

The Development Attainments of the Malabar Migrated Peasant Farmers: Human Capital Content and Economic Progress

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Abstract

Malabar migrated farmers put their maximum effort not only for making the physical environment favorable for survival. Their relentless efforts for having better education and health are a continuation of the attainments at the place of their origin. The current status in health and education is comparable with that of the other communities advancing in these spheres. More than 50 percent of the farmers are not interested in occupation they follow and only very small proportion of them consider their current occupation as a means of subsistence for their young generation.

Key words: Malabar migration, Educational progress, Human capital development, Living standard.

Economic progress expands the material base of the people, which is the means for fulfilling the human needs. The extend of the material progress, in the long run, is determined by the quantity of Human Development (HD) attained by the society as well as the efficiency with which they utilize the HD gains for material progress. The present paper focuses on the material status, HD and the composition of the human capital of the workforce of the migrant cultivators.

During the period from 1930 to 1960 widespread migration of farmers took place from Central Travancore, as a survival strategy, towards other parts of the state and neighbouring states of Karnataka and Tamil Nadu. Since the migrants started a settled life in the new land, they developed their new 'habitat' in and around the centers of their migration. The Eastern belt of Kannur District, adjacent to the Western Ghats is one such region with migrant settled population who mainly consists of Syrian Christians.

Data and Methodology

In the family formation, economic decisions and functioning, intra household relations, allocations, understandings, values and priorities etc. have continuity over generations. These family fabrics have got a strong say in the HD and economic performance of the basic social unit. Therefore, household is the primary data source for the study regarding its development process.

In the academic pursuit of this direction one must essentially excursion through the detailed development history of the stakeholders. Since such documents of published/unpublished and properly updated are niggardly, one has to retrieve the required information orally.

The information for the empirical part of the study is collected through a field investigation in the following way. The representative localities of the Malabar migrated centers of the Kannur district were selected as the study area. Stratification of the entire migrated belt of the district is made into two: a) leading centers, with accessibility to road, educational institutions, electricity, telephone, postal service etc. b)

backward centers, which are generally lagging behind the leading centers in almost all the facilities mentioned above and further handicapped with hostile climatic conditions and proximity to forest and wild life. The settlers of these backward centers have to travel several kilometers to reach even an LP school. The sample is selected in such a way that 50 percent is shared by each categories. The households are randomly selected from the list of migrants provided by the earlier migrants of each locality. The list is crosschecked with two other earlier migrants and maximum care is taken to see that the households migrated after 1960 were excluded from the list. This measure is taken to ensure that the family has members of the third generation at the income earning age. In certain cases, where the member present is not a major, a second visit is made after taking an appointment. If second visit also failed, the house is dropped from the list of selected samples and another one is added from the main list. The sample of each locality is so designed to include households from different families, i.e., only one household unit from one family, or in other words, households of the siblings are excluded from the list to include maximum number of families in the list. Maximum care has been given to collect the details from the member of a second generation, because he/she could give authentic information about the previous generation as well as the third generation. A questionnaire based field survey of 275 households is conducted during Oct-Dec of 2017². Out of these, 12 households were excluded due to non-reliability of the information supplied, and finally a total of 263 households are taken for analysis.

An intergenerational-stages-of-progress method has been followed for drawing the development contours through which the households reached the present development quadrant.

General Features of the Migrated Generation

The common features of the migrant cultivators are their determination to overcome poverty and provide education to their children³. Basically they kept the feeling that “we are migrants and must work together to succeed”. This is the sentiment, which made the ‘labour exchange’⁴ as a means of meeting the labour requirements of every cultivator and thereby maximising the total benefit.

² At present, there are about 40000 migrant families in the district of Kannur, from which it is calculated that during 1950s there may be around 4500 migrant households in the district, who constitute the population of the study.

