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# **Does Quality Qualify the Kerala Model?**

## **Decentralised Governance, Human Development and Quality**

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### **Abstract**

The present paper argues that the expansion of the the vector of human capabilities in Kerala has tended to belie the Pythagorean dictum as well as the Marxian dialectics on a one-to-one correspondence between quantity and quality: the quantity increase has by no means led quality improvement, leaving her just with some *apparent* achievements in capability. We introduce in the paper an integrated theory of governance, public action and development in the framework of Sennian capability approach and human rights perspective and discusses the experience of Kerala in decentralization ventures, and evaluates the programme in the context of the implications for human development. We also attempt to develop a theory of quality and freedom on the premise that development as freedom from deprivation consists in realising both availability (including accessibility) and utilisability (or simply, utility) of those, the public provision of which constitutes freedom from deprivation. In other words, realisation of development implies that in its truest sense of this duality. Then the right to development, being a human right, *is* a right to *both*; even with availability, development is denied and unfreedoms exist if utility is denied. In this light we argue that such *apparent* capability enhancement in quantitative terms sans utilisability which we call '*a-capability enhancement*', however, is of neither intrinsic nor instrumental value.

# Does Quality Qualify the Kerala Model? Decentralised Governance, Human Development and Quality

Vijayamohanan Pillai N.

*“Sukhasya moolam dharma;  
Dharmasya moolamartha;  
Arthasya moolam rājyam.”<sup>1</sup>*

- Kautilya (*Arthasāstra*)

## 1. Introduction

The spectacular performance of Kerala in enhancing the vector of human capabilities owes, as we know, very much to public action that has over time become a way of life for her. However, the vector expansion has tended to belie the Pythagorean dictum as well as the Marxian dialectics on a one-to-one correspondence between quantity and quality: the quantity increase has by no means led quality improvement, leaving her just with some *apparent* achievements in capability. This in turn suggests that public action has failed in its truest sense of demand-supply dialectics; imperfect information has driven a wedge between them, leaving some leeway for moral hazards on the part of the agent, that is, the state. Thus the problem stems from the structure of governance, and the ideal solution lies in the principal becoming the agent herself – in participatory development. Here the

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<sup>1</sup> Prosperity depends on ethical values, which in turn depend on wealth; and wealth depends on governance.

agencies of demand-supply dialectics of public action merge into one – the most ideal stage of achieving development.

Local bodies in Kerala,<sup>2</sup> though extant for a long period, had very limited powers as local development institutions of self-government and were just acting as conduits for schemes designed and funded by State ministries. With the 1993 Constitutional amendments, Kerala has experienced an exceptional qualitative leap in decentralisation in a big bang ‘campaigning’ mode of participatory planning involving devolution of more than 35 percent of the plan funds. True to the history of public action in Kerala, the agenda of decentralisation has also been so forced into the public discourse on development that it too appears to have become institutionalised.

It is generally recognised that decentralisation, as practised in Kerala, has not only enhanced her capability vector but also had significant impact on quality, efficacy and inclusiveness of that development. (See for details Chaudhuri, *et al.* 2004). For one thing, it has opened the public sphere for the hitherto socially excluded groups such as the Scheduled Castes and the politically excluded women in proportions never seen before. The local bodies are charged with a number of developmental functions and taken together they represent the ingredients for enhancing basic human development. These are individual/household benefit programmes such as housing and distribution of old age pension as well as those that enhance the supply of public and collective goods such as roads, schools and public health care centres.

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<sup>2</sup> The State has at present 941 Grama Panchayats, 152 Block Panchayats, 14 District Panchayats, 87 Municipalities and 6 Corporations.

<b>Local Body Type</b>	<b>1995</b>	<b>2000</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>
Grama Panchayat	990	991	999	978	941
Block Panchayat	152	152	152	152	152
District Panchayat	14	14	14	14	14
Municipality	55	53	53	60	87
Municipal Corporation	3	5	5	5	6

However, it is now seriously doubted whether the devolution of power and finance has had its intended culmination. Rather, it is pointed out that decentralization has perfected only in one dimension, that is, corruption especially in infrastructure development, with grave implications for human development. The present paper argues that a viable approach is a progressive evolutionary introduction of decentralisation in its practical phases rather than a big campaign that had started with a big bang only to fizzle out in a whimper, and to change into an ordinary project with ample room for corruption. The paper builds up a theoretical argument in the light of which it is suggested that once discounted for quality, the ‘development’ Kerala has attained boils down to mere *apparent* capability enhancement, and thus to *apparent* development. However, a silver lining is that in spite of the grey areas, the *panchayati raj* institution has in effect both an intrinsic and an instrumental value in ensuring an enabling environment for development.

What follows is structured in six sections. The next part introduces an integrated theory of governance, public action and development in the framework of Sennian capability approach and human rights perspective. Section 3 discusses the experience of Kerala in decentralization ventures, and the next section evaluates the programme in the context of the implications for human development. Section 5 attempts to develop a theory of quality and freedom on the premise that development as freedom from deprivation consists in realising both availability (including accessibility) and utilisability (or simply, utility) of those, the public provision of which constitutes freedom from deprivation. The last section concludes the paper..

## **2. Governance, Public Action and Development**

### *Development and Good Governance*

Development, particularly, human development, must be essentially viewed in the light of the Sennian capability approach. Here an individual’s freedom to promote the aspirations she has reason to value depends on her capability to achieve functionings that make up her wellbeing, such as social functioning, education, and health care longevity

(Sen 1999). In this sense, she is free only when her right to capability is fulfilled. In fact, freedom<sup>3</sup> can be viewed as the overlapping bridge between human rights and development. In this sense, poverty as capability deprivation is a basic unfreedom and the removal of various types of unfreedoms constitutes development.

