempt to safeguard the employment security of non-regular workers, the unions were successful in imposing a number of restrictive labour practices in the casual labour market. The unions were able to prohibit the entry of non-union workers to the labour market and prevented the free flow of labour within the labour market through extreme level of labour market segmentation. The workers began to consider the entire town or area as an exclusive monopoly job market of the union workers and began to impose unreasonable wages for their services especially from the general public, who are unorganized. They also questioned the right of a shop owner to engage a particular person for his work. Their failure to distinguish between large and small shop owners as well as the general public resulted in strong public resentment (P.S. Vijaysankar, 1986). The attempts of the workers to impose the restrictions led to frequent confrontations, conflicts, strikes, blocking of movements of goods, inter union conflicts and created an extremely turbulent atmosphere, which is not conducive for the smooth trading and commercial activities. The unions were able to erect very strong barriers of entry of workers to the local market places or towns, thus blocking the mobility of labour situation from rural to

urban areas. It also created a situation where one has to pay a big amount as bribe to the union people for getting permission of entry to the market place or town to be a casual worker.

4.5 Labour Practices and Industrial Investment

The unfavourable labour atmosphere arising out of frequent strikes, confrontations, bandhs, blockades, inter union conflicts and prolonged closure of industrial units due to labour problems, has created a bad impression about the industrial climate of Kerala. It is pointed out that this unfavourable labour atmosphere is one of the major causes for the low pace of industrialization.

The High Level Committee which examined the causes of industrial backwardness is of the view that the unfavourable industrial climate created by the activities of trade unions backed by political parties is the main reason which discourage private investment in Kerala. To quote the Committee, "For many years the labour agitation in the State and the situation created in the industries as a result of such agitation, was cited as one of the main reasons why industrialists both from within and outside the State were shy to invest in the State" (SPB, 1984, Report of the High Level Committee on Industry Trade and Power, Vol.I, p. 110). The Committee attributes the main reason for the rapid industrial development of Gujarat and Punjab during the post-independence period to the harmonious labour relations that exist in the States.

A study on the migration of small scale entrepreneurs from Kerala to Tamil Nadu and Karnataka come to the conclusion that labour cost and labour disturbances arising out of loss and inconveniences due to strikes and disputes are the important causes for the migration (M.A. Oomen, 1981). The study was based on a field survey of 63 units in Tamil Nadu and 61 units in Karnataka run by Kerala entrepreneurs. Except six persons, all of them were born in Kerala and had moved there for starting small scale industrial units.

The migrant entrepreneurs belong to the age group 25 to 45 years and are highly educated. Of them, nearly 48 per cent had an educational qualification of a diploma in engineering or a degree or a post-graduate degree in engineering. It is significant to note that

these highly qualified and enterprising people prefer to invest in other States because they feel that the labour cost and labour problems are high in Kerala.

V. Policies Affecting Demand and Supply of Labour

In this section, we examine the State policies which affect the demand and supply of labour. Among the policies affecting labour demand we attempt an examination of plan policy and fiscal policy. On the supply side, we examine the educational policy.

5.1 Plan Policy and plan expenditure

After the attainment of independence, planning is considered as the means to achieve rapid economic growth and generating employment. Since the inception of five year plans till 1980, the broad plan objectives of five year and Annual Plans in Kerala were to attain rapid economic growth with an objective to enhance the per capita income of Kerala to that of national level; to attain self-reliance in food by increasing rice production; to effect land tenures in favour of real tillers of the soil; to create employment opportunities to solve massive unemployment; reduce regional disparity in economic development; and to uplift the vulnerable sections of the society especially scheduled castes and tribes (S.P.B., 1978, Draft Five Year Plan 1978-83, Vol.I). The plan objectives of sixth and seventh five year plans are not much different from the earlier plans except giving more emphasis for poverty alleviation and employment generation programmes.

But inspite of the plan activities for more than three and a half decade, Kerala was not able to achieve even a single objective of the plans. The only notable achievements are the spread of education, health services, social welfare measures and infrastructure development such as roads, water supply and electricity to some extent. With regard to attainment of self-sufficiency in food production, reducing regional disparities, upliftment of vulnerable sections of the society, removal of poverty and solving unemployment, the plans were not able to make even

a marginal impact. The plans also failed to generate sizeable employment through State sponsored programmes. In this context, we have to look into causes for poor plan performance.

Firstly, the size of plan expenditure of Kerala was too small to accelerate the development process and to generate large employment opportunities. Between 1951 and 1985, a sum of Rs 3263.67 crore was spent as plan expenditure in Kerala (Table 37). The average annual plan expenditure during the above period was only Rs 93 crore. The size of plan is largely determined on the basis of the availability of the State's own budgetary resources and the assistance from Central Government. As there is little surplus in the current revenue of the State budget, the State was not able to have bigger plans.