³The observations on the farmhouse behavior in developing countries by Ghatak and Ingersent (1984) could provide more insight into the human development constraints of the poor peasant farmers belonging to the first generation:

The agricultural production unit is typified by the small, family farm – in terms of size as well as its high degree of self-sufficiency. b) Land and labour are the main factors of production. c) The farm workforce consists principally of the family labour. d) Some hiring in and hiring out of the labour may occur amongst neighboring farms according to the differing circumstances of individual farmers, including seasonal pattern of labour demand. e) On the output side, the emphasis on self – sufficiency implies that a proportion of farm output is not sold but retained on the farm for consumption by the farmers’ household. In a purely subsistence agriculture farm, households produce only for their on consumption.

The pure subsistence farmer is concerned only with managing a household and therefore his primary motivation will be food security for himself and his family. Since land and labour are the dominant factors of production in traditional agriculture, the level of production tend to be limited by the availability of these factors. The combination of scarce capital and plentiful labour favours labour intensive system of agriculture, giving detailed attention to crops, in order to secure higher yields.

⁴ *Mattalpani* (labour exchange) in Malayalam; means the informal arrangement for mutual exchange of labour without direct payment for the service.

The peculiarities of the labour reward system in traditional agriculture have implications to HD process. Work and income sharing characterize the family enterprises in the traditional sector. Work sharing explains why open unemployment is absent from the traditional agriculture. As the family shares the workload, the family (farm) income is also shared among its members.

The relative significances assigned to the subsistence and human capital formation of the upcoming generation is the factor influencing the household time allocation. The risk aversion plays an important role in the farm household decisions; farmers are willing to take risks only if they get higher payoff in expected return (Wolgin, 1975). This has been another strong reason for them to keep their children within the farm.

Poverty is the outstanding characteristic of traditional agriculture. Resource constraints and technological stagnation encourage the intensive use of labour and extensive use of time to obtain high crop yields. But compared to the advanced agricultural performance, per head output is low. Owing to the biological base of the energy sources and unstable natural environment, forecasting of agricultural production is particularly difficult. For example, during the early decades of migration one income-earning product was lemon grass oil, the production of which required huge investment of labour power for collection of firewood and managing the production unit. Cultivation of subsistence crops like paddy, tuber crops, plantain, vegetables etc., also required continuous labour care. These crops also drew labour attention to get protected from wild animals. The above factors together constrained the farm head from relieving the children to school.

It is from this typical labour intensive peasant cultivation that steady movement towards capital intensive long run cultivation of commercial crops took place among the migrant farms. The nature of crops and type of cultivation at each stage of transformation has got implications on the HD potentials at respective stages.

Measurement of Economic Standard

The living standard measurement can be easily accomplished with an evaluation of the per head income of the members. But this method is particularly inapplicable in the case of cultivators. The farmers are not habituated to keep the regular accounts. Of the 275 households visited, only two maintained the income and expenditure details. Moreover, since they seldom keep separate expenditure statements the expenditures incurred for production and consumption is not separately accounted. Another issue is the prejudice of the respondents regarding further enquiry about the sources and possibilities for imposing tax in future. The households receiving income from abroad are particularly hesitant to reveal the exact amount. Therefore, an alternative method for evaluation of the living standard of the households is developed. Four items are identified as necessary components of the new index of living standard of the cultivators. They are a) the land area possessed b) per head consumption expenditure c) quantity of consumer durables in the possession of the household and d) the quality of the dwelling⁵. These four variables are closely linked to the life pattern of the migrant cultivators in North Kerala and can be taken as the proxy for the living standard of a household. The cultivators are sentimentally attached to the land (even if the main source of income is from other sectors) and keep an urge to increase it in quantity and quality terms, therefore, the incorporation of its size as an item is justified.

Table 1 - General Picture of the Economic Standard

⁵ Also see Saleena (2005) for a detailed discussion on the socio-economic characteristics and current development problems of the migrant cultivators in Kannur District.

