



Functioning of a rural labour institution in central Kerala

■ Sachu Zachariah John* and P.K. Sureshkumar¹

Department of Rural Marketing Management, College of Co-operation, Banking and Management, Vellanikkara, THRISSUR (KERALA) INDIA

¹Department of Agricultural Engineering, College of Horticulture, Kerala Agricultural University, Vellanikkara, THRISSUR (KERALA) INDIA

ARTICLE INFO :

Received : 22.01.2016

Accepted : 21.05.2016

KEY WORDS :

Green army labour bank, Rural labour institution, Organizational structure, Capital structure

HOW TO CITE THIS ARTICLE :

John, Sachu Zachariah and Sureshkumar, P.K. (2016). Functioning of a rural labour institution in central Kerala. *Adv. Res. J. Soc. Sci.*, 7 (1) : 116-123, DOI: 10.15740/HAS/ARJSS/7.1/116-123.

*Author for correspondence

ABSTRACT

Farmers are seen abandoning rice farming and younger generation are not attracted to farming sector mainly due to drudgery in farming, labour scarcity and high cost, and non- remunerative returns. Labourers are shifting from agriculture to other sectors due to better job opportunities, less drudgery and comparatively higher wages. Though the wages increased over time the gross income of the farm labourers declined as the labour days fell faster than rise in wages. The Kerala People's Plan initiated during 9th plan addressed the situation by forming labour banks to protect the interest of both the farmers and labourers and to enhance agricultural productivity. Green Army Labour Bank, Wadakkanchery, Kerala has emerged as a replicable model in addressing issues of labour scarcity and low income faced by farmers and unsure job opportunity and low wages faced by labourers.

INTRODUCTION

Kerala economy is characterized by a general stagnation in agriculture, as evidenced by the fall in the share of agriculture and allied activities in the State Domestic Product (SDP) from around 22 per cent in 1999-2000 to a mere 8.83 per cent in 2013-14. Farmers are seen abandoning farming and younger generations are not attracted towards rice farming mainly due to lack of life security, drudgery in farming operations and lack of social accreditation to farming job and lack of social security (Jayakumaran, 2012). The area under rice, the staple food crop, has shown a consistent fall from 8.81 lakh ha in 1974-75 to 1.93 lakh ha in 2013-14 and the

corresponding decline in production was from 13.30 lakh tons to 5.68 lakh tons (GoK, 2014). Even though mechanization has evolved as the remedial measure, lack of skilled and trained personnel, insufficiency of public and private hiring services and lack of repair facilities operate against its widespread adoption. On the supply side, though wages increased over time, the gross income of labourers is observed to be declined as the labour days fell faster than the rise in wages. A strategy integrating the protection of interests of farmers as well as labourers is needed to reverse the present declining trend in rice area and production. Though it might appear to be contradictory elsewhere, in the Kerala context, it is complementary (Isaac, 1999). The primary objective of

this strategy should be enhancing the net income of rural labourers by providing more days of employment and to increase the net income of the farmers by curtailing the cost of production.

The factors of production *viz.*, land, labour, capital and management when combined in proper proportion and then used wisely can help to achieve higher level of efficiency in farming. The inputs of manpower, materials, machinery and money do not ensure growth; they become productive through the catalyst of management (Chigbo, 2014). Kerala People's Plan initiated during ninth plan has placed agriculture mechanization as a prime issue to be taken up for socio-economic uplift of rural people by counteracting the labour scarcity, high labour cost, drudgery in human labour and consequently high agricultural productivity. The enthusiastic response of the people to the concept of local level planning also resulted in the birth of many local level institutions. One among them was the labour bank, the first organization materialized in the *Kunnathukal Panchayat* in Thiruvananthapuram District as early as in 1998. An initiative taken up by Kerala Agricultural University through Food Security Army (FSA) has conceptualized the need for an efficient work force for the state for achieving food security and was able to form various Labour Bank/Labour Army in different parts of the state. Green Army Labour Bank (GALB) is such an organization formed as a self-sustaining group of skilled labour force fostered by the local body of Wadakkanchery block in Thrissur district in 2008 equipped with modern farm techniques and interventions, and farm machineries. By infusing modern methods into conventional farming, the Green Army has become a role model in the state in a short span.

