

# **Petty Production - A Survival Strategy and its Limits**

**Some Observations on Kudumbashree's  
Productive Activities**

**K. K. Eswaran**

Research Unit on Local Self Governments (RULSG)

**Lateral Studies Series on Kudumbashree** **4**

**CDS**

**Thiruvananthapuram**

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**K.K. ESWARAN**

**CENTRE FOR DEVELOPMENT STUDIES**

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## ABSTRACT

This paper raises a conceptual issue on the Kudumbashree's productive activities. The argument is that the Kudumbashree's production although aims at earning a surplus and market exchange it falls in a mode of petty commodity production and as such it has no inherent strength to progress into capitalist commodity production. The self-employed or family labour-based agriculture or tiny manufacturing with their limited scale and market reach and low technology base have only limited potential for expansion. Even this limited production is contingent upon substantial state support. The predominance of primary sector in the productive activities also indicates their inability to expand into other sectors. Despite limitations, the productive activities of Kudumbashree have been able to generate considerable amount of self-employment and their role in addressing the decline of agriculture also needs to be recognized. However, the popular argument that supports like skill development training, marketing activities and a willingness to take risk can overcome the constraints of the Kudumbashree production system ignores the larger structural issues of petty production. Such support programmes are necessary to sustain the sector, but not sufficient to overcome the structural limitations of the sector.

**Key words:** Kudumbashree, petty production, commodity production, lease cultivation, primary sector, micro enterprise-based production,

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## I

### **Introduction**

The Kudumbashree Mission in Kerala started in the late 1990s mainly as a micro-credit and thrift project, has grown into a gigantic network of women's self-help groups with a total membership of about 40 lakh women representing roughly half of the households in the state. Starting with its role assigned by the state government in the poverty alleviation programmes the Kudumbashree network has diversified into a range of income-generating activities in productive and service sectors like micro enterprise-based manufacturing, agriculture, services like child and old-age care and health care activities at panchayat level, various services at public places like railway stations and so on. Its role as the agency for implementation of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has earned it a special place in the rural life of the state. Although a growing focus on service sector activities is visible now, its engagement with productive activities remains significant. Micro enterprise-based production and farming by small groups of Kudumbashree women are the two major components in this segment. The Kudumbashree movement, with its close linkage with the local self-governments and their development activities, has established a strong presence in the entire Kerala villages. The state with its politically vibrant environment and a strong culture of women participation in trade unions, particularly agricultural labour unions and traditional industrial trade unions like coir and cashew workers unions, all predominantly women's unions, provided a favourable background for the large scale mobilisation of women under the Kudumbashree banner. The Kudumbashree organizational structure<sup>1</sup> provided a platform for socially and politically oriented women to take part in public life. The group-based micro-credit and self-employment activities naturally involve working among people and the role of the elective bodies in the organizational structure of Kudumbashree offers political training to the women activists. The fact that a large number of women representatives in the local bodies in the state are from Kudumbashree activists is often attributed to their level of empowerment and a gain from their experience in public life through Kudumbashree activities.

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1 The Kudumbashree has a three-tier structure in each local government with neighbourhood groups (Ayalkkoottams) as the basic units. All the neighbourhood groups in a ward of the local governments constitute an Area Development Society (ADS) and all ADS in a local government area together form the Community Development Society (CDS). These groups of different tiers have a governance structure composed of elected members. The CDS in a local government area is linked to that local government and it is the representative body that mediates between the Kudumbashree (Ayalkkoottam) members and the local government.

Among the productive activities, on which we are concerned here, the primary sector (agriculture, dairying, fishing) remains the major component. Small scale manufacturing and services including trade are the other activities. Agricultural activities are carried out by the Joint Liability Groups (JLG) formed by two or more Kudumbashree members and other productive and service sector activities are carried out by micro-enterprises (ME units) which are formed individually or in groups. According to the current data, there are about 60000 JLGs engaged in the cultivation of about 53000ha of lease lands, the major crops being paddy, vegetables and plantains. The latest data (March, 2019) on micro-enterprises indicate that there are about 19535 ME units under Kudumbashree spread across production (9227 units) service (6747 units) and trade (3561 units) sectors. Among them, individual units constitute a majority with 10816 and the group units are 8719. The prominent production activities of the ME units include livestock and dairying, food processing (e.g., snacks, pickles, jam, squash, curry powder) tailoring and readymade garments making and making of soaps and detergents. In the services sector retail vending (stationery, grocery, fish etc), hotels and canteen, flour mills and computer and DTP services are the prominent activities. Agriculture and micro enterprise-based manufacturing constitute the productive sectors of Kudumbashree.