In essence, the above conceptualisation involves a dynamic process of progressive realisation of rights, leading to enhanced freedom and thus development (Pillai 2003 a and b; 2004 a and b). In this progressive process of rights realisation, the civil and political rights precede the social and economic ('welfare') rights, though in effect, it is the whole set of these rights that constitutes free and equal citizenship. The first generation (civil and political) rights are materialised in the making of a democracy that stands in general to honour the progressive realisation of other rights. The most basic of the welfare rights are: the right to an adequate standard of living, the right to primary health care, and the right to public education. These three rights are the most basic of all human rights as they are closely related to the right to life.

Rights realisation in turn necessitates identifying the correlative duty bearers. In this respect, the role of the collectivity or the state in creating and sustaining an enabling environment for the individuals to realise their freedom has long been recognised. Thus, "[t]he state, as a primary duty bearer, has the responsibility to do its utmost to eliminate poverty by adopting and implementing appropriate policies. And the accountability of the state needs to be defined in terms of implementation of policies." (UNDP, 2000: 77).

It is here governance assumes significance in realising and sustaining freedom and human development. We take 'good' governance to mean a broad array of practices in the societal space which maximise public good, where the societal space is inhabited by relationships between the society as the social collectivity of individuals and the state as

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<sup>3</sup> They include the civil and political freedoms, economic facilities, social opportunities including entitlement to education and health services, transparency guarantees involving freedom to deal with others openly, and finally, protective security guaranteed by social safety nets (Sen 1999: 38–40). We can also include in the list honest governments, open legislative and transparent regulatory systems and effective and impartial legal system, with protection of and support for rights, physical infrastructure such as energy, roads, transportation and telecommunications (Sen and Wolfensohn 1999).

the politically organised society, and the array of practices include the use of political authority and the exercise of control in the management of the societal resources. Thus good governance necessarily implies better management of the resources for common good; in this light, “good governance addresses the concerns and needs of the poorest by increasing the opportunities for people to seek, achieve and sustain the kind of life they aspire to” (UNDP 1997: 7).

While there is no necessary relationship, a democracy is more likely to help enhance the state’s respect for and protective coverage and promotion of human rights. Besides being an end in itself, respect for human rights leads to enhanced economic and social capabilities (Dasgupta 1993). The first step towards this emerged from the modern welfare state concept, inaugurated in Europe in the mid-19th century with the provision of public elementary education. Though it was purely an instrument in pursuance of the self-interested legitimation function of the capitalist state, it had far-reaching development implications. So it occurred in Kerala too; despite being autarchic, the two Princely States of then Kerala pioneered a development path through education and health in the name of welfare of the subjects.

#### *Public Action as the Engine of ‘Good’ Governance*

Instrumental in this progressive realisation of such a welfare state is the public action, the sum total of a complementary demand-supply dialectics in terms of popular demand and public provision. The policies on the latter facilitate the crowding in of affordable private provision also. It is the forceful emergence of a cohesive civic society through organisation and mobilisation that facilitates launching of public demand. This in turn is determined by an enabling environment of ‘historical conjunction’. In the context of Kerala’s initial experiences of organised collective action for achieving the first generation rights, this corresponds to the enabling environment enlightened and informed by a number of developments such as the welfare initiatives undertaken by the state in its legitimation, the early proletarianisation of the traditional labour force, the social reform movements and the nationalist politics that soon led to the emergence of a radical



political movement with far-reaching consequences of a universal cohesion at the grassroots level.

With the ascendancy of the radical popular welfare politics, this development path became so inalienable to Kerala that it continued to be the main state policy, irrespective of its political colour. That is, the demand-supply dialectics of that period, involving the organised civic society and the state facing each other, in fact stood to *institutionalise* the aspirations of the public and the measures taken to satisfy them to such an extent that it became mandatory for the later governments not to ignore them, except at the cost of their own survival. Thus the Kerala experiences appear to maintain that public action, as defined here, is in fact the engine of ‘good’ governance.

It is not just the social infrastructures that the welfare state has taken up to honour its commitments in governance towards human development; due recognition has gone to the complementary economic infrastructures also. In what follows we consider how the land lies in these two sectors and then look into the implications of their governance.

### *Redefining Public Action*

The spectacular performance of Kerala in enhancing the vector of human capabilities owes, as we know, very much to public action that has over time become a way of life for her. It is in the sense of popular demand and public provision we define ‘public action’, representing participation of both the complementary sides of demand and supply. In the human rights perspective, the demand side represents the claim of the potential right-holder (that is, the current beneficiary) along with the significance of the necessity and urgency that this claim be fulfilled. The supply side, on the other hand, represents the addressees', that is, the states', responsibilities vis-à-vis the beneficiary's claim (Pillai (2003 a, b).

It is significant to note that the complementary demand-supply dialectics implies an effective demand. Thus public action for development presupposes what we call an

‘effective political demand’, a counterpart of Keynesian effective economic demand for market equilibrium (Keynes 1930). This latter was developed from the Smithian ‘effectual demand’, the demand, which is ‘sufficient to effectuate the bringing of the commodity to the market’, by ‘those who are willing to pay the natural price’ (Smith 1776 [1976]: 73). On this line we postulate, based on the objective development experience of Kerala, an effective political demand to ‘effectuate the bringing’ of the progressive rights realisation that is development. Just as purchasing power actuates effective economic demand, what effectuates public demand is organisation and mobilisation. Thus a dialectical equilibrium between popular demand (backed by a political purchasing power in terms of organisation and mobilisation) and public supply marks development.