MATERIAL AND METHODS

The case study is based on both primary and secondary data. Forty beneficiary farmers and 40 green army members in the Wadakkanchery Block were randomly selected and interviewed through structured questionnaire. The data were statistically analysed. The secondary data has been collected from the GALB, Wadakkanchery office at Athani, Thrissur, and the compendium of Panchayat Level Statistics (PLS, 2013).

OBSERVATIONS AND ANALYSIS

The findings of the present study as well as relevant

discussion have been presented under following heads :

Formation of green army :

Green Army Labour Bank (GALB) Wadakkanchery was formed as a skilled labour bank with the intention of improving agricultural production and productivity by reducing the constraints faced both by farmers and agricultural labourers in Wadakkanchery Block of Thrissur District of Kerala state by facilitating the linkage among labourers, farmers and development agencies. GALB started functioning as per the order number 1379/08 dt.15-09-2008 of government of Kerala and registered under the Travancore Cochin Literary, Scientific and Charitable Societies Act, 1955 in 2010.

The membership of GALB is opened to the marginal farmers and agricultural labourers aged more than 18 years residing in the jurisdiction of Wadakkanchery block panchayat. After intensive training to the members by Food Security Army (FSA) of Kerala Agricultural University (KAU), groups were formed, leaders were identified and key staffs were appointed.

For the promotion of developmental activities and transfer of knowledge to the farmers and labourers, involvement of the three tier panchayat system, *Maithri* a professional NGO in Palakkad and KAU were sought. Wadakkanchery Block Panchayat has taken the lead role in implementation; *Maithri* was engaged in planning processes and KAU in giving training to Green Army members.

Active involvement of various agencies such as Department of Agriculture for sharing expertise and to facilitate supply of seed, fertilizers, bonus etc. to the farmers, Dept. of Rural Development to facilitate association of MGNREGS with GALB, Irrigation department to facilitate irrigation development in the area, Civil Supplies department to facilitate procurement of rice, Co-operative Banks for financing and procurement of rice and Public media for promotion of the activities were ensured.

The GA members were trained and equipped to handle machinery such as tractor, tiller, transplanter, cono-weeder, reaper, combine harvester, winnower and bailer. At present there are 290 members enrolled in GA comprising of 164 women and 126 men.

Objectives of green army labour bank :

As per the by law GALB is bound to operate to

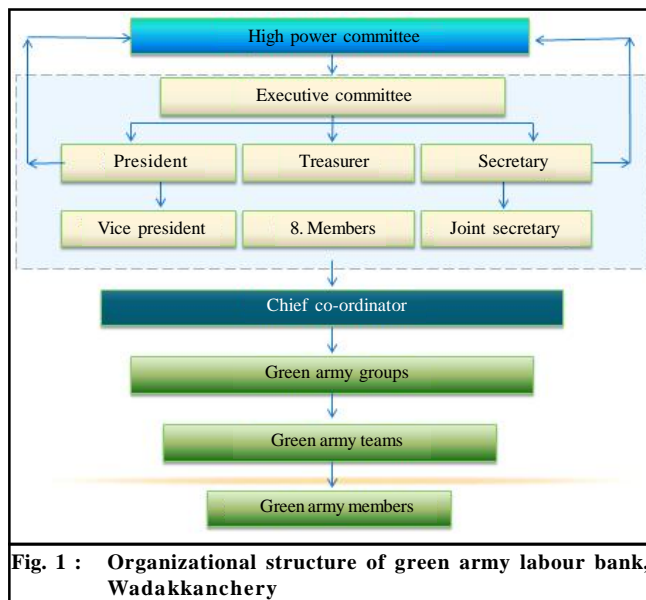
achieve the objectives depicted in the order no. 1379/08 dated 15.09.2008 government of Kerala to improve the agriculture production and productivity. The main objectives are,