Components	Descriptions	No. and percentages of households in each category		
Consumer durables	Features	Weight given	No of houses	%
	1. Minimum of essential kitchen utensils only	1	38	14.4
	2. Furniture, coats, and items above minimum essentials	2	76	28.9
	3. Electronics durables (color television, refrigerator, washing machine), and /or agro-related durables like pump set, rubber roller etc.	3	111	42.2
	4. Private four wheel vehicles, air conditioner (Luxury)	4	38	14.4
Dwelling conditions	1. Very poor house – require immediate renovation, temporary house not suitable for the entire seasons of the year, houses in the verge of collapse	0	4	1.5
	2. House without proper sanitation, flooring with cow dung, shed type but can be used over the year	1	31	11.8
	3. Tiled roofs, cemented floor, suitable for all seasons, sufficient sanitary facilities	2	145	55.1
	4. Concrete with cement flooring, single storied, sufficient bed rooms and space for study purpose	3	60	22.8
	5. Luxury houses, either two storied or single storied with marble flooring and the like	4	23	8.7
Land	1. No land – or in the threat of ejection	0	5	1.9
	2. Less than 50 cents of land	1	38	14.4
	3. 50 cents to 1 acre	2	16	6.1
	4. One to two acres	3	76	28.9
	5. Two to four acres	4	72	27.4
	6. Above four acres	5	56	21.3
Monthly expenditure per head	1. Up to Rs 250 per month	1	60	22.8
	2. Rs. 250 to Rs.350	2	64	24.3
	3. Rs.350 to Rs.500	3	88	33.5
	4. Rs.500 to Rs. 750	4	27	10.3
	5. Above Rs. 750	5	24	9.1

Source: Estimated from the field survey

The size of the land is indexed in a six-point scale in ascending order from 0 to 5. The expenditure is a function of the income level enjoyed by the family and explains the living standard and the households are categorized into five, on the basis of per head expenditure, and each category is assigned index weightage from 1 to 5. The consumer durables possessed by the family like, rubber roller, sprayer pump, television, refrigerator, washing machine etc. with family is another good indicator of the purchasing power of the household. A five level categorisation of the households has been made with weightage from 0 to 4. The quality of the housing is the next concern of the migrants; hence, it is incorporated to explain the economic standard enjoyed by the family. The housing quality is grouped into four from very poor to two-storied high quality one. Each group is given the value ranging from 1 to 4.

The household which is very poor in all the above four components will get the lowest index of 2 and the household which excels in all the four will get the highest possible index of 18. The average of the indices of the 263 households is derived as 10.7.

Present Economic Standard

Table 1 presents the detailed component wise disaggregated attainments in living standard of the community. With regard to consumer durables, 42.2 percent possesses the consumer durables, which is above the necessary, it is featured with any one or more than one of the durable consumer items like colour television, refrigerator, washing machine etc. The average index of the entire group with regard to this component of living standard is 2.6. In the housing aspect 55.1 percent stay in tiled average house, 22.8 percent have concrete (fully/partly) houses and 8.7 percent has luxurious dwelling standards. The average index of the housing for the entire group is 2.3.

The average land possessed by the household is 2.9 acres. The possession varies from five households with no land to the maximum of twelve acres. One family is in the threat of ejection from the existing 10 cents of land, and it is, for the same reason, treated in the category without land. Few households are functioning as custodians of the land property of their brothers or sisters who are away, hence, have more than 12 acres.

The monthly per head expenditure of the household is another yardstick of the living standard of the household. There are 60 (22.8 percent) households in the lowest expenditure category, which is less than Rs.250 per month. In the second category, there are 64 households (24.3 percent), for whom the monthly expenditure varies from Rs.250 to Rs.350. The largest portion (33.5 percentage) of the households falls in the category with expenditure between Rs.350 and Rs.500. The average of the per capita expenditure is estimated as Rs.435.7, and of the index of the household expenditure as 2.6.