Secondly, due to the objective of attaining self-sufficiency in food grains, a sizeable share of plan expenditure was spent on major and medium irrigation projects neglecting the minor irrigation, which is more suited to Kerala's requirements. In primary sector, the sectors which have much scope for employment generation such as animal husbandry, dairy development and fisheries have been totally neglected in the successive plans.

Table 37
Plan Expenditure from I Plan to VI Plan
(Rs in lakh)

	Sector	First and second five year Plan		Third & three Annual Plan		Fourth & fifth Five year Plan		Annual plans 1978-79 to 1979-80 & Sixth Plan		Total first to Sixth	
		Amt	Percent	Amt	Percent	Amt	Percent	Amt	Percent	Amt	Percent
1	Agriculture	505	4.8	2376	7.3	2637	3.2	8241	4.1	13759	4.2
2	Land Reforms	0	0.0	0	0.0	2740	3.3	4115	2.0	6855	2.1
3	Food	0	0.0	0	0.0	0	0.0	42	0.0	42	0.0
4	Animal Husbandry	91	0.9	340	1.0	522	0.6	1937	1.0	2890	0.9
5	Dairy Development	0	0.0	162	0.5	285	0.3	1048	0.5	1495	0.5
6	Fisheries	68	0.6	1038	3.2	1323	1.6	2711	1.3	5140	1.6
7	Forests	66	0.6	400	1.2	845	1.0	2095	1.0	3406	1.0
8	Community Development	477	4.5	1399	4.3	1073	1.3	3527	1.8	6476	2.0
9	Others in Agriculture	84	0.8	342	1.0	783	1.0	9542	4.7	10751	3.3

	and Allied services										
10	Co-operation	68	0.6	298	0.9	1182	1.4	3431	1.7	4979	1.5
11	Minor Irrigation	226	2.1	1218	3.7	2357	2.9	4188	2.1	7989	2.4
12	Major & Medium Irrigation	1404	13.2	2143	6.6	10584	12.9	33188	16.5	47319	14.5
13	Flood Control and Anti-Sea Erosion	189	1.8	657	2.0	1386	1.7	2380	1.2	4612	1.4
14	Power	3252	30.6	10277	31.5	21797	26.6	38533	19.2	73859	22.6
15	Villages and Small scale Industries	475	4.5	1181	3.6	2840	3.5	7017	3.5	11513	3.5
16	Medium & large industries	179	1.7	1541	4.7	5029	6.1	15641	7.8	22390	6.9
17	Mining & plantations	0	0.0	49	0.1	39	0.0	196	0.1	284	0.1
18	Roads & bridges	808	7.6	1675	5.1	2395	2.9	9583	4.8	14461	4.4
19	Road transports	208	2.0	361	1.1	3621	4.4	2192	1.1	6382	2.0
20	Others (including port, water tra. & tour)	38	0.4	227	0.7	847	1.0	2288	1.1	3400	1.0
	Sector	First and second five year Plan		Third & three Annual Plan		Fourth & fifth Five year Plan		Annual plans 1978-79 to 1979-80 & Sixth Plan		Total first to Sixth	
		Amt	Per cent	Amt	Per cent	Amt	Per cent	Amt	Per cent	Amt	Per cent
21	General education	1138	10.7	2947	9.0	5707	7.0	9433	4.7	19225	5.9
22	Technical education	0	0.0	537	1.6	285	0.3	1156	0.6	1978	0.6
23	Scientific services and research	0	0.0	0	0.0	592	0.7	2274	1.1	2866	0.9
24	Health	726	6.8	2084	6.4	1791	2.2	5216	2.6	9817	3.0
25	Sewerage & water supply	0	0.0	474	1.5	6351	7.8	10708	5.3	17533	5.4

26	Housing	174	1.6	297	0.9	2165	2.6	8219	4.1	10855	3.3
27	Welfare of SC & ST	323	3.0	276	0.8	516	0.6	2374	1.2	3489	1.1
28	Other social and community services	47	0.4	234	0.7	1396	1.7	6401	3.2	8078	2.5
29	Economic & general services	66	0.6	135	0.4	809	1.0	3514	1.7	4524	1.4
30	Grand Total	10612	100	32668	100	81897	100	201190	100	326367	100
	Annual Average Expenditure	1061.2		4083.5		8189.7		28741.4		9324.78	

Source: S.P.B., 1984, Draft Seventh Five Year Plan 1985-90 and Annual Plan 1985-86, Vol.I, p.2-5

Thirdly, the two vital infrastructure items like power generation and road development have been given a low priority in the successive plans. It may be noted that the share of plan expenditure of power, roads and bridges have steadily declined since the first five year plan (Table 37). The sole dependence on hydro electric energy has resulted in crisis situation in electricity supply during the 1980s. The narrow roads and the lack of proper maintenance of roads other than national highways and State highways have already become a major obstacle to the economic development of the State.