- To take up the schemes with similar objectives of Central State and local governments
- To initiate and implement programmes to improve agricultural productivity and production in the Block Panchayat
- To act as a skilled bank in order to solve labour problems in the farming sector
To conduct awareness programmes among the members to improve sincerity and dedication with the co-operation of the three tier Panchayats and Krishibhavana
- To conduct trainings on the working and maintenance of agricultural machineries so that the farmers may get greater labour output in farming operations
- To form labour bank to provide agricultural labourers to the farmers as per the instructions and restrictions of the block level high power committee
- To implement programs to attract younger generations to agriculture
- To engage in volunteer work in the developmental programmes of the Panchayat
- To help the farmers to make farming profitable in all ways
- To strengthen the farmer-labourer relations and make a permanent solution to resolve dispute among them
- To depute GA members to neighbouring Panchayats and institutions to provide farm labour

Organizational structure :

GALB is functioning on a six level hierarchy system in the order of High Power Committee, Executive Committee, Chief Co-ordinator, Green Army Group, Green Army Team and Green Army Members. The schematic presentation of the organizational structure is given in Fig 1.

The high power committee consists of 10 members, viz., current President and Vice President, ex-President and ex-Vice president of Wadakkanchery Block Panchayat, Assistant Director of Agriculture of the Block, President of *Peringandoor* Service Co-operative (PSC)



Bank, elected President and Secretary of GALB and two Experts. The committee fix up the guidelines and labour norms for the successful working of the GALB from time to time.

The Executive Committee consists of 13 members; the elected President, Vice President, Secretary, Joint Secretary, Treasurer and 8 members of GA. The term of the committee will be one year and need to have a committee meeting once in a month.

Chief Co-ordinator oversees the activities of GALB and effectively co-ordinates the works through the administrative staff. Shri Anoop Kishore President, *Peringandoor* Service Co-operative Bank is the present Chief Co-ordinator elected by the Green Army members.

Each GA group consists of five teams. The group leader is the link between the GA leadership and farmers through Green Army Team. He is responsible for getting issued and giving back the machinery and implements in good condition. Allotment of teams to different farmers/ fields as required, maintenance of attendance, distribution of salary to team members, overall supervision, appropriate intervention to finish work in time and achieving the target to the satisfaction of the farmers are also coming under his purview.

A team consists of five Green Army members with a team leader, deputy leader and three helpers which is the basic unit of operation in the rice field. The number of teams operating in one field may vary depending up on the field size. One team should finish the mechanical

transplanting at a rate of 2.5 acres per day.

Individual Green Army Member is the basic unit, which form the team. Leaders at different levels are selected by the leadership from the members based on their skill, calibre and performance.

Administration :

The day to day affairs of GA is monitored and facilitated by a team comprising of 7 members which include an Agricultural Officer, Accounts Officer, Co-ordinator I, Co-ordinator II, Office Assistant, Clerk I, Clerk II. The work scheduling and preparation of calendar of activities are the responsibility of the Agricultural Officer. Regular appraisal of the performance of GA members is made by evaluating the response of farmers after completion of farm operations by the GA members entered in a pretested performance appraisal form.

Basic requirements to be a GA member :

The member should be a card holder of MGNREGS, which ensures that the benefit of membership given to a proven agricultural labourer, should have completed 18 years age and an inhabitant of the Wadakkanchery Block Panchayat. The member should undergo trainings in mechanization and other areas for skill development provided by appropriate agencies such as Kerala Agricultural University, should give Rs.1,000/- as registration fee and Rs.120/- as annual subscription fee and remit Rs.5/- per working day.

Capital structure :

The GALB being a non-profit organization which is funded mainly by local self-government organizations capital involves no external borrowings or debts.

Fixed capital :

The GALB does not own any land or building but have three functional units taken on monthly rent, an office, a garage for machinery and a training centre with 5 acres of land accessible for conducting practical and farm activities. They do not own machineries, but are only the custodian of machinery. The ownership of the assets of GALB is entrusted with the Executive Committee. New assets created will be in the joint ownership of the President and Secretary under the period of effect. In any case if GALB cease to function, the assets left will be gone to the r Block Panchayat and members will cease to have claim on the asset.

The total value of the machinery worked out to Rs.152 lakhs. The fixed capital include 67 transplanters, 2 combine harvesters and 2 bailers were supplied by Village, Block and district Panchayats using State Plan Fund and fund from RKVY (Rashtriya Krishi Vikas Yojana) and Peringandoor Service Co-operative Bank and office equipments such as computers, xerox machine and furniture. The membership fee at the rate of Rs.1,000 per member also forms a part of the fixed capital which is deposited in bank.