Human Capital Content

The proceeding analysis is based on the components of human capital measured in relative terms. This valuation is important for many reasons. For example, in order to know the relative position of the household in terms of its total human capital stock, aggregation has to be done on the basis of each component of the human capital. In order to assess the collective influence of the human capital stocks on the level of development, the components would have to be aggregated, which necessitates valuation.

The value of the education to the economic development can be evaluated mainly through three ways: a) returns to education method, b) years of education method, and c) the expenditure method. There is no reliable estimation of educational returns available, which can be readily applied in the present study. The next method is years of education approach. But the problem faced is that of accounting the value differences due to different specializations in graduations. The method for the valuation of different components of the human capital stock, in the present study is based on the approaches of Mathur (1990) and Mathur and Mamgain (2004) This work drew upon resemblance of the educational system to an input-output system in which each stage of education is treated as a process in which the basic inputs are students of a lower stage, teachers who themselves are output of some higher stage of education, and other material inputs obtained from various sectors of the economy engaged in productive activities. Outputs of educational process are students, who get qualified to one stage higher and hence become a part of the human capital. The values of the human capital at each stage of education is calculated as:

$$P[\sum_{i=1}^{i=n} a_{ij} \cdot (\pi_i) + \sum_{j=1}^{k=m} g_{kj} \cdot (\pi_k)]$$

$$= [\sum_{i=1}^{i=n} b_{ij} \cdot (\pi_i) + \sum_{j=1}^{k=m} h_{kj} \cdot (\pi_k)]$$

where, a_{ij} & b_{ij} indicate input and output coefficients respectively of technology matrix of the productive sector; g_{kj} & h_{kj} indicate input and output

coefficients respectively of technology matrix of the education system;

$i = 1, 2, \dots, n$ are material inputs.

$k = 1, 2, \dots, n$ are human capital inputs.

$j = 1, 2, \dots, n$ are material inputs.

$j = (n+1), (n+2), \dots, (n+m)$ are educational processes.

π are prices of material inputs.

π_k^i are prices of human capital inputs.

P is the uniform profit factor for each j .

The value of forgone earnings, which forms an important component of the value of human capital in the rate of return studies, does not figure in this approach⁶. They derived the values using the data pertaining to the nineteen sixties. Since these prices depict only relative levels, it has been assumed that the relative structure would not have changed markedly since then.

Table 2 Relative values of the human capital components

Category	Human capital content	Value per unit
I	Primary and middle levels	1
II	Secondary and higher secondary level	1.8
III	Non- technical graduates	4.3
IV	Technical graduates	6.1
V	Technical diploma holders	2.5

Source: Mathur and Mamgain (2004)

The Value of Human Capital Stock at the Household Level

The valuation of the household human capital is made for all members and workforce of the households as follows:

$$a) \text{ Total human capital content of the household} = (n_a * v_a) + (n_b * v_b) + \dots + (n_v * 2.5)$$

Where, n_a = the number of persons with educational level a.

v_a = the value of educational level at a

The average human capital content of the household is obtained by dividing the total human capital content with the total members (both working and non working, who crossed 18 years of age) in the family.

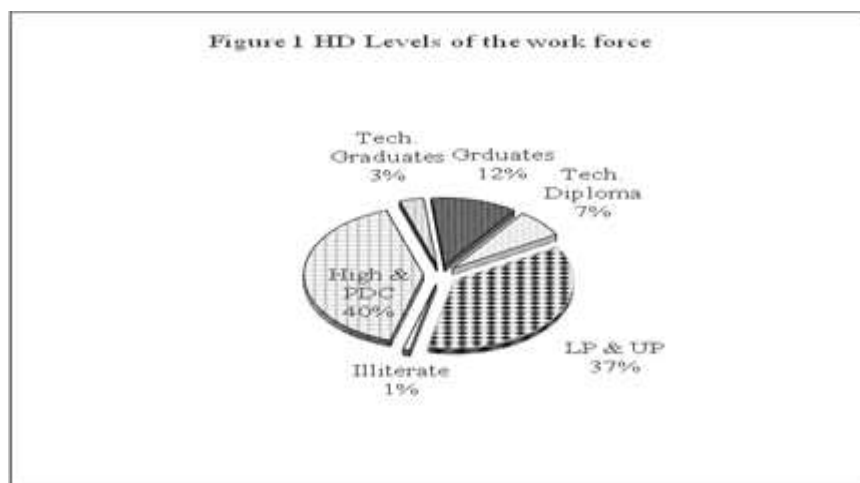
$$b) \text{ Human capital content of the workforce} = (n_a * v_a) + (n_b * v_b) + \dots + (n_v * 2.5)$$

