

Kerala's rubber revolution

THARIAN GEORGE K

THE Rubber Research Institute of India (RRII), which is celebrating its golden jubilee this year, has a number of achievements to its credit.

Most significant is the development and popularisation of the high yielding clone RRII 105 since 1980. The introduction of RRII 105 virtually revolutionised the cultivation of natural rubber (NR) in Kerala in terms of sustained increases in national average yield, production and expansion of area.

Beyond these achievements, has there been an intangible contribution by the RRII to the small-holder sector?

In order to answer that, it is necessary to comprehend the unique regional and historical contexts in which NR cultivation has been nurtured in Kerala, the policy regimes and socio-economic milieu which ensured surplus generation in the small-holder sector.

First, unlike in the case of other major NR producing countries, the introduction of its cultivation in Kerala was characterised by the active participation of the peasantry. Despite its colonial heritage, Indians controlled about 73 per cent of the area under rubber even as early as in 1946. This was contrary to the dominant foreign ownership and control of NR production in Malaysia and Indonesia during the colonial period. This unique feature of Kerala's rubber sector, which has accounted for more than 90 per cent of the country's NR production during the last one century, had important policy implications.

The introduction of commercial cultivation of NR in the State in the early 20th century coincided with a phase of remarkable commercialisation of agriculture, growth in trading and banking, and other conducive factors such as access to general education and development of the transport infrastructure.

The introduction of NR cultivation by the British opened up a new vista of enterprise for the peasantry in the State to channel the surplus generated from the commercial cultivation of traditional crops and those from trading and banking. Three important developments during the pre-Independence phase, namely:

- Growth of an indigenous rubber products manufacturing industry since the 1920s;

- bypassing of two International Rubber Regulation Agreements (IR-RAs); and

- statutory price regulations of NR since 1942,

proved pivotal in the dynamic growth of the NR sector. The cumulative impact of these developments

ensured a comparatively remunerative price.

The policy regime on NR, post-Independence, has been characterised by proactive government interventions under the national economic policy for achieving the twin objectives of self-sufficiency and import substitution. The two-pronged strategy that was adopted to attain the objectives were: Increasing yield in the traditional belt, and expansion of NR cultivation in the non-traditional areas. A major breakthrough in the former was achieved with the development and popularisation of the clone RRII 105. The resultant boom in planting, especially the rate of new planting during 1980-90 was unprecedented in the history of rubber planting in the country since 1950.

However, the critical factor that sustained the tempo of growth has been a protected price policy regime which ensured remunerative prices as in the pre-Independence phase.

The popular adoption of RRII 105, with its higher yield, and protected prices led to higher surplus generation. As the small-holder sector had been more enthusiastic to adopt the new clone compared to the large estate sector, the potential benefits of the higher yield and the protected price primarily accrued to the former.

At the other end of the spectrum, this success story has been confronted by three major challenges:

- Growing sub-division and fragmentation of holdings leading to limited options for reinvestment in the dominant small-holder sector with an average size of less than 0.50 hectare;

- Limited scope for new planting in Kerala in the absence of adequate area under favourable agro-climate; and

- Growing market uncertainty in NR prices since 1997 casting a shadow on the hitherto observed momentum in the expansion of area under the crop.

The cumulative impact of the surplus generation and the problems arising from the three major challenges led to the channelling of the surplus generated to non-rubber sources of income, especially investments in the formal education of children. The pattern of investment in a new and sustainable source of income by the dominant small-holder sector in Kerala has been evident from various field surveys done during the past one decade.

The choice of disciplines for professional education ranged from para-medical courses to information technology and business management. Despite the regional variations in the proportion of persons with professional qualifications and employment within the small-holder sector,

the growing trend towards multiple sources of non-farm income varied from employment in the country and abroad as well as self-employment in a wide array of activities in the service sector.

To a large extent, the diversified sources of income must have enabled the small-holder sector withstand crises during the past one decade. Interestingly, not a single farmer suicide has been reported in the rubber sector even during its worst period of the crisis, in 1997-2001.

Although this highlights the intangible contribution of RRII 105 in terms of the feasibility of survival strategies adopted by the small-holders, the changes also had seeds of potential agro-management issues. The three specific issues posing challenges to the small-holder sector are:

- Steady increase in the share of part-time farmers;

- Growing trend towards home stead farms with inter-planting of timber species; and

- Increasing dependence on hired labour.

While the phenomenon of increasing number of part-time farmers is the outcome of the inherent dynamic built upon the diversification of the sources of income in the small-holder households, the logical premise of the transmutation process leading to the emergence of homestead farms has to be located in the sub-division and fragmentation of the holdings.

The disengagement from authentic peasant selfhood by the new generation of small-holders led to increasing dependence on hired labour in spite of the smaller size of the holdings. In sum, while it is commendable to surmise that the evolutionary dynamics of the small-holder sector in Kerala has been unparalleled in the realm of natural rubber cultivation the challenges in the era of market integration pose serious questions on the compatibility of the prescribed agro-management systems.

(The author is Deputy Director, Rubber Research Institute of India, Kottayam.)

Solution to Crossword No. 287

C	U	T	P	R	I	C	E	T	A	X	M	A	N
A	R	E	U		R	I	E						
S	T	A	G	N	A	T	E	C	R	E	D	I	T
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