### *The Role of the State*

Recognising the role of the collectivity or the state in creating and sustaining an enabling environment for the individuals to realise their freedom also identifies in effect the correlative duty bearers. Thus, “[t]he state, as a primary duty bearer, has the responsibility to do its utmost to eliminate poverty by adopting and implementing appropriate policies. And the accountability of the state needs to be defined in terms of implementation of policies.” (UNDP, 2000: 77). While there is no necessary relationship, a democracy is more likely to help enhance the state’s respect for and protective coverage and promotion of human rights. Besides being an end in itself, respect for human rights leads to enhanced economic and social capabilities (Dasgupta 1993). The first step towards this emerged from the modern welfare state concept, inaugurated in Europe in the mid-19th century with the provision of public elementary education. Though it was purely an instrument in pursuance of the self-interested legitimation function of the capitalist state, it had far-reaching development implications. So it occurred in Kerala too; despite being autarchic, the two Princely States of then Kerala pioneered a development path through education and health in the name of welfare of the subjects (*‘prajā kshema thātparyam’*). And with the emergence of the radical popular welfare politics, this development path became so inalienable to Kerala that it continued to be the

main state policy, irrespective of its political colour. Thus the Plan expenditure of Kerala on social services constituted about 24 percent of the total plan expenditure from the First Five Year Plan to Ninth Five Year Plan whereas the all India figure ranges between 17 and 20 percent. The non-Plan expenditure on social services constitutes about 36 percent of the total government expenditure of the state. That resource constraints had nothing to do with the role of the state in this respect is of much significance today: will opens up ways!

*Unquality and 'bad' governance: a moral hazard problem*

However, the vector expansion has tended to belie the Pythagorean dictum as well as the Marxian dialectics on a one-to-one correspondence between quantity and quality: the quantity increase has by no means led quality improvement, leaving the State just with some apparent achievements in capability (as will be explained in Part 5). This in turn suggests that public action has failed in its truest sense of demand-supply dialectics in ensuring good governance.

An important contribution to the study of governance behaviour comes from the focus on the significance of information especially in a principal-agent relationship framework. In its simplest form of a vertical governance structure, government, representing the public, is seen as the principal and the bureaucracy that facilitates social service provision as the agent in its employ or under its authority. In an extended form, (e.g., of a three-tier hierarchy) the public stand as principal and government (represented by politicians in power) as agent (i.e., supervisor) who contracts with a further agent, the bureaucracy, to supply the vector of services. In its barest terms it is assumed that in a regulatory governance structure, the principal's objective is to maximise some measure of social welfare, while the agent (politicians and/or bureaucracy) aims to maximise their self-interests. Information asymmetry against the principal explains the *raison d'être* of the agent who is better informed or better skilled. The divergence in objectives and the

uncertainty or information asymmetry result in two effects<sup>4</sup>: moral hazard (principal being affected by ‘hidden actions’ by agent) and adverse selection (principal being affected by ‘hidden information’ agent has at his command) (Arrow 1985). Hence the principal should structure his contract (compensation scheme) with such incentive designs as to encourage the agent to expend the expected effort that will compensate the information asymmetry the principal faces in his maximisation objective.

### *An Ideal Counter to Moral Hazard*

That imperfect information drives a wedge between the principal and the agent, leaving some leeway for moral hazards on the part of the agent, that is, the government, including bureaucracy, implies that the problem stems from the structure and conduct of governance. Hence any solution to the problem must essentially consist in bridging the gap between the principal and the agent and in accomplishing governance in a transparent and accountable manner. An ideal way to this solution is to end the principal-agent duality itself, that the principal becomes the agent herself, that is, participatory development through decentralization. Here the agencies of demand-supply dialectics of public action merge into one – the most ideal stage of achieving development. However, this also presupposes an enabling condition for transparent and accountable accomplishment of governance through the bureaucracy, which necessitates its own reform too. And this is exactly what Kerala has set about in terms of decentralization, including the latest initiative on modernizing government programme (MGP).

### *Participatory Development*

It is true that the role of the state in good governance is immensely significant. However, the vast heterogeneity in the local aspirations and perspectives, needs and

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<sup>4</sup> The term ‘principal-agent problem’ appeared first in Ross (1973). It should be noted that the principal-agent model was originally employed to analyse insurance, sharecropping, physician-patient relation, law enforcement, etc. It was only with the development of the model in the framework of imperfect monitoring and imperfect information by Stiglitz and others that the model was applied to analyse bureaucracies and hierarchies of organisations.

responses, tends to leave the direct management of the state responsibility much difficult, if not impossible. It is here the direct participation of the communities in ensuring and enhancing an enabling environment assumes significance. Since it is the local communities that have perfect information on the specific problems they face, the actual and the possible constraints they encounter, and the potential solutions to be explored, their direct participation in the design and implementation of the policies and programmes makes the enterprise fruitful. And in fact this is how the moral hazard problem is solved here – the principal also acts as the agent!

Citizen participation in community decision-making can be traced as far back as to the direct democracy of the city-states of the ancient Greece. This brief historical episode, however, had little direct influence on the theory and practice of modern states. The *panchayats*, an Indian tradition and the town assemblies, an American tradition, were among the early contributors to citizen participation, whereby all of the citizens in the community got together to decide on issues. In the Indian context it should, however, be noted that the participation in *panchayat* was based on caste divisions and as such it represented internal democracy within each social group, but not across the groups. At an utopian level, the ideal communist society, as conceived in Marxism, as the state withers away, stands as the highest form of decentralised humanist democracy of citizen participation.