Where, n represents only the working members of the household. Aged and economically unproductive are not accounted in this case. The average human capital content of the workforce is obtained by dividing the total human capital content of the workforce with the total workforce in the house.

⁶ For other points of difference between the two approaches see Mathur (1990).

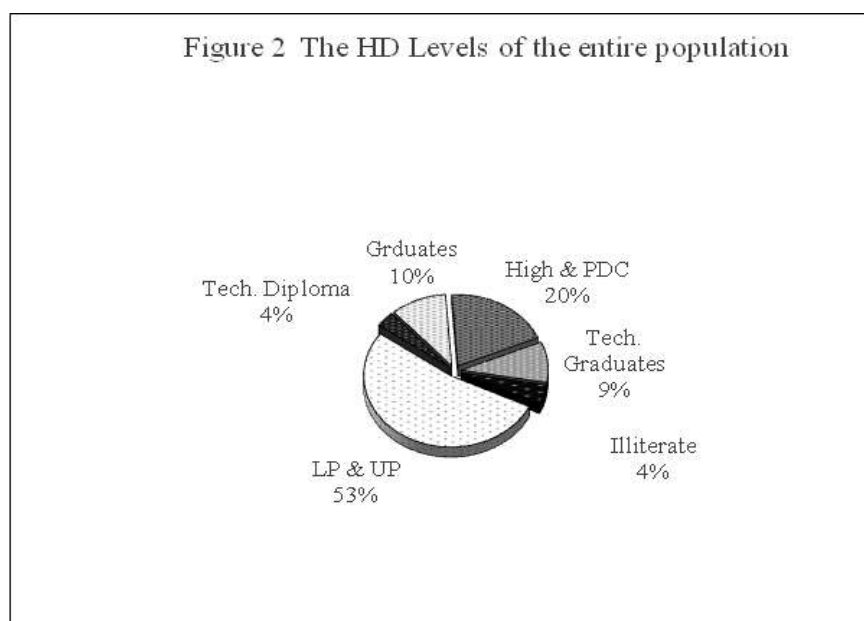
Human Development Attainments: Dis-aggregated Examination

A study of the current human capital status is attempted in this sub section. The pie diagram given below (figure 1) presents the composition of the workforce with different educational attainments. The largest portion (40 percent) of the workforce is high school or PDC educated, primary educated comprise of 37 percent and general graduates constitute 12 percent. Technical diploma holders form 7 percent of the workforce and another 3 percent is technical graduates. Illiterates comprise one percent of the workforce.