Fourthly, the plans especially during the 1950s and 1960s gave a very low priority for industrial development. In a State where the private organized industrial sector is stagnant, industrial promotion by State is crucial. But the State was not able to start or encourage the starting of much modern medium and large industrial units in Kerala.

Fifthly, the plan gave very high emphasis for general education and accorded a low priority for professional, technical and vocational education. Sixthly, due to the enormous delay in the completion of the developmental projects, the State has to wait a long time to get the benefits from the projects. The practice of starting bigger projects without adequate resources results in enormous delay in completion and cost escalation. In Kerala, in the case of certain

projects, the costs have escalated over 20 times the original estimates and the construction period spans the seven five year plans.

5.2 Fiscal Policy of State Government

Due to the unsound fiscal policies pursued by successive governments and the practice of following irrational priorities of spending budgetary resources, the State government has been in grave financial crisis in recent years. The situation is so grave that the State government is forced to impose restrictions on payment from the treasury frequently. The lack of surplus in the revenue account for development purposes and the frequent stoppage of treasury payments have virtually stagnated the State sponsored developmental activities in the State in recent years. In this context, let us examine the trend and pattern of revenue receipts and expenditure of the State government during the post formation period of Kerala.

The revenue receipts of the State government can be classified under four heads namely share of central tax, State taxes and duties, non-tax revenue and grant-in-aid from central government. Among the four categories, the percentage share of central taxes has shown the highest increase followed by the share of State taxes and duties between 1957-58 and 1986-87 (Table 38). On the other hand, the percentage share of total grant-in-aid from central government has shown a decline since 1970-71. Among the receipts, the items which showed a steep decline in the percentage share is non-tax revenue (Table 38). Thus the fiscal policies of successive governments to exempt more items of fees and other service charges and the continuous losses of the public sector undertakings can be identified as the cause for the decline in the share of non-tax revenue.

A perusal of the expenditure pattern shows that the successive governments in the State had given higher priority for expanding social and general services than production and employment oriented development services. While there had been an increase in the share of social and general services expenditure, the share of development service registered a steep decline between 1957 and 1987 (Table 39). Among the items of expenditure under general services, the two items which registered a substantial increase are interest charges and pension

and retirement benefits. The share of expenditure on education ranged between 29 and 36 per cent during this period. A disturbing development in the trend in the expenditure is the decline in the share of expenditure on development services like industries and labour, public works, forests and transport and communications.

A highly disturbing and unhealthy development in the trend in the expenditure during the 1980s has been the very high increase in establishment expenditure, pension payments and interest payments. The establishment expenditure comprising salary, TA, other items of establishment, and teaching grant paid to private educational institutions had increased from 62.5 per cent in 1980-81 to 69.6 per cent in 1986-87 (Table 40). The interest payments and pension and retirement benefits had registered a substantial increase during the period. It is alarming to note that the share of net expenditure excluding establishment expenditure, interest payments, pension and other retirement benefits had registered a very steep decline during the six year period (Table 40). This indicates the critical financial situation of the State government where there is no surplus left in the revenue account excepting meeting the day to day administrative expenditure. Due to the tight financial situation, the State government was forced to impose restrictions on payments from treasury frequently. It is reported that bills amounting to Rs 35 crore are pending payments as on November 1988 for the completed road and bridge works alone.

Table 38
Trends in Revenue Receipts of Kerala Government (Rs in lakhs)