The Kudumbashree movement in the state has been studied from different perspectives, and a good number of such studies have been rightly emphatic on the positive contributions of the movement to the increasing role of women in public activity and democratic political process and the impact on employment and economic conditions of women. A few such studies have analysed various aspects of productive sector activities of the Kudumbashree. A fairly elaborate evaluation study that made an assessment of the impact of Kudumbashree's activities discussed the role of productive ventures pointed out that the Kudumbashree micro-enterprises are mostly those with low risk and low skill such as agriculture, livestock rearing, food processing or similar activities. The activities of most of such enterprises are only "disguised wage employment" and that provide only a supplementary income, not a decent livelihood on their own (Kannan and Raveendran, 2017). It also points out that the Kudumbashree members have started many enterprises just to take advantage of available incentives, but could not sustain the activity due to competition from large corporate enterprises. They are also not involved in modern high tech or export-oriented industries. As a provider of employment also the performance of the micro-enterprises has not been very impressive as the study estimated that the average number of days of work of Kudumbashree's manufacturing industries was just about a little over 100 days with an average duration of work per day at four hours. Another study with a large sample conducted by the Gulati Institute of Finance and Taxation (GIFT) specifically on the Kudumbashree micro-enterprise programme locates low volume of production, low technology base and limited value addition function as the key features of ME units. Their products and services are meant to serve the needs of a small section of the local population (GIFT, 2013). It's finding that a majority of the ME units must be incurring heavy losses if the imputed value of own labour is included in the cost of production is revealing. It implies that the ME units do not have the capacity to

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provide a reasonable livelihood to the members who run the units resulting in their engagements in the multiple activities, including wage labour for a living. The need for engaging in multiple livelihood activities is noted in the case of Kudumbashree members in other studies also (Abraham & Devika, 2014). Enhancing technical skills and transforming ME units as professional business ventures by providing hand-holding supports are recommended in general to make them viable and efficient.

There are also critical studies in the Feminist tradition that bring out the limitations of the women empowerment agenda of the Kudumbashree movement while recognizing its importance in alleviating the economic deprivation faced by substantial sections of women in society. There is a strong view that the state-sponsored and guided development agenda implemented by the Kudumbashree SHGs can only reinforce dominant gender norms of the society as in such developmental programmes the women's involvement in the form of self-help and group activities for achieving welfare gains bestowed by the state will, in effect, replace 'public actions' or agitational politics as a form of asserting people's right (Devika and Thampi, 2011). The Kudumbashree activities offer an opportunity for home-bound women to connect with the public world and engage in collective activities. However, that in itself will not enable them to achieve critical insight that can engage them with power. In other words, the social capital which the Kudumbashree women are encouraged to create remains largely apolitical, and that does not challenge patriarchy or power. They, in that sense, remain conservative and state-protectionist (Devika and Nair, 2018).

A major argument seen in the Feminist criticisms is that the Kudumbashree programmes do not entail a distributive agenda. They are conceived in such a way that while the women are directly linked to local political institutions, they essentially remain 'trustworthy partners' in a non-distributive development agenda. The ideal to be achieved in the present empowerment programmes is not women as a fully enfranchised citizen "but as a self-supporting consumer with sufficient purchasing power" (Devika and Thampi, 2007). The Kudumbashree's role in providing a safety net for the family in times of instabilities in the labour market that make the role of man as breadwinner shaky is recognized as a significant gain of the movement (Aaberg, 2018). The issues discussed in these studies have a bearing on the gender aspect of the productive activities that we focus on in this study.

## **The Present Study**

As discussed above, the impact and benefits of various Kudumbashree activities have received the attention of researchers in a substantial way. However, the nature and content of the productive ventures of Kudumbashree and their limitations is an area that received little attention so far. A fuller understanding of the Kudumbashree's productive activities requires to comprehend the features of those activities and their essential content. What we propose in this analysis is to pick up the features of their productive activities and draw some lessons from them.