Source: Field survey

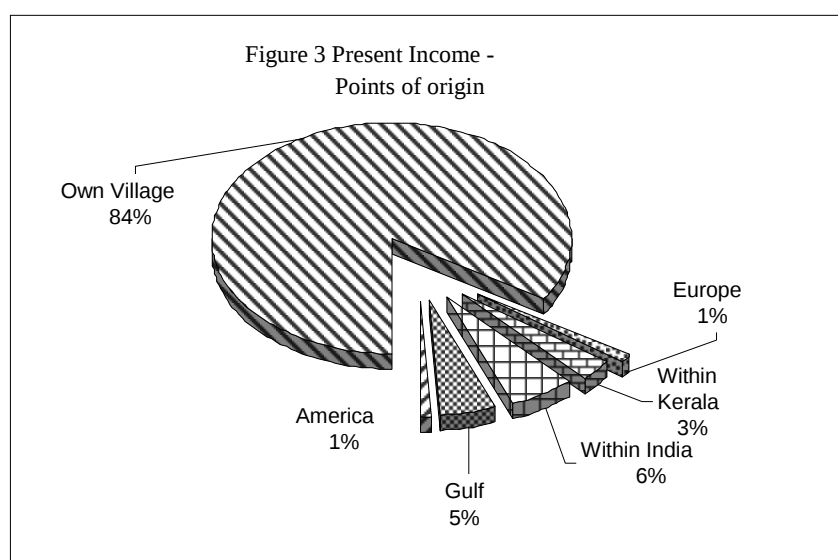
The non-working members constitute students, aged, permanently sick and retired hands. Their human capital role is relevant, because, they also exert influence over the economic and HD decisions of the households. Therefore, an examination of the human capital composition in the total population is attempted. The share of illiterates in the total population is 4 percent and that of technical graduates is 10 percent. The share of primary educated is 54 percent and that of high school or PDC educated is 20 percent. The differences in the educational content of the work force from that of the entire population is due to the inclusion of the students and non-workers in the second category (figure 2).



Source: Field survey

Geographical Mobility and Sources of Income

Though migration took place specifically in search of cultivable land, the current origins of income are widely diversified. The geographical spread points towards the mobility of labour and exploitation of the career opportunities offered. Of the present workforce, 84 percent are deriving the income either from own land or working as laborer - in agriculture or non-agriculture sphere. The remaining 16 percent are staying away from home. Of the total, 9 percent are employed within the country, i.e., 6 percent outside the state and 3 percent within the state. The third region of occupational importance is Middle East; 5 percent bring home income from this region. One percent each receives their income from Europe and America respectively, (figure.3). The diversity in the locations from which the 16 percent receive their income for livelihood can be viewed a continuation of their tendency for geographical mobility.



Source: Field survey

Burden and Utilisation of Debt⁷

Indebtedness is a general feature of the agricultural households. In the study area, 61.5 percent households are indebted to formal money lending institutions, mainly banks. There is a general hesitation to reveal the indebtedness with informal moneylenders and individuals. The reasons for non-repayment of the debt varied from lethargy to inability. The expressions of a Panchayath ward member tell us the issue more glaringly.

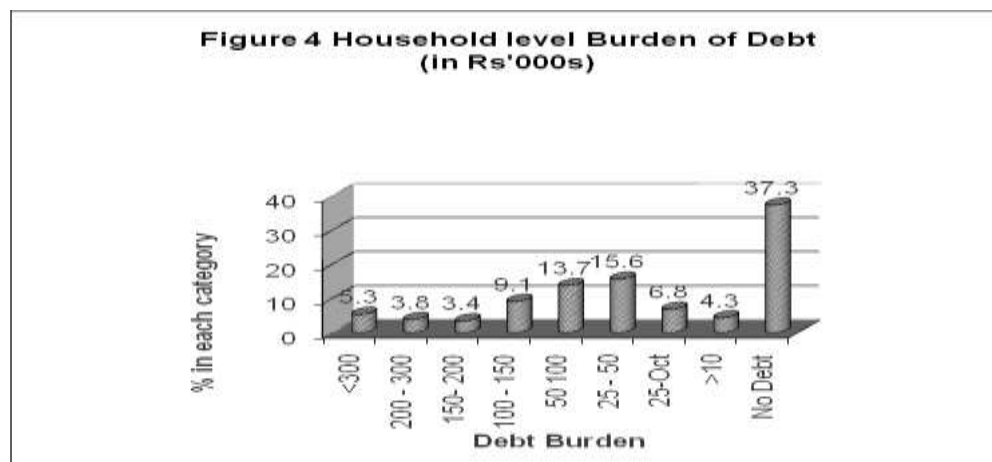
“....there is a type of moral hazard formed in the minds of the poor farmers as not to pay because their present property in value terms is not enough to pay the entire debt.....They had a feeling that partial payment is not going to help them anyway, because it will not be accounted in the principal.....They anticipate writing off of at least the interest of the loan; if so it is unwise to pay interest annually. Not only that there is a mass psychology, or demonstration effect i.e., they all are indebted; therefore, none individually have to take any steps to relieve from it.... Debt accumulation is due also to the enthusiasm of the bank officials to renew the initial loan amount