Working capital :

The sources of working capital include annual subscription of Rs.120 each and Rs.5 each as contribution for those days he/she works, Service charge for machinery from farmers. The present rate of service charge of mechanical transplanting is Rs.3,500 and Rs.4,000 per ha respectively, within Wadakkanchery Block and outside the Block and Rs.2,000 per hour for combine harvester, earnings from sponsored trainings conducted by GALB and grants, subsidies, loans and

Table 1 : Income received during the financial year ending 30.03.2014			
Sr. No.	Income	Amount (Rs.)	Percentage
1.	Service charges from farmers	95,37,921	85.50
2.	Income from filling grow bags	2,74,236	2.46
3.	Insurance premium	1,09,520	0.98
4.	Interest on deposit/investment	80,133	0.72
5.	Vegetable sale	6,37,935	5.72
6.	Trainings	4,44,347	3.98
7.	Subscription	67,893	0.61
8.	Scholarship	3,600	0.03
	Total	1,11,55,585	100.00

financial aids from Central, State and Local governments.

Expenditure and income of GALB :

Working capital of GALB is mainly used for paying the salary of GA members, maintenance of machinery and other official expenses. The data collected from the Income Statement of GALB shows the summary of expenses and income (Tables 1 and 2).

Table 1 shows that 85.50 per cent of the total income for the financial year 2013-'14 was from service charges for transplanting and harvesting obtained from farmers. The other sources of income are sale of vegetables produced by GA members, income from trainings sponsored by Coconut Development Board (CDB) and Mahila Kisan Shakthi Karan Pariyojana (MKSP), and rewards for filling grow bags for the Department of Agriculture which contributed 5.72 per cent, 3.98 per cent and 2.46 per cent, respectively.

Table 2 shows that the total expenditure incurred during the financial year 2013-'14 was Rs.1,10,62,865. Out of this 72.06 per cent was spent on wages and incentives to the GA members.

The other main items of the expenditure included expenses towards staff welfare fund contribution, fuel and rent, office salary, establishment expenses, program expenses and repairs and maintenance which were 7.80

per cent, 5.49 per cent, 5.12 per cent, 3.55 per cent, 2.65 per cent and 2.50 per cent, respectively, of the total expenditure made. The excess of income over expenditure was Rs. 92,720.

Salary structure :

The structuring of pay and benefits is planned to ensure the welfare of the family of the Green Army Member. A minimum of 16 working days are required for availing one month salary. In case of more than 16 working days in a particular month, the excess will be transferred to the next month's account, which may help the members to avail salary in the lean season also. If a member does job for 192 days (*i.e.* 16 days x 12 months) in an year he/she will get salary for whole year. The maximum monthly salary at present fixed is Rs. 7600 for ordinary GA member, Rs. 9600 for deputy leader, Rs. 12000 for team leader and Rs. 13600 for group leader (Table 3).

Benefits other than salary :

A Green Army member is eligible for pension of Rs.1,500/- month if he/she works for a minimum period of 1000 days in the Green Army. The scheme is working on a contributory pension mode, for every working day Rs.40/- will be deducted toward pension fund; an equal amount will be credited to this fund by GALB.

Table 2 : Expenditure of GALB during the financial year ending 31.03.2014

Sr. No.	Expenditure	Amount (Rs.)	Percentage
1.	Office salary	5,66,500	5.12
2.	Establishment expenses including printing expenses, electricity charges, postage etc.	3,92,209	3.55
3.	Programme expenses	2,93,180	2.65
4.	Staff welfare fund contribution	8,62,595	7.80
5.	Wages and incentives	79,71,637	72.06
6.	Interest on deposit loan	33,599	0.30
7.	Medical expenses	58,840	0.53
8.	Repairs and maintenance	2,76,709	2.50
9.	Fuel expenses and rent	6,07,596	5.49
	Total	1,10,62,865	100.00

Table 3 : Salary and welfare fund disbursed by GALB (lakhs Rs.)

