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## PART 1

# Kerala: A Development Model?

BY PRAMILA JAYAPAL

BANGALORE, India

26 June 1995

Kerala, the "Green Gateway to India," is one of the smallest states in India. It is a narrow finger of land, occupying 38,863 square kilometers on India's southwest coast. The legend of Kerala is that the land was a gift of Varuna, the god of the sea, to Parasurama, one of the ten *avatars* or incarnations of Lord Vishnu. Varuna is said to have told Parasurama that he could have all the land he could cover by throwing down his *parasu* or ax. Parasurama's ax was thrown into the sea, causing the water to recede from Kanyakumari to Gokarnam. This formed Kerala.

According to history books, Kerala State was formed in 1956 as a result of India's linguistic reorganization, and combined the princely states of Travancore and Cochin (ruled by Maharajas) with the Malayalam speaking part of the Madras Presidency called Malabar. In the 1991 census, Kerala's population was approximately 29 million, making it one of the most densely populated states in India. Bordered on the east by the Western Ghats (hills), 1600 kilometers in length, and on the west and south by the Lakshadweep Sea, Kerala has always remained isolated from the events taking place throughout the rest of India. However, because of its coastal location and abundant indigenous spices, Kerala was a prime destination for Arab, Portuguese and Dutch traders. As a result, Keralites treat foreigners with some measure of nonchalance, and some of the major cities are unusual blends of typical Kerala and Dutch or Portuguese architecture.

The state's topography varies from the beautiful coconut palm-lined beaches of Kovalam to the hilly ranges of the Western Ghats, with its thick, fertile natural forests. Small and large streams, lagoons, rivers, and in the highlands, waterfalls, are intermingled with the lush green glow of paddies. Rubber and tea plantations are common, and in the fertile reaches of the hills, ginger, cardamom and pepper grow well. Kerala's coast is filled with long sweeps of white sand beaches, a raging surf in the summer months, and a bounty of fishing boats bobbing in the often treacherous sea. Because of Kerala's diversity in natural beauty, it was recently ranked the third most preferred destination in the world by a London-based travel survey.

Kerala is often touted as a "development model" both nationally and internationally. If one looks at all the statistical indicators, it certainly is. According to the 1991 census, literacy is 91 percent versus the national average of 52 percent, and primary school education for children is free. Literacy of females is 87 percent. Kerala's death rate is 6/1000, half of the national average. Infant mortality is 24/1000 against Sub-Saharan Africa's 175/1000, or the 97/1000 rate of other Asian countries. Life expectancy is a relatively long 66 years. Family planning campaigns have been extremely successful, resulting in an almost-zero population growth rate. The public health system has been