⁷ At all-India level out of the 89.35 million households, 43.42 million (48.6 percent) were reported to be indebted i.e. having a liability in cash or kind with value of Rs.300 or more at the time of transaction. Most important source of loan in terms of percentage of outstanding loan amount was banks (36 percentage), followed by moneylenders (26 percentage). Average outstanding loan per farmer household was highest in the state of Panjab, followed by Kerala, Haryana, Andra Pradesh and Tamil Nadu (NSSO, 2005).

with an enhancement, the shortsighted poor farmers get it and a portion of the incremental amount is spent on merry making with friends ...” (Interview with a migrated farmer, Aralam Panchayth during December 2019).

In the III and IV wards of Ayyankunnu Panchayath, indebtedness is a common feature of majority of the farmers. The dwelling features of the indebted are further made a subject of study and found out the geographical variables positively influence the probability of being indebted. A household settled in the disadvantaged locality has 75.5 percent probability of being in debt, while in the advanced locality it is only 48.4 percent.⁸ The debt obligations are quantified in money terms and graphically presented in figure 3.4. More than 15 percent have an outstanding debt burden between Rs.25000 and 50000, 13.7 percent have it between Rs.50, 000 and 1, 00,000. Of the total, 9.1 percent have a debt burden between Rs.1,00,000 and 1,50,000 and 3.4 percent have burden between Rs.1,50,000 and 2,00,000⁹.

During the field visit, indebted households expressed their suspicion of the role of an outsider and seemed doubtful whether the investigator is to serve some notice regarding further actions or to collect the details regarding the expenditure pattern so as to insist the immediate repayment of the dues etc. The direct and indirect expressions of the respondents and other members of the household, while answering the query regarding the indebtedness were indicative of the heavy burden and obligations they shoulder on this account. Excepting less than 20 percentage, the indebted have no confidence in the prompt repayment of their dues.



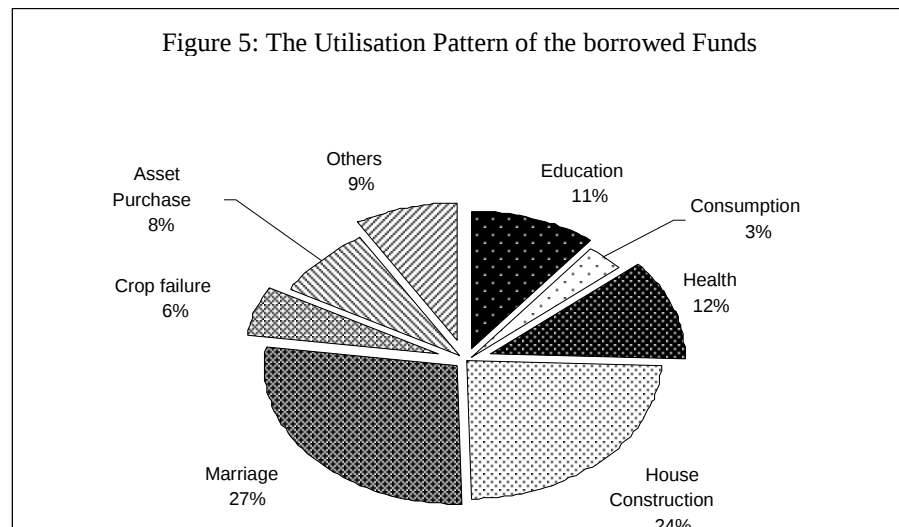
Source: Field survey

It is analytically significant to see the purposes for which the borrowed fund is generally expended. The highest portion (27 percent) is used up for marriage purposes - both for dowry and celebrations, the next significant spending channel is house construction. Health and related heads account for 12 percent of the borrowed funds, education and human capital formation 11 percent and 6 percent of the debt is accounted for

