

Making sense of Kerala



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A people's state: A Kudumbashree-spearheaded campaign against COVID-19 at Thanneermukkom village of Kerala, May 25, 2020. The Kudumbashree project was a direct result of the People's Plan Campaign. | Photo Credit: [PTI](#)

A closer look at the social democratic experiment of India's southern State

There is no country in the world where there is such extraordinary regional variation in people's basic life chances as in India. This is true because of India's sheer size, but also because of the dramatic differences in State-level political regimes. From the BIMARU States (Bihar, Madhya Pradesh, Rajasthan, and Uttar Pradesh) to Tamil Nadu and Kerala, the variance in average life expectancy, well-being, education and basic dignity is dramatic. There is also a clear pattern. Broadly stated, the more democratic a State, the more developmentally inclusive. Exploring this relationship is critical to better understanding when and how democratic politics really makes a difference in people's lives. The lessons we can draw from Kerala are especially instructive. On just about every social development indicator, Kerala leads not only all Indian States, but in terms of getting the most bang for the rupee (that is conversion rate of economic resources into

tangible human benefits), it is clearly among the most successful cases of development in the world. Among middle-income countries, only Uruguay, Costa Rica, and Mauritius — all relatively small countries — come close to Kerala's achievements.

Much as such has been made of the so-called Kerala 'model'. But while we agree that there is something quite unique in Kerala's achievements, we believe that the designation of a 'model' is misleading and detracts from a more specifically political understanding of what has transpired. Kerala's achievements are not the result of inspired technocratic designs or brilliant leadership (though it has certainly benefited from both) but rather a historically specific constellation of democratic political forces that have secured a more inclusive and accountable political regime that can broadly be defined as social democratic. Social democratic development — in the general sense of development based on social justice by democratic means — is certainly a universally valid aim with related pillars and strategies. But the bad news is that there is no fixed 'model' of this that can be transferred or emulated across different contexts. The good news is that while politics and history are always messy, the fact that Kerala's political regime was built through political contestation and that political contestation is what democracy is all about provides room for hope that other developing democracies, including other Indian States, might travel a similar path.

The first wave of reforms

Kerala's achievements in social development are all the more notable because in many respects, it was the least likely candidate for success at the beginning of the 20th century. Aside from export of some colonial products, it was widely considered an economic backwater and was, for a long time, one of India's poorest States. It was very densely populated, culturally and socially heterogeneous with large minority Christian and Muslim populations, and had what many considered to be India's most ornate and oppressive caste system.

On the other hand, during the colonial period, the Princely States of Travancore and Cochin had pioneered tenancy reforms to check the powers of landlords and promote production, which in turn called for basic

education among smallholders to handle market relations. Christian missionaries had moreover provided some space for lower caste groups to be educated and by the end of the 19th century, socio-religious reform movements emerged in opposition to the worst forms of caste exclusion and in favour of education and government jobs for their communities. This was the rise of Kerala's civil society and the roots of its fundamental asset: people's ability to read and write. Most importantly, there was a tendency towards the turn of the century of joint demands among caste/socio-religious groups (including the Ezhavas and several Christian and Muslim groups) for civil rights and services for broader sections of the population — all of which increased the strength of civil society. In the 1930s, moreover, caste societies like the Ezhava toddy tappers and smallholders, and the Pulaya workers, linked up with socialist-led popular movements for civil and social rights during the world economic crisis, which hit Kerala hard. These efforts were combined with the anti-feudal struggle in the district of Malabar. In sum, what had been deep social and cultural cleavages became broad and encompassing forms of political mobilisation, galvanised in the struggle for a unified Kerala, against the British as well as the Brahmins, and famously brought the Communist Party of India (CPI) to power in 1957.

If Kerala's first democratic Government got much attention (from the Central Intelligence Agency as well as the Centre) for being the world's first democratically elected communist Government, more importantly, it represented a coalition of lower classes and lower castes, but also outstanding educators, moulded together by shared demands for expanding public goods (education and health), democratising government and promoting social justice, including land reform. What ensued were three decades of almost continuous political conflict fuelled by cycles of reform and reaction as Left and Congress-led Governments alternated in power. Routinely derided as a "problem State" that was "ungovernable", these cycles of conflict, in fact, sustained a continuous mobilisation from below and a sharpening of programmatic party politics. This ratcheting up of demand-making not only drove collective action, most notably unionisation across virtually every sector of the economy including informal workers, but also consolidated a rights-based political culture.

When Left Front parties were in power, they were able to leverage this mobilised capacity to push through transformative land reforms and the universalisation of education and basic health care. The power of traditional conservative forces – landlords, upper castes and much of the Church – was slowly eroded and Kerala’s basic social structures were fundamentally transformed.