‘Participation’ along with ‘empowerment’ had been a dominant concept<sup>5</sup> in sociology, anthropology and history for a long time before it experienced ‘a renaissance in the 1990s’ (Chambers 1995: 30) through its adoption by political economy. There appeared to be ‘a paradigm shift to participatory development’ (*ibid.*), ‘from top-down to bottom-up, from centralised standardisation to local diversity, and from blueprint to learning process’ (Chambers 1992). It took people as the agency of development rather than solely as the objects or the clients of development. Its adoption in political economy is said to

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<sup>5</sup> Sherry Arnstein (1969) in her seminal work conceptualises public participation as a ladder with each rung corresponding to the extent of citizens' power in determining public projects.

have followed the increasing dissatisfaction with the extent of effectiveness and equity effects of the erstwhile growth-mediated, trickle-down development strategies, leading to 'ideas about beneficiary involvement' (Nelson and Wright 1995: 3). The key idea behind the concept of participation is thus decentralisation, which was earlier entirely identified with the core micro system of local governance, for example, through the Panchayati Raj institutions in India.

In other words, community participation in development process can be realised through either a unitary or a federal structure of state functionings. In the former, the state from its central core extends itself and acts through community groups or co-operatives, that is, the organised beneficiaries at the local level. Against this top-down approach, decentralisation of state power and functionings marks the latter. Here the local bodies are empowered to function as local development institutions of self-government, and constitute an autonomous and hence ideal means of targeting and tackling development issues through co-operation and collective action. This in turn implies that the degree of decentralisation of power of a state is an indicator of its concern for and commitment to human development.<sup>6</sup> It is in this second sense that participatory development is recognised today, with a second phase added to it that goes down to a still micro level of participation in self-help groups and user groups.

In what follows we discuss the experience of Kerala in these ventures.

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<sup>6</sup> According to Arnstein, citizen participation involves "the redistribution of power that enables the have-not citizens, presently excluded from the political and economic processes, to be deliberately included in the future; means by which they can induce significant social reform which enables them to share in the benefits of the affluent society" (Arnstein 1969: 216).

### 3. The Kerala Experience

#### *The Constitutional Amendments: the Starter*

Even though Article 243–B of the Indian Constitution deals with setting up of Panchayats at three levels, viz., Village, Intermediate (Block) and District, India had been characterised by a system of two-tier (Central and State) governance till the 73<sup>rd</sup> and 74<sup>th</sup> constitutional amendments in 1993. The 73<sup>rd</sup> amendment, which came into force on April 20, 1993, and sought to help the *panchayat* become, in the real sense of the term, ‘an institution of self-government’, has provided for a three-tier system in States wherein there is the *grama sabha* at the village level, the intermediate *panchayat* at the block level and the district *panchayat* at the district level. The local development plans are prepared at the ward level of the *grama sabha* with maximum participation of the public belonging to that ward. Such need-based plans proposed by each ward are then considered by the *grama sabha* (village *panchayat*); if they fall within the powers granted to the *grama sabha*, then the plans are taken up for implementation; if not, they are moved up to the next higher body competent to sanction them. The 74<sup>th</sup> Constitutional amendment has provided for the setting up of District Planning Committees (DPC) in each district of the State with the aim of helping the district prepare a plan encompassing both rural and urban areas.

The Amendments listed 29 functions of government to be handed down to local bodies (*panchayati raj* institutions, PRIs). This marked an initiation of a paradigm shift to participatory development, ‘from top-down to bottom-up’, from centralisation to decentralisation in governance. Its adoption in political economy is said to have followed the increasing dissatisfaction with the extent of effectiveness and equity effects of the erstwhile growth-mediated, trickle-down development strategies. In decentralisation, people are taken as the agency of development rather than solely as the objects or the clients of development. Here the local bodies are empowered to function as local development institutions of self-government, and constitute an autonomous and hence ideal means of targeting and tackling development issues through co-operation and

collective action. This in turn reflects, both in theory and practice, significant potential for human development and implies that the degree of decentralisation of power of a state is an indicator of its concern for and commitment to human development.

### *Kerala's Initiative*

The real test of the effectiveness of such Constitutional mandate of decentralisation, however, depends on the success of those States that took up this task seriously. Kerala was one such State. Though *panchayats* had been in existence in Kerala for several decades, they had been rendered insignificant with little role in the social and economic spheres of the State by irregular elections, inadequate resources and ineffective public concern. However, the Constitutional amendments came in as an ignition especially in the left political sphere of the civil society of Kerala. There were further compelling internal dynamics that contributed to the political acceptability and commitment to the task of decentralisation. There was emerging an awakening to the limits to the so-called 'Kerala model', which was at a crossroads. The expectation was that the spectacular achievements in social development would, and should, lead to much higher levels of economic development than achieved so far. But that was not around the corner and the wait continued.

Decentralization was thought of, if not as a panacea for all ills, as a way out of this logjam. It was expected to facilitate local level development by mobilising both people and resources to strengthen the productive base, especially in the primary sector by creating and maintaining public and collective goods such as in land and water management and agricultural extension. In fact, the urge for decentralisation went beyond this. The aim was the establishment and institutionalisation of local self-government. It was in 1957, after the victory of the then Communist Party in state elections, that an agenda of decentralisation, based on the recommendations of the First Administrative Reforms Committee (of 1957), probably motivated by the ideals of commune, was first formulated in the form of a bill for enactment. With the dismissal of this government in 1959, the bill met an untimely death, however, not unlike the historic land reform bill.



While the land reform agenda went through a series of revisions and compromises before being finally enacted in 1971, the agenda of decentralisation remained stalled because successive governments abhorred the idea of decentralizing their power. Though there were some attempts at the national level at initiating some amount of administrative decentralization through local bodies or Panchayat Raj institutions – one in the context of Balwantarai Mehta Committee of 1959, and the other in the context of Askoka Mehta Committee of 1978, yet unlike Karnataka and West Bengal, Kerala's coalition politics could not accommodate decentralisation seriously, let alone give a lead. A minor exception was the short-lived experiment of the creation of district councils during 1990-91.