	Revenue Receipts	1957-58		1970-71		1986-87	
		Amt	%	Amt	%	Amt	%
1	Income Tax	270	8.6	1359	9.0	10443	7.0
2	EState Duty	15	0.5	22	0.1	74	-
3	Union Excise Duty	142	4.5	1642	10.9	23402	15.6
A	Total share of Central tax	427	13.6	3023	20.0	33919	22.6
4	Tax on agricultural income	183	5.8	238	1.6	1626	1.1
5	Land Revenue	121	3.8	115	0.8	614	0.4
6	Stamps and Registration	148	4.7	663	4.4	5414	3.6
7	State Excise duties	216	6.9	1001	6.6	11760	7.8
8	Sales tax	492	15.6	3742	24.8	51672	34.4
9	Tax on vehicles	154	4.9	682	4.5	5336	3.6
10	Tax on goods and passengers	-	-	-	-	2	-
11	Taxes on electricity	15	0.5	267	1.8	4677	3.1
12	Others	-	-	90	0.6	260	0.2
B	Total State taxes and duties	1329	42.2	6798	45.1	81390	54.2
13	Forest	292	9.3	914	6.1	4825	3.2
14	Irrigation works	5	0.2	35	0.2	141	0.1
15	Civil works	34	1.1	90	0.6	421	0.3
16	Road and water transport scheme	201	6.4	26	0.2	157	0.1
17	Dividend from commercial and other undertakings	17	0.5	29	0.2	86	0.1
18	Services including debt services, administrative services, social and development services and miscellaneous receipts	423	13.4	1696	11.2	10756	7.2
C	Total non-tax revenue	972	30.9	2790	18.5	16386	10.9
19	Non-plan grants	182	5.8	999	6.6	2526	1.7
20	Grants for States plan	-	-	-	-	8479	5.6
21	Grants for central plan	240	7.6	1469	9.7	2229	1.5
22	Grants for centrally sponsored schemes	-	-	-	-	5324	3.5
D	Total grant-in-aid from central government	422	13.4	2468	16.4	18558	12.4
E	Grant Total (A+B+C+D)	3150	100.0	15079	100.0	150253	100.0

Source: Government of Kerala, Budget in Brief 1979-80 and Budget in Brief 1988-89

Table 39
Trends in Revenue Expenditure of Kerala Government (Rs in lakh)

	Revenue Expenditure (Revenue Account)	1957-58		1970-71		1986-87	
		Amt	%	Amt	%	Amt	%
I. Social Services							
1	Education	993	30.2	6009	36.7	48126	29.1
2	Medical, public health and family planning	263	8.0	1501	9.2	13375	8.1
3	Community development, misc., social & development organization	154	4.7	757	4.6	17141	10.4
4	Others	-		156	1.0	5026	3.0
	Sub total	1410	42.9	8423	51.5	83668	50.6
II. Development Services							
1	Agriculture, animal husbandry, co-operation & rural development	160	4.9	969	5.9	10834	6.5
2	Industries & labour	153	4.6	214	1.3	4075	2.5
3	Irrigation	64	1.9	467	2.9	2019	1.2
4	Public works	225	6.8	870	5.3	5696	3.4
5	Forests	78	2.4	280	1.7	2750	1.7
6	Transport & communication (other than roads)	192	5.8	47	0.3	1610	1.0
7	Housing & urban development	-		-		868	0.5
	Sub total	872	26.4	2847	17.4	27852	16.8
III. Non Development expenditure (General Service)							
1	Collection of taxes, duties, etc.	131	4.0	512	3.1	4747	2.9
2	Interest charges	181	5.5	1599	9.8	17728	10.7
3	Administrative services	433	13.2	1621	9.9	13210	8.0
4	Territorial & political persons, superannuation allowance, etc.	108	3.3	551	3.4	17221	10.4
5	Others	156	4.7	827	5.0	1051	0.6
	Sub total	1009	30.7	5110	31.2	53957	32.6
IV	Grant total (I+II+III)	3291	100.0	16380	100.0	165477	100.0

Source: Same as Table 38

It is disturbing to note that the percentage share of the establishment expenditure under capital account had also registered a steep increase between 1980-81 and 1986-87 (Table 40). In the case of expenditure incurred for the capital items, nearly 23 per cent is spent as establishment expenditure in 1986-87.

Table 40
Establishment, Interest, Pension and Social Security Expenditure of Kerala Government
(Plan and Non-Plan)

	Item	1980-81		1986-87	
		Amount (Rs in lakh)	Per cent	Amount (Rs in lakh)	Per cent
A	Revenue Account				
1	Salary	18879.81	27.75	47527.09	28.72
2	TA	847.52	1.25	1524.97	0.92
3	Other establishment	12057.46	17.72	40940.55	24.74
4	Interest payment	4558.7	6.70	17728.45	10.71
5	Pensions and other retirement benefits	3186.98	4.68	17220.7	10.41
6	Teaching grant to private educational institutions	10762.57	15.82	25247.88	15.26
7	Social security and social welfare	0	0.00	4648.82	2.81
8	Others	17753.62	26.09	10638.14	6.43
9	Total	68046.66	100.00	165476.6	100.00
B	Capital Account (capital expenditure outside revenue account)				
1	Salary of the government	470.81	3.82	1195.59	5.67
2	Other establishment expenditure item	292.72	2.37	3634.96	17.22
3	Others	11576.39	93.81	16273.9	77.11
4	Total	12339.92	100.00	21104.45	100.00

Source: Government of Kerala, Explanatory Memorandum on the Budget for 1982-83 and 1988-

From the above, we can conclude that the factors such as decline in the share of non-tax revenue, decline in the share of grant-in-aid from the Central government, very high increase in establishment expenditure, pension payments and interest payments have contributed to the financial crisis. This adverse financial situation imposes severe restrictions on the State government to implement bigger State sponsored development or employment generation projects which can make a substantial impact on unemployment problem.