Second wave of reforms

But even as the State of 30 million was beginning to register very concrete successes in social development by the 1970s, growth and employment were stagnant. Many have argued that this was the inevitable result of pushing social development at the expense of expanding economic activity, but in retrospect this zero-sum view has little merit. Economies are not just about growth but also distribution. Low growth in Kerala that persisted into the 1990s actually saw poverty levels steadily decline, largely because public forms of distribution ranging from social expenditures to raising wages of informal sector workers through collective bargaining created a de facto safety net. Still, while Kerala’s land reform was the most comprehensive in India, it was not inclusive of the most downtrodden sections of the population and did not generate as much investment in production as expected. This in addition to persistent unemployment and outmigration, along with increasing concerns about the rise of patronage politics and sedimented bureaucracies, triggered efforts to rethink and revitalise the role of the State in development.

The mid-1980s saw a renewal of the social democratic Kerala model ‘from below’ by way of mass-based civil society movements — most notably the People’s Science Movement, KSSP — which focused on expanding social rights and local democracy. A range of local-level experiments coupled with new spaces for progressives to engage the Communist Party (Marxist) and reformist elements within the bureaucracy culminated in the People’s Plan Campaign (PPC). Launched in 1996 as a mass movement with State support, and the personal commitment of Kerala’s first Chief Minister, outstanding communist leader E.M.S. Namboodiripad, the campaign drove what was — and remains — the most robust, sustained and effective devolution of resources and decision-making power to local governments

in all of India. Pushing through these new ideas and practices met with significant resistance from entrenched interests and the political opposition. And though the effort to institutionalise decentralised public action has cycled through highs and lows with changes in governments, and it has taken time to build and secure all the legal and organisational foundations that building a whole new layer of government calls for, the reforms have proven transformative on three different levels. First, they created real institutions of local self-governance in over 1,000 panchayats (and to a lesser degree municipalities as well) where none had really existed before. The bane of Indian democracy has always been that local governments are extremely weak, more bureaucratic than democratic, and offer citizens limited, if any, real opportunities for holding officials and politicians to account. The 73rd and 74th Constitution Amendments were designed to address this problem, but most States have achieved little and Kerala has gone the furthest in pushing real democratic decentralisation.

Second, the PPC was specifically designed to ensure that local democracy was participatory with detailed requirements for involving citizens and civil society organisations in local government. While the results have been mixed, especially with respect to including the most marginalised communities such as Adivasis and women, as well as sections of the middle class that did not immediately benefit from the new projects, they have at a minimum mitigated the kind of local elite capture that often bedevils local government.

Third, PPC was in essence envisioned as a transformation of the developmental state. If the State Government had successfully delivered by scaling out basic public goods such as education and basic health care from above, stronger and more decisive local government could help improve the quality of public goods, including better coordination of government functions at the local level. This was seen as not only essential to securing second-generation welfare reforms, but also critical to promoting local economic development.

On the welfare front, the results have been remarkable. In the past decade in particular, the quality and effectiveness of primary health care and a range of government services have improved significantly and the

extraordinary success with which district and local authorities responded to both the health and welfare challenges of the COVID crisis has received international acclaim. On the economic front, it is hard to disentangle national, State and local level effects on the economy, but the comparative record from Scandinavia to China does show that more robust and effective local institutions of governance are critical to economic dynamism. More needs to be done to coordinate State and local initiatives, and to combine public and private plans and investments, but some of this has started in the struggle to handle the recent environmental disasters as well as the pandemic and associated economic hardship. A possible indicator of progress on the economic front in Kerala is that if the first wave of remittances (1970-90) from workers in West Asia went into private consumption and had limited positive effects on the economy, the second wave of remittances has found it ways into investing in local business.

Kerala's developmental trajectory has in effect passed through two distinctive stages. In the first stage, Left-reformist Governments backed by a broad lower-class coalition pushed through classic redistributive programmes including land reforms, labour market reforms and universalising access to basic public goods. These State-led investments not only created what is India's most robust safety net, but also levelled opportunity and mobility in what had been a deeply hierarchical society. The second stage of reforms were focused on targeting more resilient forms of inequality including gender and caste exclusions in large part by transforming the State itself. With the decentralisation of public action and development, what Kerala has in fact done is to embed democracy more deeply into civil society by expanding the institutional surface area of the State and by empowering civil society groups, most notably the women's mass movement Kudumbashree, to engage the State. This has led to a multiplicity of local-level initiatives that have creatively tackled problems of social inclusion.