The issues of viability or profitability of the productive activities or their inability to provide sufficient employment opportunities are not the focus of our study, although they are incidentally discussed here. Our focus is conceptual, that is, the productive activities of Kudumbashree, in our view, represent a particular mode of production, which is petty commodity production and as such it is limited by certain constraints. Petty commodity production in this context is not used in a descriptive sense to refer to the size of the production units but indicative of the character of the production mode. In petty commodity production, there is a unity of labour and capital as the production takes place with own means of production and own labour. This feature is prominent in Kudumbashree's productive activities, although they are based on a profit-oriented business model. There is a general assumption that even small scale ventures that produce for the market and earn a surplus are also capitalist units. This also implies that the more efficient units among them can earn more surpluses under market conditions and follow a process of steady accumulation or profit-making. This actually is not the case. The petty production sectors like peasant farming with family labour or family-based tiny manufacturing with their limited scale and market reach have very limited potential for growth. Added to this the technology base of such units is limited and the scope for technical progress is absent. This means petty production scenario reproduces itself and has no inherent strength to progress into capitalist commodity production (Patnaik, 2015). Capitalist commodity production by definition is not 'any' system of production for market but a specific type of production that gives rise to social differentiation among the small producers that create conditions for the emergence of the capitalist mode of production<sup>2</sup>. Capitalist commodity production involves an element of impersonality when production is carried out by unknown competitors for unknown buyers. This happens when the production is for distant markets and the producers are scattered in different locations. This is a situation that can lead to differentiation when sections of the producers face a crisis in production or marketing that cannot be overcome by individual producers. Our argument is that the Kudumbashree production activities do not provide a background for such social differentiation as both producers and consumers are locally based and known each other and hence the uncertainties related to impersonality are absent here. It is affected by various other disabilities that are characteristic of petty commodity production.

The productive activities of Kudumbashree members do not represent their choice; rather, they are forced to accept such activities as a survival strategy in the context of increasing misery and unemployment. More importantly, their choice is also determined by the state policies that encourage self-employment by offering various subsidies, production bonuses and marketing supports. That is, the petty production activities themselves are promoted by the state without which even such small scale productive activities would have been impossible. The state's inability in expanding investments and employment and a steady decline of agriculture lead the state to adopt measures that would at least protect the existing petty production sector. While this being inevitable and a laudable objective, the

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2 See Prabhat Patnaik (2015) for a detailed discussion on the nature of capitalist commodity production and how that is different from petty production although the latter is involved in marketing and surplus making.



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burden of running the sector seems to be falling on the poor women, particularly those affiliated to the Kudumbashree. The uncertainties associated with agricultural production or the problems of marketing of ME products are increasingly faced by them.

Another dimension of this type of self-employment generation is that the state gets an escape route from its responsibility to generate wage employment on a large scale. Besides, the state is finding a new mechanism in sustaining agriculture by encouraging Kudumbashree women to take up lease cultivation. The growing participation of Kudumbashree women in lease cultivation is the result of a steady campaign by the state through local governments. In addition to providing several support programmes, the local governments often help the Kudumbashree women to get land on lease for cultivation as lease arrangements are not always easy. Thus it becomes a state-sponsored tenancy. The state, in its attempts to improve agricultural production, offers various incentives and subsidies with special focus on Kudumbashree women to attract them to agriculture. As a result, even women who left the agricultural labour field earlier seem to be returning to agriculture recently. This means it is the same old agricultural labour communities which are now coming forward to save agriculture from its current decline. They are, however returning to agriculture as tenant cultivators. As said earlier, there are something like 60000 Joint Liability Groups formed by the Kudumbashree women are cultivating 53000ha of lease lands in the current year. Along with the governmental support to lease cultivation, the expectation of profit and entrepreneurial satisfaction (as a self-employed farmer) lead the Kudumbashree women to cultivation. However, the gains that appear as profits are either the result of state support or more often self-exploitation. In this kind of petty production, whether tiny manufacturing or lease farming, the ventures are mostly collectives of two or more people which help them to share the risks involved just as they share the gains. It is interesting to note that a kind of collective tenancy, that is, a joint liability group of four or five persons collectively leasing farmlands, often small pieces of lands, is growing in a significant way in agriculture. This group tenancy seems to be a mechanism which helps lessees to carry out farming with their own labour, that is, without much-hired labour, and to collectively share the risks and losses in the case of crop failures. The growth of this kind of tenancy in agriculture is the sign of a crisis of agriculture in the sense that capital being shy in investing in agriculture, small scale peasant farming remains the major option to sustain agriculture, particularly food crop agriculture<sup>3</sup>.

The limited nature of this production becomes clearer when we learn that the income and employment generated in the sector are not ensuring a livelihood to the producers. The production activity remains a part-time work for them, and hence they are forced to engage in multiple activities, like MGNREGS works, casual manual work and other unorganised sector jobs to earn a living. This is against the spirit of division of labour and specialisation that is normally required for an efficient

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3 See for a discussion on this K N Harilal and K K Eswaran (2016).



production system. As a result, what we see in the rural areas is a highly unstable production and employment scene inspite of the best efforts of the state and local government institutions.