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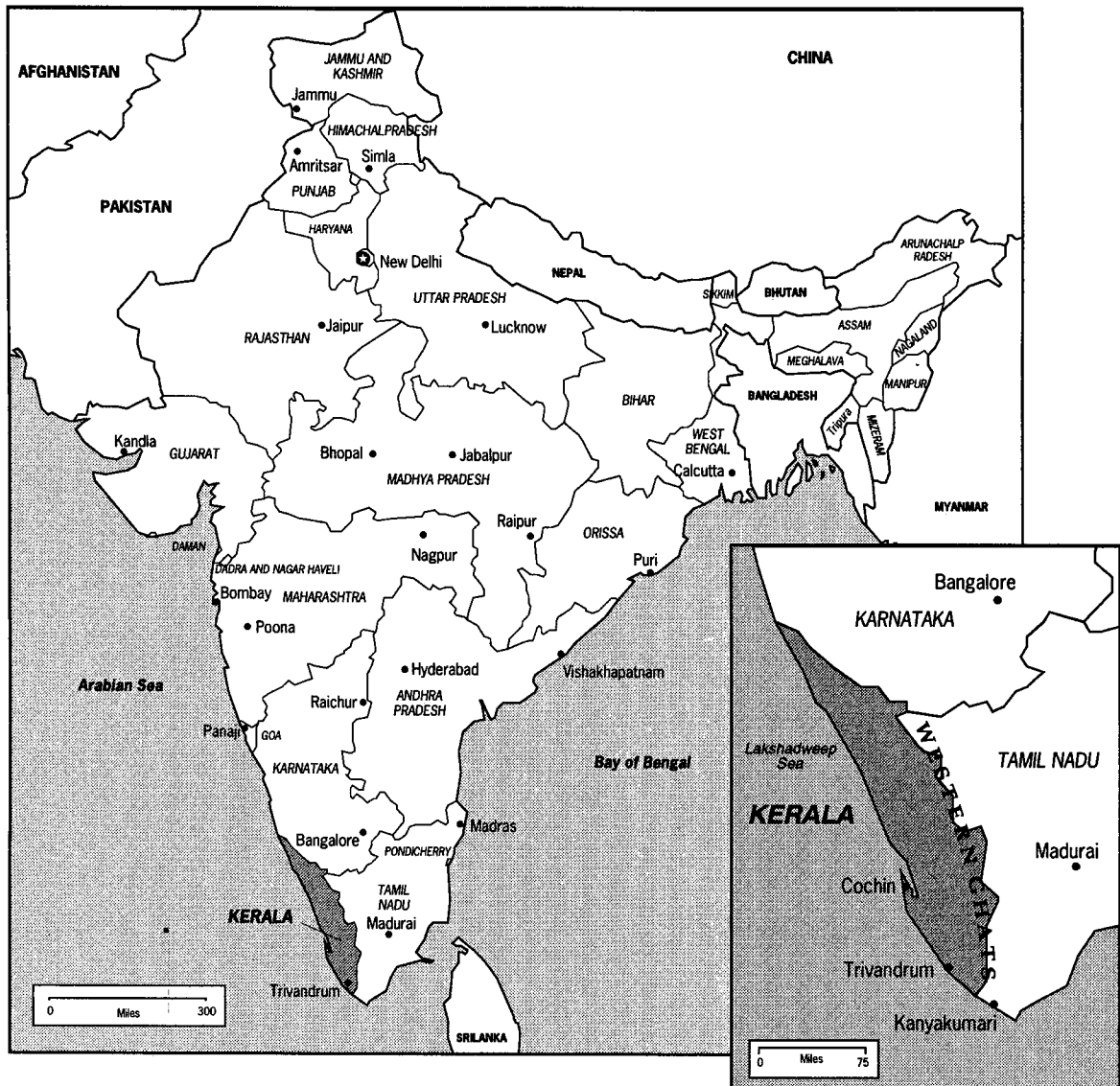
widely developed, with primary care clinics available to the majority of Kerala's population. For other developing areas of India and indeed the world, Kerala has been held up as a possibility, a goal toward which to strive.

Many different theories have been put forth to explain Kerala's success, but the three most commonly cited are the Nayar castes' matrilineal system, the progressiveness of Kerala's rulers, and the election of a Communist government in the state's first elections in 1957. I spent one month in Kerala, talking to men and women in villages and cities, meeting with researchers and activists to explore whether Kerala is really the model it appears to be. Does the roster of statistical indicators accurately reflect the social and economic realities of men, women and families? Does it give an indication of happiness, of opportunity, of progress? Are people today really better off in Kerala than elsewhere in India from their own perspective? This newsletter

will address the areas of literacy and education, and labor and employment. Part II will discuss women, health, and environment. As will be apparent, many of the areas are inextricably linked.

## Literacy and Education

"Literate Kerala = Beautiful Kerala" is one of the slogans that Kerala is using to promote itself these days. Kerala's high literacy rates are often attributed to both the Communists and the missionaries, but the earliest efforts to support literacy were promulgated by Kerala's rulers as early as the 9th and 10th centuries. Vedic schools and colleges, called *salais*, were attached to temples and supported by the rulers and private individuals. Temples themselves became centers of learning, and social education was encouraged particularly through the recitation of stories, the acting out of dramas, and the singing of devotional songs. In the late 1800s and early 1900s, the enlightened Travancore ad-





*Kumar, Rajan  
and Satish of the  
Balaramapuram  
Weavers Association*

ministration of Sri Mulam Tirunal Rama Varma actively encouraged the formation of private agencies in the field of education. Free primary education and an education code were established. For the hitherto ignored backward classes, government schools began accepting untouchables and educated lower-class people were taken into public service. According to historian A. Sreedhara Menon, "A Sanskrit College, an Ayurveda College, a Second Grade College for Women and a Law College were opened in Trivandrum." The missionaries also helped education tremendously, particularly in the formation of English-language schools and education of women and the lower castes.