Particulars	2010-11	2011-12	2012-13	2013-14
Salary	43.45	77.97	71.95	79.72
Member benefit fund	4.65	2.46	1.78	8.63
Accident insurance	-	1.63	2.47	4.67
Medical expense	0.19	0.32	0.20	0.59

A welfare fund is also operated in Green Army on contributory mode for the purpose of availing loan by Green Army members, to be given back with interest at pre-fixed instalments. For this Rs.5/- per working day will be deducted and an equal amount will be credited by GALB. The amount will be given back with interest at the time of retirement of the workers (Table 3).

Two types of insurance policies of LIC of India are compulsorily operated for every member on contributory basis at a premium of Rs.1,050/- per year per member on equal share basis; Rs.525/- by member and Rs.525/- by GALB. On the event of the death of a member, his/her nominee will get Rs. 50,000/- as claim. In the case of accidents, the member gets Rs.1 lakh per each organ

loss and Rs. 65,000 as hospital charges limited to a maximum of Rs. 2 lakhs.

Special schemes are operating to provide bonus based on the work output of the members and income earned by GALB. For each unit of work (*padasekharam*), if the expense is less than 60 per cent of the income (*i.e.*, amount given by the farmers as the cost for the work) 5 per cent of the income is given as bonus. If the expense is between 60 and 65 per cent, 3 per cent of income and if it is between 65 and 70 per cent, 2 per cent of the income is given as bonus to every member of the team.

Special funds will be raised for helping GA members on an equal contribution basis by the GA members and

Particulars	Before joining GA	After joining GA
Annual family income (Rs.)	139843	196490
Annual family expenditure (Rs.)	55848	86460
Employment days per year	203	225

Panchayat	2009-2010 (area in ha)				2010-2011 (area in ha)			
	Virippu	Mundakan	Puncha	Total	Virippu	Mundakan	Puncha	Total
Veloor	127	320	0	447	177	396	0	573
Varavoor	86	220	0	306	144	323	0	467
Thekkumkara	124	306	0	430	150	400	240	790
Mundathicode	97	295	0	392	246	412	0	658
Mulloorkkara	65	122	0	187	121	168	0	289
Kadangode	109	280	0	389	122	320	0	442
Erumapetty	103	315	0	418	160	403	0	563
Desamangalam	84	205	0	289	109	260	25	394
Wadakkanchery	93	210	0	303	65	263	55	383
Total	888	2273	0	3161	1294	2945	320	4559

Source: GALB office records

Year	Field collectives	Area (hectares)	Income (lakhs)
2010-11	52	2897	66.79
2011-12	97	4218	106.67
2012-13	117	4837	111.64
2013-14	125	2898	111.56

Source: GALB office records

Particulars*	Before GALB intervention (Rs.)	After GALB intervention (Rs.)
Cost of cultivation per ha.	29990	27359
Gross income per ha.	47719	70873
Benefit cost ratio	1.60	2.59

*The figures are at constant price level to the base year 2005.

GALB for needy members in case of hospitalization and other emergencies, educational aid for children, scholarships or financial helps for the deserved children of the members of the GALB.

A total of Rs.100 (Rs.40 as travel expense and Rs.60 for food) is given as TA and DA to every member who is sent for work in farmers' fields. Team leader will be given a communication allowance of Rs.2,000 per season and a Group leader will be given Rs.100 per month for 3 months.

Gifts at special occasions such as Rs.1,000 as *Vishukkaineettam* and a *Saree* for woman member and a *Kodimundu* for male member at Onam is presented every year.

Improvement in labour availability and income :

Table 4 shows the enhancement in number of labour days, annual family income of GA members and monthly annual expenditure. Due to joining in GALB, 22 more employment days per year, a 10.84 per cent increase, was obtained for GA members. The annual family income was increased from 1.40 lakhs to 1.96 lakhs with a 40.5 per cent at current price. Various items included in the family expenditure was food, fuel, health, education, travel and entertainment, communication and other expenses and it increased from Rs. 55848 to Rs. 86460 with a per cent increase of 54.81. Enhanced family consumption expenditure is an indication or a determinant of household welfare (Wodon, 1999) and joining the GALB has resulted in the welfare improvement of labourers.