5.3 Educational Policy of Kerala

Though Kerala has achieved much educational development, the policy of education followed was not suited to the changing manpower requirement of Kerala. The educational policy of Kerala gave undue importance to the promotion of general education, had not given adequate importance to professional and technical education, ignored the need to introduce job-oriented vocational courses suited to Kerala, and failed to introduce a system of education which can promote the mobility of labour force to other parts of India. The objective of education is largely viewed as training people for government jobs or public sector jobs and the educational efforts were pursued mainly to achieve this goal. This type of educational development has resulted in the production of a large army of unemployed educated people who are aspiring for government jobs. In this context, we may examine the main drawbacks of the educational policy pursued in Kerala.

Firstly, undue priority was given to the promotion of general education at the post-matric level by starting a large number of Arts and Science colleges (Table 41). Consequent upon the upgradation of the minimum qualification of a clerk from S.S.L.C. to graduation in universities, Kerala government Secretariat and other autonomous bodies, graduation becomes a minimum requirement for those who aspire for a clerical job. As the colleges were not able to accommodate the growing number of students, the University of Kerala and the University of Calicut introduced private registration in 1971 and 1977 respectively. And this has resulted in a mushroom growth of private parallel colleges in Kerala (P.R. Gopinathan Nair, 1984). It also resulted in a large number of unemployed Pre-Degree holders, graduates and post-graduates.

Secondly, the State was not able to start adequate number of technical educational institutions like Engineering Colleges and Polytechnics (Table 41). Taking into consideration the industrial and technological development taking place in India, there is considerable scope for migration of the technically qualified persons to other parts of India. There is very heavy demand for the courses also. But due to the lack of seats available in Kerala, a large number of students are forced to go to other States and seek admissions in engineering courses by paying huge amount as capitation fees¹⁴.

Thirdly, Kerala has not been able to give due priority for the development of various disciplines of Medical education like Allopathy, Ayurveda and Homeopathy. Though there is very big demand for the medical courses, Kerala was not able to develop medical education (Table 41). There is also considerable scope for the migration of medical personnel to other parts of India and abroad also. But due to lack of seats in Kerala, a large number of students from Kerala seek admission in the private medical educational institutions in other States paying huge amount as capitation fees.

Fourthly, the basic defect of the educational system is its failure to introduce vocational courses which equip people to engage in gainful occupations in Kerala. At present Kerala does not have a system of vocational education to train skills to work in agriculture, livestock, fishing, dairying, poultry farming and other primary occupations. Likewise we do not have a system of vocational education to train skilled workers engaged in production related occupations. Vocational training facilities are also absent to train people for trade, commerce and other business occupations which provide employment to about 10 per cent of the total workforce. Starting suitable vocational courses to train people to start self-employment ventures and promote migration to other parts of the country is crucial. The lack of mobility of unemployed labour force for gainful employment may be attributed to a great extent to the lack of skills, training and work experience of the unemployed persons.

Table 41
Growth of Educational institutions in Kerala

	Category	1960-61		1970-71		1980-81		1985-86	
		Number	Index	Number	Index	Number	Index	Number	Index
	General								
1	Lower primary school	6706	100	6895	103	6861	102	6545	102
2	Upper primary school	1932	100	2543	132	2753	143	2869	149
3	High school	895	100	1384	155	1976	221	2422	271
4	Basic training school	78	100	105	135	93	119	93	119
5	Teachers training college	18	100	19	106	19	106	19	106
6	Arts & Science college	47	100	117	249	136	289	172	366
7	Law college	2	100	4	200	4	200	4	200
	Technical								
8	Engineering college	4	100	6	150	6	150	6	150
9	Polytechnics	12	100	18	150	20	167	25	208
10	Junior technical school	9	100	21	233	25	278	47	522
11	ITI (Government)	-		10	100	16	160	22	220
12	ITI (Private)	-		26	100	206	792	240	923
	Medical								
13	Medical college	2	100	4	200	5	250	5	250
14	Dental college	-		-		-		2	
15	Ayurveda college	1	100	2	200	4	400	5	500
16	Homeopathic college	-		3	100	4	133	5	167
	Agriculture								
17	College of agriculture	1	100	1	100	1	100	1	100
18	College of horticulture	-		-		1		1	
19	Veterinary college	1	100	1	100	1	100	1	100
20	Other colleges under Agricultural University							5	

Source: B.E.S., Fact book on Manpower, 1966, 1976, 1984 and 1988

VI Concluding Observations

The foregoing analysis may be concluded with the following observations. Our analysis supports the hypothesis we put forward to explain the causes of growing unemployment. We identify the excess supply of young labour force, the low growth for labour demand arising out of the declining economic growth of States' economy, and the restrictive labour practices distorting the smooth operation of the labour market as major causes of unemployment.