That literacy is high is noticeable in many ways. Walking down the streets of Trivandrum in the early morning cool, I would see rows of young men sitting on the steps of the closed, shuttered shops, reading newspapers. Both boys and girls are encouraged — in fact, expected — to go to school. In talking to people, it seemed quite clear to me that basic education has definitely played an important part in people's ability to understand, for example, why small family size is important or why hygiene is necessary.

Similarly, literacy has played some part in people's ability and desire to debate, argue, and demonstrate. Kerala's politics are fiery and often splintered. Like a pendulum, public opinion swings from left to right, biding its time and keeping politicians on their toes. Currently, Kerala is governed by a coalition government that includes the Communists. Because of its socialist orientation, Kerala is no stranger to populist movements. Everywhere, people band together in small or large groups to protest alcoholism and environmental destruction, to improve consumer awareness, or to fight inequalities. I once went to an agricultural exhibition, and found on one wall a series of posters explaining the ill-effects of dam construction. A second wall explained the need for consumers to be aware of the TFM (or Total Fatty Matter) content of soap. An energetic man in his 40s or 50s took me through an impassioned account in

Malayalam of the games that local and international soap manufacturers play on naive consumers, hiking prices for the fancy packaging of a soap that contains less than the recommended 70 percent TFM, causing severe skin problems (I now check my soap packets carefully, and find that many of the soaps do contain less than 70 percent TFM).

Literacy (though not literacy alone) has also enabled a generation of lyricists, idealists and believers. It may sound romantic, but it is true. One evening, I was sitting in the darkness of Kerala's common electricity failures with my host family. In typical Kerala style, the family from the small house next door had also come over. It had just rained, sheets of rain that came in sideways. The coconut trees with their long skinny trunks were battered, exhausted from fighting the strong wind. In the lovely silent aftermath of the rain, someone said, "Basil, sing us a song," to the next-door neighbor's 17-year old son. Basil has a beautiful voice, and sings *kavitas*, or poems, as well as songs. His clear voice cut across the damp air as he sang in Malayalam, first about the destruction of the environment, and then, even though a Christian, a story from the Ramayana.

Basil's social consciousness, reflected through his art and music, is only one example of many. The 25-year old leaders of the Balaramapuram Weavers Association have M.A.s in politics, economics, and engineering, but speak poetically about why they have decided to come back to their villages and help the weavers. Rajan, formerly a sanyasi, tells me enthusiastically about the great poets who came from weaving traditions, about the virtues of Gandhian practice, and about life in the 15th century. "I wish we could go back to that time," he says to me seriously. "Those are our roots." John Peruvanthanam, a well-known environmentalist who is a social worker at the Nirmalgram project, has won awards for his Malayalam writings. He describes his environmental battles where he was lashed between his fingers with a *lathi* by the police, dragged along a hot tar road, and thrown in jail several times. He speaks in a highly

Sanskritized Malayalam, converting his words into poetry with his emotion. Peruvanthanam was responsible for organizing people to successfully protest the construction of four major hydro-electric projects in Kerala. Whether these people have received full formal education or not, it seems that the emphasis on going to school, on debate, on thinking, even at the elementary level, has created a context within which people can express themselves more fully than I have seen in other places. It has also encouraged a certain idealism which may or may not be practical, but provides some compensation for the harsh day-to-day conditions people have to face.

Many that I talked to contested that literacy was as high as government figures claimed. "It is all government propaganda," said one man. "If a person can read or write a few letters, the government says he is literate." It is probably true that the government exaggerates the figures, some researchers told me. It is also true that the farther away from the cities one goes, the less able people are to read and write in the vernacular. English-speaking ability also declines substantially. This was particularly evident in the *adivasi* (tribal) communities where children attend often sub-standard schools for only a few years. Currently, the literacy rate for the 261,000 *adivasis* in Kerala is 31 percent. Even though the government does provide some block grants to tribals for purchase of books and uniforms, the tribal people are so poor that often they use these funds for basic food and living expenses rather than for sending the children to school.