The 1993 Constitutional amendments required that the State enact conformity legislation, and in 1994, the Kerala Panchayati Raj Bill was introduced. A comprehensive general government order issued in September 1995 placed a large number of government institutions, officials and personnel, both professional and ministerial, under the control of the local governments. And in 1996, a Committee on Decentralization of Powers (known as the Sen Committee after its Chairman, S.B.Sen, then Vice Chairman of the West Bengal State Planning Board) was appointed and its final report was submitted in December 1997. According to the Committee's recommendations, comprehensive amendments were enacted in 1999 to the Kerala *Panchayati Raj* Act of 1994 and Kerala Municipality Act of 1994.

Along with the appointment of the Sen committee on decentralization of powers, the State government also initiated in 1996 a drive for decentralization in a big bang campaign mode, known as People's Planning Campaign. It started with a landmark government decision, at the beginning of the Ninth Five Year Plan, to earmark an amount of more than 35 percent of the outlay of the Ninth Five Year Plan towards projects and programmes to be drawn up by Local Self-Government (LSG) or Panchayat Raj Institutions (PRIs).

By the People's Planning Campaign (PPC), kicked off along with the financial devolution, the PRIs were given a significant role in planning function; each PRI was asked to prepare a comprehensive area plan with public participation. In addition to identifying the local needs and proposing projects, the *grama sabhas* were also expected to select the implementing agency, mostly the local committees of the beneficiaries themselves, and the contractors, only in their absence. This in turn has helped revive the sort of the earlier 'Labour Contract Co-operative Societies', whereby the public works have been undertaken by the co-operatives of the local beneficiaries themselves, ensuring enthusiastic public participation in completing many of the major works.

It took no time for the repercussions of this big bang to surface; the fact that the panchayats could not spend more than 10 percent of the earmarked funds by the end of the first year of people's planning, that is, by end-March 1997 was received in great dismay. The government initially extended the expenditure period by three more months; when this was found inadequate, the period was extended upto 31 March 1999, that is, an extension of two years, understandable given the massive exercise based on a 'campaigning' mode.

During the second year too, the *panchayats* could not spend more than 10 percent of the earmarked funds of around Rs.750 crore,<sup>7</sup> and the period of expenditure was extended by another three months to the end of June 1998, with the stipulation that unspent balances would be deducted from future allocations. By end-June 1998, however, the *panchayats* formally reported 95 percent 'expenditure', with the bulk of the funds withdrawn during the final month from the government treasuries and deposited either in public sector organisations (such as the State Electricity Board), which were supposed to execute work for them, or in their bank accounts! (Kannan 2000). This ingenuous accounting practice of withdrawing the funds for depositing elsewhere and reporting higher levels of

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<sup>7</sup> The amounts given here represent only the funds made available by the State government. The other sources of funds are the centrally sponsored projects, internal revenue, loans from cooperative banks, voluntary contributions and beneficiary contributions.

‘expenditure’ in the name of decentralization became a continuous story and the campaign that had started with a big bang slowly fizzled out in a whimper, and was changed into an ordinary project!

A major achievement, it must be recognised, is that the agenda of decentralisation has been forced into the public discourse on development to such an extent that it has now been almost institutionalised. This alone should ensure that future governments are not tempted to walk away from this challenge, except at their own cost. The new government that came to power in 2001 also declared its commitment to the decentralisation process, but replaced the ‘Campaign’ mode with a ‘Project’ mode, re-christening the ‘People’s Plan Campaign’ as ‘Kerala Development Programme’. The emphasis shifted to the redeployment of the State government staff to the local bodies, training of both the officials and the elected representatives and introduction of accountability in financial transactions. At the same time, the new approach was conspicuous by an absence of mobilisation of people at the grassroots level that was so characteristic of the ‘Campaign’ mode.

### *Women Empowerment*

There is another factor that, we think, will have equally significant and long-term implications for the politics of development in Kerala and indeed in the country as a whole. This is the role of women. Despite the acknowledged and remarkable contribution of women in Kerala in achieving basic developmental capabilities – as in reducing population growth, enhancing literacy, schooling, child care and life expectancy – social opportunities for enhancing women’s participation in the public realm remain severely constrained.

The one-third representation for women in elected *panchayats* would never have become a reality without constitutional backing. Women in leadership positions in the *panchayats* have often felt that heat from men and some have been forced to abdicate, even though many women representatives are related by family and kinship to men in

politics. More important, their political visibility remains low in this 'socially and politically progressive' state of Kerala. Nevertheless, the educated, unemployed and unrecognised women, especially the younger ones, are waiting for an opportunity. After the initial phase of opposition, women have now proved their worth in active participation and responsibility-sharing in the panchayats. It is not uncommon now to find active panchayats headed by women presidents both at the village and district levels.

### *Self Help Groups and Human Development*

Along with the 'democratic' decentralisation movement came up the still-micro level of participatory development through the self-help groups (SHGs), established at the local neighborhood level, comprising 10 to 20 below poverty line individuals, usually women. The SHG proposes a production project such as a cooperative to manufacture umbrellas, soap, sandals, candles, incense, ready-made clothing, or electrical equipment; or a service such as a cooperative store or a teashop. Once the project is approved by the village *panchayat*, financing sources are matched together: micro financing by the participants themselves through a rotating credit association and a low-interest loan from a state or national bank are then supplemented by the village *panchayat* from its decentralization funds. Though visualised as a participatory poverty reduction approach by means of a neighbourhood organisation of the poor, under the leadership of the local self governments, as an effective platform for converging various anti-poverty programmes of the State and Central governments, it should be noted, these SHGs (as well as the ward committees) in effect represent co-operatives, and thus represent only a government-backed agency for a top-down unitary mode of participatory development. Nevertheless, this revolutionary experiment initiated by Kerala by the name of 'Kudumbashree' (Family Prosperity) has attracted wide attention. Below we discuss its significance in empowering the poor women.