The basic cause of the growing unemployment is the excess supply of young labour force both educated and non-educated, arising out of the rapid population growth. But the economic growth of the State's economy was not sufficient to increase the demand for educated and non-educated labour commensurate with the labour supply. This resulted in massive unemployment among the young labour force in the age group 15 and 34.

Due to wide difference in wages, other benefits, service conditions and regularity of jobs in the three sub- labour markets, the mobility of labour is very high towards the public sector labour market. On the other hand, mobility of labour to private organized and unorganized labour market is comparatively lower. The educated unemployed labour force is totally reluctant to move to unorganized labour market.

A disturbing development that has been taking place is the decline in the share of production related workers. It suggests a change in the occupational preference of youth.

Kerala is experiencing an unhealthy geographic mobility of workers in which the out-migration of workers from Kerala to other parts of India has been diminishing and immigration from other States have been increasing. Currently, Kerala is facing the repatriation of migrant workers from the Middle East Countries which will have far reaching economic consequences.

The emergence of militant trade union movement and its imposition of restrictive labour practices have distorted the smooth functioning of labour market. The imposition of the restrictive labour practices has resulted in decentralization, outmigration and prevented

introduction of new technology in production process in major traditional industries. In the case of certain categories of casual workers, the trade unions have imposed unhealthy restrictions like imposition of restrictions on occupational and geographic mobility, prohibition of entry of non-trade union worker to labour market, creation of job monopolies, charging unreasonable wages from the unorganized public and creating extremely turbulent atmosphere in the work areas by indulging in frequent conflicts and confrontations. The unfavourable labour atmosphere created by the militant trade union activities has also discouraged private industrial investment.

The size of the plans implemented in the State was too small to accelerate the development process and to generate large increase in the demand for labour. The State and central governments have also failed to start large industrial ventures to accelerate the process of industrialization in the context where private investors are reluctant to invest in large industrial ventures.

The unsound fiscal policies pursued by the successive governments had led to a substantial increase in establishment expenditure, pension payments and interest payments leaving very little surplus in revenue account. This lack of surplus in revenue imposes severe restrictions on the State government to have a bigger development plan or invest in industrial ventures or implement big State-sponsored employment generation programmes.

Though Kerala has achieved educational development, it has not helped to train young people to engage in gainful occupations within the State or migrate to other parts of India or abroad. The educational policy of Kerala gave undue importance to the promotion of general education, neglected the development of professional and technical education, ignored the need for introducing job-oriented vocational courses suited to Kerala and failed to introduce a system of education which can promote the mobility of labour force to other parts of India.

Finally we conclude with an observation about policy measures to solve unemployment. Prescribing solutions to solve unemployment is not an easy task. However, we suggest a few policy measures which will help to reduce unemployment. Policies may be formulated with the objectives of reducing the excess supply of young labour force, achieving rapid economic growth

for generating more labour demand for educated and non-educated labour, promoting mobility of labour to private organized and unorganized labour markets, promoting mobility of labour force to productive occupations, encouraging outmigration of persons for work, removing restrictive labour practices which distort the smooth operation of labour markets, generating more surplus in the State budget for developmental investment, increasing public investment in industrial ventures and changing educational policy which is suited to Kerala's rapid economic growth.

Appendix I

Percentage of unemployed to Total persons of age 5 and above

N.S.S. 38th Round, 1983 (Current Day Stats)*

	States	Rural		Urban	
		Male	Female	Male	Female
1	Andhra Pradesh	5.59	4.70	4.95	1.79
2	Assam	1.88	0.50	5.34	1.68
3	Bihar	4.24	1.92	4.24	0.52
4	Gujarat	3.02	1.67	5.50	0.67
5	Haryana	3.41	0.29	4.61	0.44
6	Himachal Pradesh	1.17	0.23	4.27	2.22
7	Jammu & Kashmir	8.36	0.21	3.29	1.37
8	Karnataka	4.69	3.15	6.34	2.41
9	Kerala	13.39	6.56	12.76	5.29
10	Madhya Pradesh	1.56	0.67	3.81	0.79
11	Maharashtra	3.99	2.69	4.32	1.68
12	Manipur	0.48	-	0.23	-
13	Meghalaya	1.38	1.21	2.62	7.90
14	Orissa	5.09	2.68	6.22	1.55
15	Punjab	4.08	1.16	3.90	2.99
16	Rajasthan	3.09	0.92	3.18	0.55
17	Sikkim	1.59	0.34	7.77	1.47
18	Tamil Nadu	12.00	8.55	9.43	3.48
19	Tripura	1.24	3.03	4.40	3.87
20	Uttar Pradesh	2.16	0.5	3.95	0.41
21	West Bengal	8.80	3.15	7.51	2.74
22	All India	4.79	2.52	5.45	1.72