Our study is based on a brief survey and focus group discussions held with Kudumbashree members of joint liability groups in four panchayats, Nemmara and Pallassana in Palakkad district, Anthikkad in Thrissur and Nedumudi in Alappuzha districts. The present study is an offshoot of a slightly larger study on the people's plan activities in the said village panchayats. The study covers 30 Joint Liability/Microenterprise units belonging to as many numbers of Kudumbashree units (that is neighbourhood groups or Ayalkkootams). The total number of members in these JLG/micro-enterprise units is 125. The productive activities they are involved in are paddy farming, vegetable farming and manufacturing of snacks and pickles. The sample units are selected at simple random, and the members were interviewed in groups and individually for individual production units. The study mainly depends on the data collected from the members, although we made use of some qualitative data emerged during the focus group discussions. Our sample being small and covers only four panchayats in three districts a wider generalization of the findings may have limitations. However, the fact that many of our findings of the features of productive activities of Kudumbashree are in tune with some of the earlier studies discussed here may indicate the general validity of our conceptual position.

## II

### **Kudumbashree's Productive Ventures: Scale and Technology**

The three types of production included in our survey are paddy farming, vegetable cultivation and the manufacture of food products (snacks and pickles) are invariably of very small scale and almost entirely depended on the low level of technology and involve very limited investments. Besides, the production is entirely for the local market. Out of the 30 units included in our survey 18 are paddy farming units, seven units are in vegetable farming, and the rest five are micro-enterprises involved in manufacturing of snacks and pickles. Judging from our sample, it appears that paddy farming is emerging as a major activity of women groups, particularly in major paddy producing areas of the state like Palakkad, Kuttanad and Kol regions. The growing concentration in the primary sector implies that it still offers some scope for employment generation in spite of the increasing challenges the sector faces in the neo-liberal period. Another reason seems to be that the sector has a limited entry barrier.

A look at some of the details of paddy farming is illuminating. Lease farming is growing on a massive scale in this sector. Out of the 18 groups, all except one are cultivating paddy on leased lands. The scale of the operations as measured by the size of the farms indicate that a majority of farms fall in the small farm category of below one-hectare area (10 farms out of 18). The rest is slightly above one hectare in size, except two units which are cultivating a little above 2 hectares. As the Joint Liability Groups have an average of five members, the per capita cultivation area is a mere 55 cents (0.22 ha). The incomes from such small-sized farms are in no way sufficient to provide a livelihood to the families of group members. They are not able to undertake large scale farming even

if they get more lands on lease. As all the group members are casual workers living on daily wages or small incomes, the ventures that require large scale investments are beyond their capacity. The groups normally take up ventures that are manageable with their own labour and the limited resources mobilised by way of loans and subsidies. The entire group members were found working in their lease farms, and hired labour was not employed in any farm except in two large farms and in some activities that needed male labour like the application of pesticides and operation of machinery like tractors and harvesters. The use of manual labour (of the group members) per unit of land was also found slightly higher in their farms than the general pattern in the selected areas.

The technology and cultivational practices followed in the farms are similar to the practices prevalent in the locality and the state in general. The use of machinery for tillage and harvesting are done with the help of male workers and hired machineries. Although some of the scheduled caste JLGs were given free tillers by the District panchayats they are utilized only when male workers are available for operating them. When the male workers are not available, the machines remain idle, and the groups have to depend on hired machinery and men. The group members are not trained in handling the machineries. The small farms below one acre are often harvested by the group members themselves manually without hiring harvesters. This is the reason why the manual labour component in the groups' farms found slightly higher as pointed out above. The manual labour used in these farms was about 35 person-days per acre of paddy land, which is higher by ten person-days in other farms. The labour contribution per member to the farms was found to vary from eight to 25 person-days depending on the size of the farms and the number of members in the groups. The higher manual labour in these farms is the contribution of the members themselves, which involves no wage payment. The point to note here is that self-employment (or self-exploitation) plays a major role in making the lease farming of paddy a profitable activity, as we will see below. The unaccounted labour of the group members in the form of special care and supervision are also contributory factors in this.

In the case of vegetable cultivation, the scale of operation is much smaller although this activity is growing in terms of the number of units coming into the field. The size of farms vary from as small as 20 cents to as big as four acres. The overall average cultivating area of a unit is 1.22 acres (0.5 ha) and the per worker area is 25 cents (0.10 ha). The farms are mostly leased (five out of seven units are leased). It is interesting to note that the two owned farms (owned by one member each of the two Joint Liability Groups) of 60 cents and 69 cents are cultivated collectively. This is not only for obtaining the subsidies and loans extended to Joint Liability Groups but also a strategy to pool in their own labour to avoid wage labour. The group members who own the small pieces of land cannot cultivate on their own without hiring labour, for which some working capital is needed that they cannot afford. Besides, the land owning members, who are also casual wage labourers, can avert the full burden of risk in case of crop failures by sharing the loss among the group members. Although there is no rent charged in such cases, the owner may get a higher share in the produce, mostly in kind. This indicates not only the subsistence nature of farming but also the inability of landholders to undertake farming even in tiny holdings. The low level

of technology and capital base are evident in the complete dependence on manual labour in vegetable farming unlike in paddy farming. Mechanisation is totally absent here, even tillage is done by manual spading and irrigation for summer vegetables is also carried out manually.