However, even if people feel the government exaggerates its figures, in the end, most agree that literacy is high in Kerala. Serious criticism leveled at the government focuses more on the fact that people feel the government is resting on the laurels of high literacy rates, using them as a statistic to bring praise to a state whose time for praise is over. International reports that commend Kerala for its high literacy and health figures are also not as quick to point out that unemployment is extremely high and the economic future of the people is uncertain, regardless of (or some might say, because of) high literacy rates. Kerala's model shows very clearly that literacy alone is not enough to guarantee economic and social prosperity. Ironically, even though literacy has had many positive benefits, it has also caused a situation in which people are frustrated and underutilized. This is nowhere more apparent than in Kerala's labor market.

## Labor and Employment

State-level labor policies are particularly progressive in Kerala. Kerala was the first state to establish unemployment and disability compensation, welfare funds (that function similarly to Social Security in the U.S.), and retirement funds. Kerala's trade unions are infamous for the power they wield. The Trade Union Act, established in 1926, provided that a union could be formed with a minimum of seven people. Trade unions

exist for almost anything, and perusing a recent list of the hundreds of trade unions that have been formed, I came across everything from The Head Load Workers (people who carry goods on their heads) and The Auto-rickshaw Workers to The Cashew Workers (formerly a primary industry in Kerala).

The Communist government, elected in 1957 in the first free elections after the formation of Kerala, made its greatest impact on labor laws and activities, although a socialist mentality existed in Kerala long before the Communists formally came to power. The majority of labor reforms have been introduced over the past 20-30 years, and the stamp of equality for all workers seems to be strongly imprinted. Not surprisingly, many of these measures have made Kerala an unattractive place for industries to locate themselves. "It is much more expensive for companies in Kerala," said retired Joint Commissioner of Labor, Mr. M.P.N. Menon. "Here, the wages for workers are high, and the employer has to pay so many benefits. For example, we are now seeing a lot of cashew factories moving across the border to Tamil Nadu. There they can pay their workers half what they pay here, and they don't have to worry about unions or other benefits." The flight of the cashew and coir factories in Kerala to neighboring Tamil Nadu has created particularly severe employment problems for women, since they were the main workers in these factories.

In addition, for small, unskilled factory work, Keralites are often overqualified and expensive. As one moneylender in a small village in Kavalangad said to me, "Who needs an educated labor force to roll *beedi* [local thin cigarettes]?" The government recognizes this as well, stating in its 1992-1997 plan that "The education policy has given undue importance to the promotion of general education to the neglect of the development of professional and technical education." The more technical industries are too afraid to move to Kerala, because the unions are so well organized and powerful that workers often strike, in one case leaving a company closed for three years. Even though several new investments have been proposed in Kerala, as I mentioned in my last newsletter, most people believe that none of those investments will eventually be approved by the political parties and trade unions in a form that the companies are willing to accept.

Currently, 27 percent of the state's total labor force, or 3.2 million people, are unemployed. Approximately 60 percent of these unemployed are educated. Even more startling is Kerala's contribution to India's unemployment figures. Kerala accounts for only 3.5 percent of the country's total population, but the unemployed in Kerala make up 10 percent of India's unemployed. There is little new investment of great magnitude in Kerala, and as a result, labor absorption in the private sector has either been stagnant or falling. A section of the State's 1992-1997 plan entitled "The Negative Aspects of Development" honestly acknowledges that "The state has become a high-cost, non-competitive economy, with investors moving out and no new investors coming in."<sup>6</sup>