Source: Sarvekshana, Vol. IX, No. 4, April 1986

*Period January-June

Notes

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1 Unemployed as percentage of labour force – District wise (B.E.S. Survey 1965-66)

District	Male	Female	Persons
Trivandrum	10.32	24.76	14.73
Quilon	7.11	17.93	10.14
Alleppey	8.53	14.11	10.41
Kottayam	5.69	9.97	6.80
Ernakulam	7.07	12.07	8.35
Trichur	8.22	18.31	11.98
Palghat	5.40	9.74	6.98
Kozhikode	8.41	10.91	8.96
Cannanore	3.01	3.73	3.17
State	7.10	13.98	9.09

Source: B.E.S., 1976, Planning for Development in Kerala

2. Here the State income represents the net domestic product at factor cost originating within the geographical boundary of the State excluding the income earned from abroad. And the net product equals gross product minus depreciation.

3.

Growth of Per capita Income

Year	Per capita income			
	At 1960-61 prices	Base (1960-61)=100 indices	At 1970-71 prices	Base (1970-71)=100 indices
1960-61	259	100	-	-
1965-66	261	101	-	-
1970-71	298	115	594	100
1975-76	-	-	610	103
1980-81	-	-	621	105
1984-85	-	-	622	105

Source: Same as Table 12

4.

Availability of Food in the State

	Particulars	1961 (lakh tonnes)	1971 (lakh tonnes)	1981 (lakh tonnes)	1986 (lakh tonnes)
1	Production of rice in the State	10.67	12.98	12.72	11.73
2	Availability of rice for consumption from production within the State	9.60	11.68	11.45	10.56
3	Import of Rice on State account	2.40	7.47	15.75	16.50
4	Import of wheat on State account	-	0.55	0.48	4.20
5	Private imports of rice by rail and road	7.26	NA	NA	NA
6	Total imports	9.66	8.02	16.23	20.7
7	Total availability	19.26	19.7	27.68	31.26
8	Total imports as percentage of total availability	50.16	40.71**	58.63**	66.22**

NA – Not Available

Source: S.P.B., Economic Review, 1977, 1982 and 1987

*Ten per cent of production is set apart for seed, feed and wastage and rest alone is account for as available for consumption

** Excluding private imports

5. Average Monthly wages of employees of the retail shops in Trade and Commerce sector 1984

	Type of Labour	Urban (Rs)	Rural (Rs)
A	Shop Attender		
1	Food and food articles, beverage, tobacco and intoxicants	420	424
2	Textiles	486	427
3	Fuels and other household utilities and durables	377	336
4	Others	383	362
5	Restaurants and hotels	534	528
B	Monthly wages in the State government service in the minimum scale of pay as on April 1985		
1	Lower Division clerk	807	794
2	Attender Grade I	757	745
3	Attender Grade II	726	715
4	Last grade Employee Grade I	726	715
5	Last grade Employee Grade II	693	682

Source: D.E.S., 1988, Report on Wage Structure Survey 1982-85 and Government of Kerala, 1988. Appendix I to the Detailed Budget Estimates of Government of Kerala 1988-89

6. Average Daily Wage of workers in Kerala (Rs) in 1984-85

	Category	Urban	Rural
Construction workers			
	Carpenter	37.97	36.71
	Mason	38.03	36.65
	Painter	34.05	32.11
	Sawyer	35.70	35.35
	Plumber	35.91	33.28
	Electric wireman	36.02	33.91
	Unskilled worker (men)	22.80	21.90
	Unskilled worker (women)	17.38	16.37
Agricultural worker			
	Paddy field worker (men)		22.38

Source: D.E.S., 1988, Report on Wage Structure Survey 1982-85

7. In 1981 Census the last residence definition used is as follows: Every person if he had another place of normal residence irrespective of his place of birth, before he came to present place where he is enumerated. Even if a person was born at the place of enumeration but because of his work or for studies, etc. he had shifted subsequently to another village or town and had

come back again to the place of enumeration, he should be deemed to have had another place of residence prior to his enumeration here. For defence and similar personnel, this question is not applicable.