The ME units engaged in non-agricultural productive activities in our sample are basically family-based small scale activities. The five micro-enterprise units included in our survey are involved in the manufacture of food items like snacks and pickles. Two out of the five units are one-person units, that is two Kudumbashree members are owning one unit each, working with the support of their family members. The rest are collective ventures of two or three Kudumbashree members. All the units work at homes and have manual labour-based production activities that do not need much skill and modern technology. Perhaps the plastic packaging in some units is the only modern technology involved. The investment requirement is limited to the working capital need which can be easily met as the Kudumbashree District Mission provides a loan of up to Rs. 1.5 lakh for an efficient ME unit and one person-unit can get up to Rs. 50,000. As the turnover and profits are limited, the working capital requirement is also limited. The limited capital requirements of these units make the entry and exit easier. This could be the reason perhaps for the higher mortality of these units observed in the field. Two out of the five units we visited have reported that they are not undertaking production this year as they incurred last year losses due to some recovery problems with the sales agents. In farming units also we see frequent closures and shifting of activities, while that seems higher in non-agricultural micro-enterprises. However, in general, a higher mortality rate is observed among the petty production units of Kudumbashree groups. This is observed in other studies also (eg. GIFT, 2013). An interesting point needs to be noted here is that the shifting of activities is easily done, that is when a particular production activity is closed the producers immediately shift either to another production activity or to wage labour under MGNREGS or some other casual work. Thus, entry and exit barriers seem to be absent or insignificant in the sector.

### **Marketing**

An analysis of the marketing practices of the farming units and the non-farm ME units reveals the extremely limited market reach. All the units sell their products, whether agricultural or non-agricultural, locally or in the close neighbourhood. All the paddy cultivating units except two in our sample sell paddy to the government procurement agency because the government's procurement price is attractive (Rs. 2330 per quintal in 2017-18). The agency collected the products at the farm gate, and the producers have no hassles in arranging the sales. The government's procurement price has an important role in sustaining agriculture in the state. The sales to private agencies result in lesser incomes. Two units that sold to local private traders got lesser price (Rs. 1800 to 2000 per quintal). The two units (one in Pallassana and the other in Nedumudi) that engaged in organic farming of paddy in part of their farms sold to the local traders at higher prices (Rs. 3000 a quintal at Pallassana and Rs. 2500 in Nedumudi). The traders process it and sell in the local market at a premium. The

vegetables are mostly sold to the neighbours, who come and buy directly from the producers. In one panchayat (Anthikkad), the producers occasionally carry their products to the Kudumbashree's weekly market arranged in a public space provided by the panchayat. This is done only when there is a surplus after the sales to the neighbours at the farms. Marketing of vegetables and paddy has not been a problem at all as reported by the group members, although there were reports of such problems for large scale vegetable cultivators in Palakkad district. The scale of production being small and the products being essential, marketing is not a problem for vegetable producers. Most of these units practice conventional farming methods where the use of pesticides and fertilizers is limited, and some of them are entirely organic farming units. Since the neighbours are aware of the quality they have a preference for these products.

Although there are some differences in the operational details of marketing of the micro-enterprise units engaged in the manufacture of pickles and snacks, the products are sold in the neighbourhood only. Besides the sales to the neighbours who come and buy from the units, the products are packed (just ordinary plastic packaging) and delivered to the retail shops nearby. These shops are mostly in the same village, spread in an area of a maximum two-kilometre radius. One unit that makes halwa found supplying halwa to bakeries at a distance of up to 10 km. The products having short shelf-life are supplied daily or in a gap of two or three days. But volume was found very small, with an annual gross turnover in the range of Rs. 1.5 lakh to Rs. 4.5 lakh. A general feature of these units is that they show no interest in scaling up their activities; instead, they prefer to remain with the present level of activity. The halwa making unit referred above, for example, claimed that it is getting supply enquiries from big shops and bakeries in the nearby Thrissur town, but it refuses to supply to them. The reasons given are that a higher scale of production will need the employment of wage labour and the bigger traders will demand a lower wholesale price also. In addition, higher investment will also be needed to scale-up the operations, while presently the unit is run on a Kudumbashree loan of Rs. 50000 only. The present production level can be maintained with the labour of the family members of the Kudumbashree member running the unit. What is evident here is that a continuous expansion of production and reaching out to distant markets for sales are not the features of this production mode.