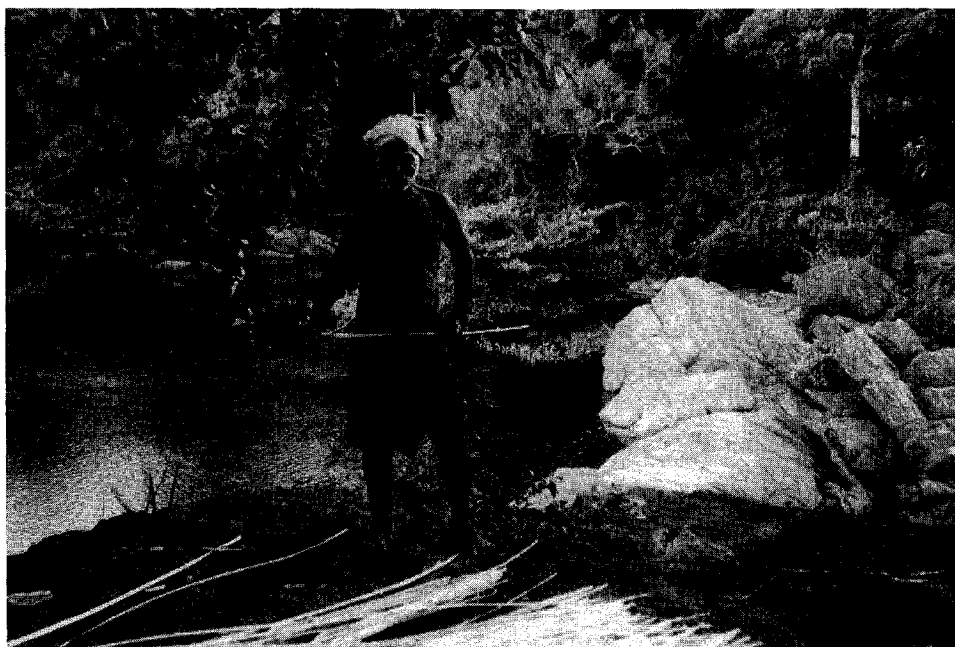
The diminishing private sector has also led to the public sector as the primary employer, causing it to be both overstaffed and inefficient. Seniority continues to be the main basis for promotion, and new hires can come in only at the bottom of the ladder, thereby eliminating the possibility of creativity and restructuring at the top. Corruption in the government sector is rampant and openly practiced at all levels. An *adivasi* family that I met in the hills had just recently built a new house of mud and some cement. They showed me their old "house", a thatched structure about 5 feet by 12 feet that now housed their two cows. The new house had cost Rs. 14,000 (US\$465) to build. "Did the government loan you the money?" I asked, knowing that in a year when the ginger and pepper grows well, this family's income would be only Rs. 6,000. "No, it was a grant," the man replied. I was pleasantly surprised and told him so. "Yes, but it was expensive to get the grant," he said. "I had to pay the government official Rs. 4,000."

Given that the government has set aside grant funds specifically for housing for *adivasis*, it is sad that one-third of the cost of this poor family's house had to be given as a bribe. With the recent election of A.K. Antony as Kerala's new Chief Minister, there is some hope that corruption will be addressed. Antony is known for his intolerance of corruption, and has been nicknamed "Mr. Clean." However, it is a pervasive problem, rooted partly in the low salaries of public officials, and will not be easily tackled.

Kerala's unemployment pinch is severely felt in the villages. Many able-bodied young people try to move to

the Gulf countries or elsewhere. It is estimated that there are approximately 301,000 workers from Kerala in West Asia alone.<sup>7</sup> Income from the Gulf countries accounts for about 40 percent of Kerala's income. It is yet another paradox that Kerala depends on the migration of its own people abroad for its own continuation. The dependence on outside income is dangerous for Kerala's long-term sustainability; it has also created many difficulties in maintaining cohesive families (it is mostly the men who go abroad, leaving their families in Kerala).

Those who stay in Kerala often sit and stagnate. At a small dairy cooperative in Kavalangad, Kerala's highly educated labor force is a big joke. "Come and see how to generate unemployment — Kerala, the development model!" says Babu Joseph, a village society convener, wryly. "We produce, and then it goes somewhere else to be processed, and then comes back to us costing so much more," he says. "Look at rubber. Kerala probably produces 90 percent of the rubber in the country, but none of it is processed here. It is all exported to the factories in Rajasthan. We sell it for Rs. 50 per kilo, and then it goes there and comes back in the form of things like small rubber balloons, which sell for twenty times the price of raw rubber. If the factory located here, it would have to pay the workers Rs. 50-100 per day, whereas in Rajasthan, the workers will take Rs. 7. And we, the educated labor force of Kerala, can't understand how they can live on that kind of money, so we mock them. But at least they have jobs. We don't." He, himself, is a well-educated man who has a degree in botany, zoology and chemistry from a university in Uttar Pradesh. He came



*An adivasi man stripping cane in Boothathankettu*

back to Kerala's high unemployment, was unable to find a job, so eventually became a money-lender, borrowing from the bank at 20 percent and re-lending it at 36-40 percent.