Source: Census of India 1981, series 10, Kerala, Part V A&B Migration Tables

8. **Out-migration from Kerala for work 1965-66**

District	Migrated to other parts of India and abroad	
	Number (in lakh)	Per cent
Trivandrum	0.33	7.6
Quilon	0.42	9.7
Alleppey	0.46	10.6
Kottayam	0.22	5.1
Ernakulam	0.24	5.6
Trichur	0.74	17.1
Palghat	0.87	20.1
Kozhikode	0.51	11.8
Cannanore	0.53	12.3
Total	4.32	100.0

Source: B.E.S., Planning for Employment in Kerala

9.

Out-migration for Employment – 1980

(in thousand)

District	Out migrants to other parts of India		Out migrants to foreign countries		Total out migrants	
	Number	Per cent	Number	Per cent	Number	Per cent
Trivandrum	11.80	3.9	2.77	11.0	34.57	6.8
Quilon	42.63	14.1	21.64	10.4	64.27	12.6
Alleppey	59.89	19.8	21.36	10.3	31.25	6.1
Kottayam	16.23	5.4	7.09	3.4	23.32	4.6
Idukki	1.71	0.6	0.58	0.3	2.29	0.5
Ernakulam	11.23	3.7	5.13	2.5	16.35	3.2
Trichur	52.05	17.2	40.22	19.4	92.27	18.1
Palghat	35.01	11.6	7.74	3.7	42.75	8.4
Malappuram	18.14	6.0	36.18	17.4	54.34	10.7
Kozhikode	16.31	5.4	17.73	8.5	34.04	6.7
Cannanore	36.82	12.2	27.37	13.2	64.19	12.6
State	301.81	100.0	207.81	100.0	509.62	100.0

Source: D.E.S., 1962, Survey on Housing and Employment, 1980

10.

Reasons for Return of 569 Sample return migrants

	Reasons	Per cent
1	Expiry of the contract	24.3
2	Employment terminated by employer	31.8
3	Compulsory repatriation by host government	17.2
4	Difficult living conditions	6.5
5	Difficult working conditions	8.1
6	Repatriated for illegal entry	2.6
7	Family problems	9.5
8	Total	100.0

Source: P.R. Gopinathan Nair, 1986, Asian Migration to the Arab World.

Migration from Kerala (India), Mimeo, Centre for Development Studies

11.

Immigration to Kerala 1965-66 (in thousand)

District	State of origin			Total	
	Madras	Mysore	Other State	Number	Per cent
Trivandrum	9.6	-	-	9.6	6.5
Quilon	6.0	-	0.2	6.2	4.2
Alleppey	1.0	-	-	1.0	0.7
Kottayam	97.5	0.2	0.2	97.9	65.9
Ernakulam	2.9	0.6	0.8	4.3	2.9
Trichur	1.4	-	1.5	2.9	2.0
Palghat	4.1	-	-	4.1	2.8
Calicut	9.3	4.7	1.8	15.8	10.6
Cannanore	0.5	6.3	-	6.8	4.6
Total	132.3	11.8	4.5	148.6	100.0

Source: B.E.S., 1976, Planning for Employment in Kerala

12. Blasting stones is a very difficult manual job which has a high risk element. The workers mostly came from Kanyakumari district of Tamil Nadu. The wages are piece rate and there is no discrimination between a local and Tamil labourers with regard to the rate of wages paid. There is no trade union or other restrictions preventing the entry of Tamil labourers to the local labour market. They are employed on a casual basis and eligible for a nominal annual bonus if they work in the same Quarry for a major part of the year. The stone Quarries are mostly small in size and conduct small scale Quarrying.

13. Prior to the formation of Kerala State in 1956, Malabar region was part of the erstwhile Madras State. The Kanyakumari district of former Travancore-Cochin State was made a district of the Madras State after the reorganization of the State in 1956; with minor other territorial adjustments. Hence the 1961 Census estimates on immigration based on place of birth definition cannot be considered as the magnitude of immigration to Kerala.

14. According to one newspaper report, the capitation fee for getting admission for various professional courses in private professional educational institutions in Tamil Nadu and Karnataka are as follows: for B.Ed. about Rs 15,000; for Diploma in Pharmacy about Rs 12,000; for Engineering degree courses between Rs 45 and 80 thousand; and for M.B.B.S. between Rs 2.5 to 3 lakh. It is reported that majority of the students studying in the private institutions which collect capitation fee are Keralites.

Source: The Malayala Manorama daily dated 1st October 1987, 3rd October 1987
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