### **Subsistence, not Surplus Earning**

The subsistence nature of the productive activities is revealed more clearly when we look at the data on income generated by the surveyed units. As the units are of varying sizes in terms of the number of members and the scale of operation (like the area in farming and volume of production in ME units), we have taken the income per worker (member) as reported by the groups for our analysis. The gross profit<sup>4</sup> (that is, without deducting own labour cost) earned by a member from paddy

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4 That is, net of all paid out costs, own labour cost not deducted.

farming varied from Rs. 7000 in Nedumudi to Rs.15250 in Nemmara (with Rs.10997 in Pallassana and Rs.11538 in Anthikkad in between) in a crop season. The own labour cost included in this gross profit (which in other words, is wage income) varies from Rs.5000 in Nedumudi to Rs.5566 in Pallassana (Rs.5154 in Anthikkad and Rs.5446 in Nemmara) per member in one crop season. As pointed out earlier, members are the workers in all the lease farms, about 15 to 30 person-days of work is contributed by each member in paddy farms in one crop season. The net income (or net profit) after deducting the own labour cost varied from Rs.2000 in Nedumudi to Rs.9784 in Nemmara per person<sup>5</sup>. The net income in Anthikkad was Rs.6384 and in Pallassana Rs.5431. What is important to note here is that while there is a net gain in paddy farming in normal seasons, the income reported here is earned over a period of four months. In the case of crop failures, the losses are huge also. Out of the 14 paddy farming groups in Pallassana and Nemmara, seven units that cultivated paddy in the previous two seasons lost the entire crop due to drought.

The gross income per person reported from vegetable cultivation was Rs. 2313 in Nedumudi and Rs. 3357 in Anthikkad. When the own labour cost was deducted the net income was negative in the former and a nominal Rs.263 in the latter. The income of the vegetable units is given for the whole year, which indicates a poor income situation. Just a single joint liability group of four persons was found engaged in large scale cultivation of banana (Nentran) in an area of four acres which provided a sizable Rs.1.5 lakh gross profit per group member and a net income of Rs.1.15 lakh per member. This is the only unit that earned some significant return.

The gains from the ME units are also indicative of the subsistence nature of the activities. Out of the five units, only three units were able to provide income data for the year 2017-18 as the other two units stopped production activities in the year due to some losses. The gross profit per person in those three units was Rs. 28250 during the year 2017-18. The own labour cost (equivalent to wage income) per person was Rs. 19000 and net return was Rs. 9250. At the prevailing wage of a casual female worker, (that varied between Rs. 300 per day in Palakkad region to Rs. 400 in Kuttanad area) the said gross income per person in the ME unit (which includes the own labour cost and net profit) almost equivalent to 80 days' of labour in an year. In the case of farming, this could be in the region of 70 days' of work in a year<sup>6</sup>. What it shows is that this kind of self-employment programmes rarely provides employment sufficient to meet their livelihood for the whole year. As a result, they are forced to engage in multiple activities to ensure a living, on which we discuss below.

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5 This is not net profit per unit of capital or land. This is the net gain per workers which varies according to the area cultivated, for example, if a group of four person cultivating, say, one acre of land gets less than that of a similar group cultivating, say, four acres.

6 In paddy the earlier referred income pertain to one season only. When this is doubled, we get the annual income. When that is divided with the wage rate it is roughly equal to a little less than 70 days.

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## A Survival with Support

The survival strategy of the Kudumbashree women in our survey seems to be something that is enforced by the circumstances and not a design by personal choices or job skills. Engaging in multiple activities like self-employed productive ventures and wage labour in farms and non-farm sectors is the feature of their survival strategy. A majority of the members in the present farming groups were earlier agricultural labours or those who belonged to agricultural labour households but abandoned the agricultural work and shifted to non- agricultural casual works. Now they are returned to farm works as lease cultivators and working in the farms as self-employed workers as the opportunities are limited in the non-farm sector. Nearly 90 percent of the self-employed lease farmers in our sample utilize the job opportunities offered by the MGNREGS. Some of them have reported that they go for other casual works also when they have no work in their lease farms and MGNREGS. A similar pattern was seen in the case of a majority (six out of nine members) of those who run the ME units also. They go for MGNREGS work when that is available. It was seen that all those who opt for MGNREGS got work for about 50 to 70 days under the scheme.