Kudumbashree is an innovative, women centred poverty eradication programme being carried out since 1998 and 2000 in rural and urban areas of the state respectively. The programme derived its inspiration from two welfare schemes, such as 'Community Based

Nutrition Programme’ and ‘Urban Basic Services for the Poor.’ These programmes, which not only departed from the conventional welfare programmes in terms of approach but also encouraged community participation in all the stages of management, were implemented initially in seven wards of Alappuzha town in February 1993 and extended further to the remaining 29 wards in 1994. The implementation of Poverty Alleviation Programme with community participation in Alappuzha won laurels from the United Nations. Alappuzha received "We the Peoples: 50 Communities" Award initiated in commemoration of the 50th anniversary of the United Nations. In 1994 the Community Based Nutrition Programme and Poverty Alleviation Project (CBNP & PAP) started functioning with UNICEF assistance and participation of local community in the entire area of Malappuram, considered the most backward district of Kerala. Over 4000 neighbourhood groups of poor women were formed under this project and they started mobilising savings, which touched over Rs. 2.50 crore in August last year. They were also able to channelise financial assistance amounting to Rs. 2 crore from NABARD and other agencies. Around 700 neighbourhood groups were linked to various commercial banks under the Linkage Banking Programme of NABARD. The implementation of Government-sponsored programmes for improving health and sanitation in Malappuram District was channelled through neighbourhood groups.

These programmes shared many common traits — in concept, approach, management and activities — in alleviating poverty. For instance, these programmes used non-conventional indicators of poverty and thereby departed from the conventional welfare programmes in terms of approach. Further, they used a community based organisational structure, which facilitated the active participation of poor women in planning and management, which are rare not only in welfare programmes of government but also, to a large extent, of non-governmental organisations. The phenomenal success of these welfare programmes, in terms of participation, management and outreach, gave enough impetus to extend and replicate as an effective approach to alleviate poverty. When the state evolved a poverty eradication mission in 1998, referred to now as Kudumbashree, it incorporated the essential features of these welfare programmes. Viewed in this sense, Kudumbashree is essentially an extension of those two welfare programmes.

Three important aspects, which make the Kudumbashree a unique programme, merit mention here. First, contrary to the most welfare or social security schemes, the decision-making authority rests with the elected representatives, who are poor women themselves. Therefore, it is managed fully by the representatives of the poor rather than bureaucrats or politicians. Second, it has a dual advantage, which no other existing welfare programme can boast of: a functional dynamism which is found among the non-governmental organisation as well as strong interaction with, and backing from, local self-governments and thereby gaining a legitimacy. Third, besides carrying out its activities to address the risk factors, it also conducts regularly a range of programmes with specific objectives, such as awareness and educational programmes on female empowerment, training programmes on entrepreneurship, just to name two. Thus, it inculcates not only a sense of female empowerment but also helps to gain economic independence. These aspects make Kudumbashree a unique and rewarding programme, in which poor women become the active and informed agents of human development and social change.

As we know, Kudumbashree is a process or mission in which a number of steps are involved, the first being the identification of poor families using a non-monetary index. The various components of this poverty index are easily observable and thus the question of measurement problem is ruled out altogether. The second stage of kudumbashree, the mobilisation of the poor, is important in fighting against the social and economic evil poverty. This programme mobilises the poor into an organisation, namely the neighbourhood groups, which works within its own specified institutional framework including its own activities, codes of conduct, responsibilities and power.

Further, the neighbourhood groups formed at the grass root level are providing a social platform for the poor women to express their concerns, discuss their problems, and for finding out better options, which they think will be enough to improve their own living conditions. In fact, through this greater interaction among the poor women, they are in a

position to come forward with their own micro plans suitable to their own local conditions.

The kudumbashree programme by mobilising as well as providing a social as well as economic platform teaches the poor women the lesson of self-reliance. Since economic self-reliance needs skills, resources and awareness about the market situation, an indirect process of learning also takes place through the groups. The thousands of vibrant individual micro enterprises and group enterprises obviously show the development of entrepreneurial skills among the poor women. Further, it also implies the development of managerial skills, productive skills and marketing skills, which are important for the women to take decisions affecting their own productive activity and lives. In micro groups, women are the decision-makers as well as beneficiaries, which may help the women to shape their own destiny or having say in matters affecting their own lives. Further, the awareness building regarding education, health, nutritious food etc are also very important for the overall welfare of the family.

Despite such vast theoretical scope for development in general, this decentralized programme also faces a lot of practical problems. The most striking weak point of the kudumbashree programme is that not all the neighbourhood groups formed across the different districts of Kerala are able to run viable micro enterprises. This fact raises the important question of why certain groups are functioning well while others are not provided the identical organisational as well as institutional framework for all. All the groups are collecting the meagre savings of their members and have access to easy bank loans and they have more or less the same codes of conduct among the group members. However, there are differences owing to the local set up in which the group is operating, initial endowment of the members of the group like higher educational qualifications, other artisans skills, connections to the mainstream social networks, previous experience, effectiveness of local government intervention with the group activities in the local area etc. Are these factors responsible for the differences in the functioning of the groups? Separate study on this issue is needed to correct the loopholes of the existing system.