⁸ The national level study by NSSO (2005) showed that on an average out of 100 indebted farmer households, 56.9 households had source of income 'cultivation', 3.2 had 'farming other than cultivation' and 35.7 had 'others'. A comparison with the indebtedness and land possessed showed clear negative relation between the two. Almost 80 percent of the indebted farmer households possessed land amounting to 2hectares or less.

⁹ John (2005), based on his field study of 100 households in Kottiyoor Panchayath of Kannur District also indicated the widespread prevalence of indebtedness within the migrant belt.

by crop failure, while 8 percent by purchase of assets. Day today consumption requirements met 3 percent and remaining 9 percent is accounted for other purposes, (figure 5)¹⁰.



Source: Field survey

Occupational Interests of the Parents¹¹

Those households in the third generation, who depend on agriculture, are generally hesitant to bring their children to the traditional occupation. Only 25 percent have genuine intension to welcome their children to agriculture as a means of livelihood. What are the forces, which prompt the others to redirect their children to non-agricultural sectors? The parental perceptions are presented in figure 6.

More than 50 percent cannot see a bright future for agriculture. The amount of hard work is treated as very high by 13 percent and they perceive that the amount of work exerted is not proportionately rewarded through the prevailing price system. The unpredictable price factor and the risk associated with it discourage 13 percent. Another 13 percent consider other factors like social status, climatic factors, power price hike etc. as factors of discouragement.

¹⁰ At the national level it is observed that the most important purposes of taking loan were 'capital expenditure in farm business' and 'current expenditure in farm business'. At all-India level, out of every 1000 rupees taken as loan, 584 rupees had been borrowed for these purposes taken together. In many states, it was found that 50 percent or more of the total amount of loan was borrowed for one or the other of these purposes. The next important purpose was 'marriage and ceremonies'. In terms of percentages of loan amount taken, this purpose was most important for farmer households of Bihar, followed by those of Rajasthan. Also it is worthy of mention that out of every 1000 rupees taken as loan, farmer households of Himachal Pradesh borrowed 290 rupees for the purpose of 'non-farm business' those of Arunachal Pradesh borrowed 203 rupees for the purpose of 'education' and those of Manipur borrowed 220 rupees for the purpose of 'medical treatment' (NSSO 2005, p15)

¹¹ As per the 59th round NSS estimates 27 percent of farmers did not like farming because it was not profitable. In all, 40 percent felt that, given a choice, they would take up some other career.

Figure 6 Reasons for the unattractiveness of the Agriculture



Source: Field survey

Conclusion

The present human capital status of the migrants is: 54 percent are primary educated, 20 percent high school/ secondary educated, 10 percent are general graduates, 9 percent technical graduates, 4 percent illiterate and 3 percent technical diploma holders. The human capital composition of the economically active work force consists of 37 percent primary educated, 40 percent high/secondary School educated, 12 percent graduates, 7 percent technical diploma holders, 3 percent technical graduates and 1 percent illiterates. Sixteen percent of the Malabar migrant workforce is currently earning their income away from the region of settlement. Gulf region provides income for the largest group who work abroad.

Among the migrant cultivators, 61.5 percent are indebted and except very few, they are facing debt trap, unable to make timely repayments. More than 50 percent of the borrowed amount is expended for non-income generating purposes like marriages and construction of houses. The general approach towards the traditional occupation of agriculture among the cultivators is that, it is not helpful in building up the career of their children. The perceived disadvantages vary from severe hard work demanded to high degree of risk associated with it.

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