Our enquiries show that the self-employed Kudumbashree members prefer non-farm wage employment if that is available on a regular basis. It is in the absence of any such assured job opportunities that they enter into self-employment activities like farming or manufacturing for supplementing their wage incomes. The choice of farming and small scale manufacture becomes handy for the Kudumbashree women as their activities are promoted and significantly supported by the state through its departments and the Kudumbashree Mission. The state's support plays an important role in the adoption of productive activities by the Kudumbashree members. A look at the support programmes of the Kudumbashree Mission and state government would be sufficient to see this role. The Kudumbashree Mission offers a cultivation incentive to its members for all the major crops (Rs.3840 per acre for paddy, Rs.3520 for vegetables, Rs.2200 for plantations and root crops, etc.). This is exclusively for Kudumbashree women, and in addition to this, they are eligible for support from state government and the local government programmes. The Department of Agriculture offers support (including the cash benefit under the Rashtriya Krishi Vikas Yojana of the Central Government) amounting to about Rs. 6000 per hectare. In addition to this, there are various other support schemes like subsidized seed, fertilizer subsidy, wage subsidy and production bonus for paddy offered by the local self-governments. However, the amount of support from the local governments varies according to their resource position. The state government support also varies from year to year depending on the yearly budgetary provisions (similarly, subsidy under the RKVY was not given in the last two years). When the supports promptly come, roughly, one-third of the total cost of the cultivation (for paddy and vegetables) is recovered from such support programmes, according to the farming groups in our survey. Marketing support is another major advantage that the farming sector gets. The government's paddy procurement at an attractive price is a major incentive for paddy farming. Similarly, the procurement of vegetables by the government agency, Vegetable and Fruit Promotion Council Kerala (VFPCCK), offers marketing

support to vegetable cultivators. Although many such support programmes are available to other farmers also, the Kudumbashree farmers have additional benefits from the schemes exclusively meant for them.

In addition to the subsidies and other forms of financial supports, the state government and the local self-governments have several programmes to attract women groups to productive activities. The government has been engaged in a sustained campaign for many years now to bring more area under paddy and vegetable crops to arrest the tendency of falling food crop production in the state. Enhancement of agricultural production has been a major agenda in the peoples' plan campaign of the local governments. Leaving paddy lands fallow is widely discouraged by the local governments and the women groups are encouraged to take such lands on lease for cultivation. As tenancy is legally not permitted in the state, the landowners are mostly unwilling to lease out their lands fearing legal complications. In such situations, the panchayat committees using their goodwill persuade the landowners to lease out their lands to the women groups. Several of the joint liability groups in our sample were able to lease in lands with the help of the panchayat committees. The tenant farmers are also made eligible to obtain the subsidy and other benefits from the government with a consent letter from the landowners. Besides, all the support schemes given to the owner-farmers are extended to the tenant farmers also. The joint liability groups of women are made eligible to get loans from banks and co-operatives for lease farming without collateral. Perhaps Kerala is the only state in the country where tenants are getting subsidies and financial support for farming.

The special support programmes for scheduled caste groups for farming are also promotional exercises. In our sample, the joint liability groups of the scheduled caste community in Pallassana were supplied tillers free of cost by the District Panchayat of Palakkad. Out of the 34 JLG active in Pallassana panchayat, nine are exclusive scheduled caste groups working actively in lease farming. The information from all the surveyed groups indicates that the various support programmes coupled with the people's plan campaign have been able to bring several former agricultural workers back into farming. A large majority of them belong to the communities that sustained agriculture in the past, and it is the same communities and their women who are coming forward to save agriculture from its decline in the present. Another important feature of the growing lease cultivation in the state is that this is increasingly assuming the character of a state-patronised tenancy. Without extensive state support, this kind of petty production is difficult to survive. Similar is the case with non-agricultural ME production ventures also. A high mortality rate is noticed in this sector in spite of several support programmes of the governments. The number of ME units remaining active compared to the total number of units formed indicates the extent of mortality. Out of the 81 ME units in Pallassana, just seven are active, while in Anthikkad, out of 28 units, only 10 are active. Similar trends are reported in other villages also. A higher survival rate is reported in farming units, particularly paddy farming, which could be attributed to the possibility of higher returns in paddy.