Lessons from Kerala

In summarising Kerala's achievements, we can then draw out four broad lessons. First, Kerala has deepened its democracy, both by investing in basic rights and empowering its citizens to be active in political and civic

life and by making democratic institutions, including government at all levels, more accountable. Second, it has increased the overall capacity of the state to deliver and effectively coordinate at all levels. Whether it has been rolling out new programmes or dealing with crises (floods, COVID-19) Kerala's State institutions at all levels are just more effective than in any other Indian State in large part because officials and politicians are held to account but also because the State can often partner with civil society organisations in co-producing delivery. This has been the case for examples as diverse as mass literacy campaigns, regulating labour markets, upgrading slum housing and providing meals to households during the COVID lockdowns. Third, Kerala has significantly expanded basic capabilities — educational, associational, civic — which, as Amartya Sen so forcefully argued in *Development as Freedom*, are not only intrinsically good but also support democracy and economic dynamism. Fourth, investments in democracy and social development have paid off economically. The stagnation of the 1970-90 period has now given way to sustained growth rates. While growth has mirrored the national pattern, Kerala's per capita growth has in fact exceeded the national average in the new century. This has certainly been in the context of neo-liberalism, globally and in India, so inequalities have increased and much remains to be done to foster democratic governance of new development initiatives and regain strength after the pandemic.

Are achievements sustainable?

Kerala has specific challenges: persistently high levels of unemployment that disproportionately impact educated women, a high degree of global exposure and a very fragile environment. More broadly, as the 21st century unfolds, it becomes increasingly clearer that the role of the State in supporting development must fundamentally change. First, in highly educated societies like Kerala, industrialisation is no longer the path to economic prosperity. Generally, we now live in an information and services economy and aggregate manufacturing employment is inexorably shrinking. Second, the classic social democratic vision of full employment is partly a chimera. With increasing automisation and gigification of work the challenge is less full employment than how we distribute employment,

how we protect increasingly precarious forms of labour and how we support the increasingly longer education of those who are future knowledge workers and the care of those who are beyond work. Third, climate change presents an existential crisis.

Kerala is the only State today in India which is specifically developing a strategy to address these challenges, a strategy that both builds on Kerala's achievements but also self-consciously develops a new vision for the role of the democratic state in promoting 21st century development. That strategy was set out in the CPM-led Government's 2021-2022 Budget, 'Transforming Kerala to the Knowledge Economy', championed by the former State Minister of Finance, T.M. Thomas Isaac, who also propelled the People's Planning campaign. Along with the State Planning Board, the five-year agenda to build a knowledge economy emerged out of an extended process of consultation with parties, civil society organisations and academic experts. The Budget prioritises investments designed to promote Kerala's comparative advantage in the knowledge economy, but does so in a manner that supports social inclusion and environmental sustainability. In many ways Kerala's knowledge economy vision is a blueprint for a 21st century developmental State and builds on three secure pillars. First, the blueprint moves beyond the industrialisation-centric vision that has animated developmentalism for the entire post-colonial period to focus on services, information-rich economic activities, harnessing global opportunities and husbanding natural resources as the pathway to growth and employment. Second, the blueprint explicitly builds on Kerala's reservoirs of human capital, including among returning migrants, and accumulated capacity for public action, to devise a new role for the State in promoting economic transformation. On the one hand, substituting for the dirigisme of the past that saw a vast extension of public sector units, the state's role has been re-purposed to be one of coordination that relies heavily on co-production with civil society. In particular, the Budget places emphasis on investing in the hard and soft infrastructures that are essential for knowledge economies — most notably rapidly growing the State's underdeveloped university sector, including new programmes in information technology and the sciences. On the other hand, local government is envisioned as playing a key role in local

economic development and in particular securing the quality of life that has long been associated with successful centres of innovation and that might transform panchayats into platforms for exporting people hours rather than people. Third, recognising the inherent risks of transitioning to a new economy including increased dependency on global markets, the blueprint expands the welfare state to deepen the safety net but also, much as in the Scandinavian model of export-oriented growth, reduce turbulence in labour markets. As the COVID-19 crisis has demonstrated, governments with robust and flexible welfare systems are far better at reducing the social costs of economic contractions and accelerating recoveries. Going forward, the major challenge is to develop institutional frameworks for democratic partnership governance of the new initiatives where all vital partners have a say – along similar visions as when public actions were decentralised to make local development more effective and inclusive. Investments cannot be public only, there is a need to regulate and coordinate with private partners. Education and knowledge need to be nourished in ways that contribute to equal chances among citizens as well as to prioritise services and production. Work conditions, social security and welfare need to increase citizens' bargaining power and contribute to sustainable economic growth.

It is of course too early to draw any conclusive lessons. But if history is any guide, then one central dynamic stands out. All three stages of Kerala's developmental trajectory – the social reforms, the decentralisation of public action and the knowledge economy – were responses to clear challenges. Governments and experts have at best very limited capacity to respond to societal challenges, not only because their own understanding and imagination is limited, but because they alone can't mobilise the partners and coalitions needed to sustain real change. This is precisely where democratic contention comes into play. Though often messy and conflictual, democratic demand-making, under the right conditions, not only generates the necessary momentum for change but forges the popular mandates and iterated feedback mechanisms that drive institutional change. The "right conditions" include a competitive party system, democratic partnership governance, a robust rights-based political culture and a

dynamic and diverse civil society. This is precisely the political configuration that has sustained Kerala's achievements.

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