Retired Labor Commissioner Menon feels that Kerala's emphasis on higher education has also negatively affected people's desire to do agricultural labor. "People don't want to farm after they've been educated. They want white-collar jobs as clerks or even peons. They have very high expectations, and many just don't want to work."

I heard this refrain from many people during my travels: Keralites don't want to work, they want the maximum money and benefit for the minimum amount of work. Is it true? Sadly, everyone seems to agree with this, from Menon to Babu Joseph to a social worker at a women's home to several well-known researchers. One researcher modifies this slightly: "Keralites only want to work abroad. Haven't you seen them? They are always so industrious, setting up businesses all over, working so hard in the Gulf countries. It is only when they are home that they don't want to work." I noticed this phenomenon even with the rickshaw drivers. Always neatly lined up in a row at the rickshaw stand, they sat and waited for customers. One was supposed to go to the rickshaw at the front of the line first, but I often found that I was passed down three or four rickshaws if the place I wanted to go was a little far, even though I would be charged double-fare for the potentially empty return journey. Especially in the afternoon sun, the rickshaw-wallahs<sup>8</sup> would often open a bleary, sleep-filled eye to tell me to go to the next one before even hearing where I wanted to go!

Partly because children no longer want to stay home and farm and agricultural laborers are expensive, and partly because the Communists did a good job of redistributing land so that most people have only relatively small plots, it is no longer profitable for many villagers to farm. Even though the government has implemented a law that prevents agricultural land from being filled in with cement for roads or other developments, it left one clause that allowed government officials the discretion to grant such permission in "special circumstances." Corruption and, in some cases, the unprofitability of holding agricultural land, has meant that more and more paddy fields are being converted into cement, and agricultural production has suffered a sharp decline.

Because of inadequate production and the need to import everything from milk to electricity from neighboring states like Tamil Nadu, price levels have increased dramatically making the cost of living unaffordable for many Keralites. Kerala's per capita domestic product relative to the national per capita income has declined from 90 percent in the 1960s to 70 percent in the 1990s. The State's revenue deficit has quadrupled in 10 years, as it has tried to maintain its progressive pension funds and social services without an accompanying increase in investment revenue.<sup>9</sup>

The State is trying hard to attract new investment. Its most recent plan is to develop a tourist infrastructure within Kerala to respond to the recent travel survey ranking. Agreements are being formed with international airlines to fly directly to Kerala, hotels are being planned, and other tourist attractions are being developed. The hope is that developing the tourist industry will bring plenty of new jobs to the people. The state is also trying to implement some measures such as encouraging companies to negotiate long-term contracts for salary and benefits with the workers, which would hopefully limit the number of strikes. Another proposed suggestion has been to limit the number of recognized trade unions, so that it will be easier to negotiate with them. Particularly as the political parties have become more and more splintered, and they have begun to back different unions, the number of unions has soared. This has made it very difficult for the government to negotiate settlements that are broadly based.

In many senses, Kerala is before its time in both literacy and labor. However, it is a mixed blessing, recently more negative than positive. Literacy by itself cannot provide economic security to people. In the labor arena, Kerala neglected to do what was necessary to generate investment that could provide an inflow of revenue and a source of jobs for Kerala's highly skilled labor force. Sadly, it is also true that unless surrounding states have laws that hold companies to the same high standards, there is no incentive for a company to locate in Kerala. Finally, trade unions in Kerala will have to begin to provide some concessions or guarantees to companies in order to make the State more conducive for investment. It is Kerala's paradox of development that its highly educated labor force has no infrastructure into which to be absorbed. The world will be watching to see if Kerala can rectify this situation; Keralites, whose lives depend on it, will be watching even more closely. □

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#### NOTES:

1. World Development Report 1993: Executive Summary, WorldBank, Washington, D.C., 1993, p. 21.
2. A. Sreedhara Menon, "A Survey of Kerala History," Madras, 1984, p. 282.
3. Kerala State Plan 1992-1997
4. Interview with Retired Joint Commissioner of Labor, Mr. M.P.N. Menon, June 1995.
- 5 & 6. Kerala State Plan, 1992-1997.
7. Leela Gulati, "In the Absence of Their Men," Centre for Development Studies, Trivandrum, 1991.
8. *Wallah* is a term commonly used to mean one who owns, operates, or sells.
9. Kerala State Plan, 1992-1997.