Another major criticism raised against the self help groups in general and kudumbashree groups in particular is that it will not help the poorest of the poor to come out of poverty. This programme is asking the poor women to help themselves, though an additional help will be extended by the state. In this process of self help many women belonging to the poorest of the poor families are often kept out of the entire system due to the inability to provide weekly savings, which is a prerequisite for getting membership in a group. In fact it is vehemently alleged that a large number of Kudumbashree units are 'owned, controlled and operated' by women from well-to-do families, especially of a major left party. This has led to a situation of a sort of blessing in disguise with a mushrooming of alternative SHGs of other parties and even of communal organizations.

#### **4. An Evaluation of the Decentralization Programme: Whither Human Development?**

Given the political imponderables, it is no surprise that the decentralisation process, or its Kerala variant in the name of 'people's planning', was faced with fundamental constraints in institutional capacity building. What was followed amounted to 'a big bang approach', by deciding devolution of 40 percent of plan funds and embarking on a 'campaigning' mode to shake up the system. This did give an initial push to the local bodies and injected a measure of vibrancy as a result of a concerted mobilisation of human and financial resources. *Panchayats*, however, could not cope with the administrative or organisational challenges of spending so much money (nearly one to one-and-a-half crore of Rupees per *panchayat* per annum), and resources have been alleged to be thrown into undeserving and also unaccountable quarters. These issues have however been debated widely and hence subjected to intense public scrutiny.

It goes without saying that a viable approach is a progressive evolutionary introduction of decentralisation in its practical phases rather than a big bang. Decentralisation becomes meaningful only with empowering the local body, which in turn but cannot be bracketed with just devolution of power and distribution of resources; they are of course the necessary conditions, but not sufficient. The local body should have the independent



practical 'power' to utilise the Constitutional and economic power devolved upon it; that is, it should be sufficiently informed and equipped for its task. Thus, the first phase of empowerment consists in a progressive process of education and training, and only with this, empowerment of a local body in its full sense is realised – having power to make use of its power. Such a mechanism would have avoided the practical problems of inadequacies in the 'development plans' as encountered in general, and thus dispensed with the 'expert committees'. It should be noted that a lot of dust was kicked up in the name of the expert committees on allegations that they were 'packed' only with the party cadres of the regime. In addition to this political interests domination, the expert committees in effect may be viewed as representing the traditional top-down mode of development, the very awful anti-thesis of the intended bottom-up approach.

One major problem with this experiment in local level participatory development is that the local bodies and the ward committees under them as well as the self help groups (SHGs) could not develop into an epitome of the concerned local community, but still stands to represent only the powerful political vested interests. That is, the most desired identity between the groups and the local society is lost in practice in the political manoeuvres for power. The very fact that election to the local bodies is conducted on political party basis highlights the scope for decentralisation (and thus dissemination) of the political economy of corruption and rivalry to the local level, contaminating and disrupting the local environment. Serious and wide spread allegations of corruption, nepotism and abuse of political power as well as political horse-trading and extortion have been in the air ever since the start of the 'democratic' decentralisation. The ward committees and SHGs have in most cases been a lower extension of the political party in power of the local body, to the exclusion of others, sometimes the most deserving ones.

Democratic decentralisation being a mature stage of participatory development, which in its comprehensive sense is the dynamic chain of progressive realisation of human rights, it goes without saying that its Kerala variant *apparently* marked a first step towards it. It should be stressed that for the first time, village *panchayats* have been freed from the clutches of the Public Works Department in matters relating to the design and

implementation of construction works. So too in the case of minor irrigation and small drinking water projects. The panchayats are now responsible for managing a number of local level institutions such as schools and primary health centres, agricultural and animal husbandry extension centres, etc. Housing for the poor and drinking water projects are also being implemented in a manner that reflects the local conditions and requirements. However, it is now seriously doubted whether the devolution of power and finance has actually fructified in its intended bloom. Rather, it is pointed out that decentralization has perfected only in one dimension, that is, corruption especially in infrastructure development, with grave implications for human development.

It should be noted that unlike other economic infrastructures such as banking and communication, electricity infrastructure as well as irrigation and road infrastructures in India had in their development policy a strong element of social welfare orientation over considerations of profits or returns. Thus these economic infrastructures in their development policies were in effect akin to social infrastructures. Unlike in the latter, however, a consistently cumulative public action prodded by organised public demand was conspicuously absent or weak in the sectors of irrigation and electricity, and hence, the development of these infrastructures in Kerala was erratic. Road development, on the other hand, was more or less ensured in line with the public action for the development of social infrastructures. The economic factors that largely accounted for the development of other economic infrastructures also failed to ignite a development trend in irrigation and power. Much worse, these two sectors were the fertile field for the weeds of the political economy of corruption as we see below.

That the priority and precedence accorded to the social services in resource allocation have adversely affected the development of economic infrastructures and thus of the industrial base in the State can easily be countered on the basis of experiences in these two sectors. It is found that the government has in fact been over-spending on each of the projects undertaken in irrigation and power sectors. Each project has involved immense cost overrun (see for details Kannan and Pillai 2002: Chapter 5). Had the government been able to implement each project efficiently within the normally expected constraints

of time and cost, then it could have saved huge resources and hence undertaken a large number of additional projects. An estimate puts the cost overruns involved in 18 power projects in Kerala at Rs. 6835 million, that is, about Rs. 380 million per project! (Kannan and Pillai (2002: Chapter 5, Table 2). This is of very significance in the present context of arguments by the government in favour of private sector participation, under the pretext of a resources crunch. It is not that the government has no resources meant for infrastructure development, because it is actually over-spending; the problem is in the inefficiency of management, coupled with the political economy of corruption. Besides the usual 'sales' procedures of construction contracts and materials purchase orders carried out by means of a collusion between the government and the bureaucracy in the utility, favouring certain contractors, the practice of allowing for time overruns of projects and sanctioning the associated cost escalations involves a 'wide spectrum collusion' among the political party in power (i.e., government), bureaucracy, contractors and trade unions. It is significant to note here that corruption and nepotism in terms of the 'sales' procedures of educational institutions also have a no less significant role in the spread of education facilities in the State. But for the corruption in time and cost overruns, the irrigation and power sectors of the State might also have such a beneficial proliferation of projects!