## **Capital Base and Credit**

All these units, whether agricultural or non-agricultural ME units have intrinsic disabilities to grow beyond petty production level. A limited capital base is a major constraint facing these units. This cannot be overcome by available credit arrangements as these arrangements themselves are meant for small scale production aiming at a minimum agenda of poverty eradication through self-employment. A look at the credit facilities available and the size of credit availed by the units will make the picture clear. Only 18 units out of the total 30 units (joint liability farming groups and ME units together) have taken loans specifically for production purposes, while all the Kudumbashree members have taken small loans for various household requirements from the regular Kudumbashree lending scheme. The loans taken for productive activities by the 18 units referred above vary from Rs. 20000 to Rs. 3 lakhs. The loan amount of ME units vary in the range of Rs. 20000 to Rs. 50000. The vegetable production units have also taken only small amounts below Rs. 50000. The major borrowers were paddy farming units with relatively larger farm area ranging from three to six acres. The rest 12 units run their activities without any loan. They were found mobilizing funds for their limited working capital requirement by pooling in the little wage incomes of the members. All the borrowers in our sample are getting interest-free loans, either the interest is borne by Kudumbashree Mission or by the local co-operative banks. Such interest-free loans have a ceiling limit always. All the Kudumbashree members in our sample were, in any case, found indebted in varying degrees. In such circumstances, expanding production to higher levels is not something that can be easily achieved. The expansion of activities like farming is constrained by an added problem of limited land availability for cultivation. Large scale commercial farming cannot be planned by the small women groups even if they desire so as they cannot get enough land in the localities where they work. Popular arguments that lack of skill and training, unwillingness to take a risk, lack of marketing activities, and so on are the constraints that impede the Kudumbashree production ignore the larger structural issues of petty production. Training for skill development and other support schemes may be necessary to sustain the sector, but not sufficient to overcome the structural limitations of the sector.

### **III**

## **Conclusion**

We have seen that the Kudumbashree production is a form of petty production, although it has certain specific features as distinct from other types of family-based production systems. The predominance of primary sector production and a great supportive role of the state in the promotion and sustenance of the units may appear as somewhat distinctive features of Kudumbashree's production. A great number of Kudumbashree's production units are not strictly family-based; instead, they are very small groups of Kudumbashree members who collectively work in production. This may appear a distinctive feature, but they are similar to family-based units as they are run by member's own labour and the single-member units are run by family labour alone.

The Kudumbashree experience throws up a few lessons that seem to be typical of petty production in neo-liberal times. An over-dependence on the primary sector and the limited presence of non-agricultural manufacturing are significant to note. The predominance of the primary sector is also the result of substantial state support given to agriculture and allied sectors. The special financial support of the Kudumbashree Mission to its members engaged in agriculture has been a major incentive that attracted women groups to farming. This is increasingly helping the state in its agenda of arresting the steady decline of area and production of food crops in the state. Besides, the self-employment opportunities it generates in agriculture offer at least a partial remedy to the state's inability to expand job opportunities in the non-farm sector.

It is interesting to note that a majority of the present Kudumbashree lease farmers are those who abandoned agricultural work earlier. They have now returned to farming as tenant cultivators, which give them a higher social status and an expectation of good returns in times of good harvests. The more important thing is that it is the same old communities that sustained agriculture in the past are now coming forward to protect agriculture from the present decline. The women from those communities either as tenant farmers or as agricultural labourers still play a major role in the efforts to protect agriculture in the state. The gender implications of this trend are important. Agriculture in the state still remains in the traditional groove where women's labour is crucial.

The need to protect petty commodity production in the context of the neo-liberal policies that engender increasing inequality and unemployment cannot be overemphasised. The importance of the state's contribution to sustaining petty production is evident in the Kudumbashree's experience. In the absence of the state's support, the survival of the Kudumbashree production units would face serious challenges. The support programmes ranged from outright grants, incentives and interest-free credit facilities to subsidised seeds to price support (as in the case of paddy) and marketing support. However, the state supports are no guarantee for a stable and self-sufficient local economy as long as the petty production sector is surrounded by the capitalist sector that always remains a threat to the former. In the case of farming, although a capitalist production sector is not a big challenge to the tiny farmers, the private traders' intervention in the market is a challenge. The state's procurement at reasonable prices is the answer to that but that arrangement is often unsteady and the coverage is restricted. The non-agricultural manufacturing units face the problem of competition from bigger production units or the capitalist sector. They do not get any price or marketing support. The state support given to the petty production sector now is different from the state protection given to the sector in earlier times, that is before liberalization, when several industries in the sector were protected by restricting the penetration of capitalist sector in those industries. But with liberalization on the scene, such practices are no more in vogue.

Yet another lesson is that a supportive political environment, both at the state level and at the local level, is important in sustaining petty production. The changes in policies with the changes in

governments at the state and local levels tend to influence the support programmes often. Although the primary sector productive activities are given a priority in local governments' allocations under decentralisation the experience shows considerable variations in actual allocation and effective spending in agriculture. Such variations are related to the prevailing political environment at the local and the state level.

***K.K. Eswaran** is an economist working in RULSG, Centre for Development Studies, Thiruvananthapuram. His main areas of interest include Agrarian Relations and Political Economy.*

*Email contact: [kkeswaran@gmail.com](mailto:kkeswaran@gmail.com)*

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Prasanth Nagar, Ullloor, Thiruvananthapuram - 695011, Kerala, India

Tel: +91-471- 2774200, 2448881, 2448412 Fax: +91-471- 2447137

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