Benefits to the rice farming sector and farmers :

GALB prepare the cropping calendar for *Virippu* (April-May to Aug.-Sept.), *Mundakan* (Sept.-Oct. to Dec.-Jan.) and *Puncha* (Jan.-Feb. to April-May) seasons and for different operations like land preparation, irrigation, transplanting, harvest on scientific basis every year to help the farmers to avail the benefit of irrigation system scientifically, distribution of farm activities and ultimately to improve the productivity.

A drastic reduction in the area under rice cultivation was recorded in Wadakkanchery block over the last decade. The area under rice has reduced from 4172 hectares in 1996 to almost 2500 hectares in 2005. The intervention of GALB was having a major role in

increasing the rice area. The area has gradually increased to 3160 hectares in 2009-'10 and 4559 hectares 2010-'11. Another important observation is that an additional area of 320 hectares have been brought under cultivation in *Puncha* season in 2010-'11 (Table 5).

An analysis of the situation in the Wadakkanchery block showed that leasing of rice, land which was not cultivated in the earlier seasons, has also been started and a new Coleus – Rice system is wide spreading in Wadakkanchery block, particularly in Ambalapuram region (Sachu, 2015). An area of about 300 acres is being cultivated with Coleus in *Virippu* season in the leased-in fallow lands. This is also due to the intervention of GA in rice farming which made rice farming easier and out of risk factors.

A steady increase is observed in the activities of GA over the years. The number of field collectives where GA extended its service increased from 52 in 2010-'11 to 125 in 2013-'14. The area where mechanical transplanting was done increased from 2897 ha to 4837 ha from 2010-'11 to 2012-'13, showing a 67 per cent increase. The amount earned as income increased from Rs. 66.79 lakhs to 111.64 lakhs (Table 6) during this period.

A comparison of the economics of rice farming at constant price level showed that there is a decrease of Rs. 2631 in the cost of cultivation and an increase of Rs. 23154 in the gross income per hectare (Table 7) due to the GA intervention, for the farmer with considerable increase in the benefit cost ratio.

Conclusion :

Green army labour bank Wadakkanchery as a labour institution has succeeded in protecting interest of both the farmers and labourers equally. While the GALB members were able to avail assured employment, structured salary, pension and other benefits, the farmers got timely and quality mechanised labour at moderate rates and spectacular increase in gross income. Consequently, the crop productivity and total production in the area increased.

Institutionalizing of labour bank system with convergence of Local Self-government, State government departments, Co-operative banks and NGO's can be a replicable model for addressing the issues of labour scarcity and low income faced by participating farmers.

REFERENCES

- Chigbo, O.F. (2014). Management as a factor of production and as an economic resource. *Internat. J. Hum. & Soc. Sci.*, 4(6): 162-166.
- Isaac, T.M. (1999). *Kunnathukal Pareekshanathinte Prasekthi* (The Importance of the experiment at Kunnathukal). In: Girishkumar, K.G., Rajmohan, N., Suresh, K. and ChandramatiAmma, K. (Ed.), Thozhilsena, Kunnathukal Gramapanchayat, pp. 6-25.
- PLS [Panchayat Level Statistics]. (2013). Panchayat Level Statistics 2011 – Directorate of Economics and Statistics, government of Kerala, Thiruvanthapuram, 224p.
- Sachu, Z.J. (2015). Productivity and profitability of a unique rice cropping system. In:Fourth International Congress on Kerala Studies 2015. Proceedings of Development Area

Seminar on Development of Integrated Farming conducted at Palakkad during April 27-28, 2015. A.K.G. Educational and Research Centre, Keralam. 29-30 pp.

- Wodon, Q. (1999). Microdeterminants of consumption, poverty, growth and inequality in Bangladesh. Policy Research Working paper no.2076. World bank Washington, D.C., U.S.A.

WEBLIOGRAPHY

- GoK [government of Kerala]. 2014. Economic Review, State Planning Board, Thiruvananthapuram. [Online] Available: <http://spb.kerala.gov.in/index.php/home.html> [27.5.15]
- Jayakumaran, U. (2012). Food security army [online] Available: http://rkvy.nic.in/SFAC_Coffeetable_Book_18-04-2012.pdf [28.5.15].

7th
Year
★★★★★ of Excellence ★★★★★