Though it was asserted above that road development in Kerala was more or less ensured in line with the public action, a lot more remain to be desired in the context of decentralization. Despite the spectacular improvement in the physical dimensions of road development in Kerala under decentralization, the quality of accessibility and transportability of the available roads is abysmally poor. The gravity of the situation worsens in an atmosphere of widespread allegations of large scale corruption in road development under the responsibility of the local bodies.

There have been some disquieting trends in the social sectors of Kerala too for some time. These largely correspond to an increasing societal inclination towards private sector provisions of education and health care in the name of quality. It should at the same time be remembered that there has since long been a strong (that is, predominant) presence of

private sector in both these infrastructures. School enrolment has had a declining trend in Kerala for the last couple of decades thanks to the sharp fall in the rate of growth of school-going population. For example, there was a fall of 8.05 lakh students in total school enrolment in Kerala (a decline of 13.6 percent) during the period 1992 – 2002. However, the enrolment of students in private unaided schools shows an increasing trend (about 70 percent increase) during the period (Government of Kerala 2002: 235). The sharp enrolment decline in the public and private aided sectors has given rise to a new problem of increasing number of ‘uneconomic’ schools and ‘protected’ teachers. As per Kerala Education Rules, a school becomes ‘uneconomic’ if its minimum strength of students per standard in LP/UP/HS is below 25. Financing the schooling in such context is said to be ‘simply nonviable’ (Government of Kerala 2002: 238) and this warrants government decision to close down that school. This concept, highly unjustifiable as it weighs down schooling on economic scale, facilitates the growing tendency of the governments to shirk the social responsibility for the provision of universal education. We should not, however, be blind to the need for relocating the students and teachers of such so-called ‘nonviable’ schools to another one for guaranteeing against waste, *provided* accessibility is ensured. At the same time there is an urgent need for stemming the erosion of quality of schooling and thus the tide into the unaided sector, as the two sectors stand to generate two unequal grades of future citizens with dangerous implications. Similar situation exists in the health care sector of Kerala also. It is in this light should we consider the recent government moves to institute a mechanism of user charges for its social provisions that would effectively result in the exclusion of the vulnerable population and in a retrogression in what Kerala has so far achieved.

Another distressing consequence of irresponsible decentralization has been in the health sector, in public sanitation, with horrific implication for human development. The personal and home cleanliness notwithstanding, environmental hygiene in terms of solid and liquid waste disposal, drainage and community sanitation has increasingly been at an *avoidable* loss in Kerala. The state government as far back as in 2004 admitted that

“[a]t present, the quality of services related to solid waste collection and disposal is extremely poor...It is estimated that only about 50 percent of the 2500 tonnes of waste generated per day is collected for disposal. Everyday a quantity of about 1200 tonnes of waste is left to decompose on road margins, drains, canals, water bodies and open space. Such a situation provides ideal breeding ground for pathogens and germ carriers. Even more serious is the problem of ground water pollution due to leachate from disposal sites. Wind blown debris and burning of wastes invariably cause air pollution. There is a sharp increase in the presence of substances like plastics which are difficult to degrade or break down in the waste stream.” (Government of Kerala 2004: 171).

It was found in an analysis of the composition of solid wastes that it contained 68 percent biodegradable wastes and 32 percent non-biodegradables such as plastic, bottles, metal parts, rubber, bricks etc. (*ibid.*), causing serious environmental concerns. Though some of the local bodies have ensured to some extent sanitary latrine facilities to the poor, most of them appear to have failed in obligations on environmental sanitation. There is no practice of processing of segregation and storage of waste at source and this has resulted in a disorganised and ad hoc primary collection system. Moreover, multiple handling of waste in different stages and irregular street sweeping have contributed to inefficient waste transfer and littering. This coupled with the inadequately equipped primary collection points has in turn led to the unfortunate practice of waste dumping along roadsides and open space (*op. cit.*: 172).

Another threat is posed by bio-medical waste in the wake of the emergence of diseases like AIDS and Hepatitis. It is approximately estimated that the solid and liquid waste generated per hospital bed is about 1.3 to 2 kg and 450 litres respectively; about 15 percent of this is infectious and toxic wastes and the remaining, general wastes (*op. cit.*:176). Very often the two types of wastes are handled together in hospitals such that they mix and the general wastes also become toxic. With an ineffective safe disposal mechanism, this accumulates into a major health hazard of menacing proportion. The wastes are often dumped in the hospital backyards (even in some of the medical colleges) and along the nearby road margins. Though the waste generator is in general held

accountable for the safe treatment and disposal of the wastes, it is the responsibility of the local bodies to treat and dispose of the treated bio-medical waste as well as the general hospital waste. The Kerala State Pollution Control Board is the prescribed authority to see to it that this be done as per the Bio-medical Waste (Management and Handling) Rules, 1998; but there has never been an instance of intervention against any erring hospital or local body, despite the rotting accumulation of wastes – another instance of bad governance.

The government continued to confess that “[m]ost of the urban local bodies in the State are beset with acute problems related to solid waste management with no solution in sight. As per the SC directive, all urban local bodies are required to set up waste processing and disposal facilities before Dec 31, 2003.” (Government of Kerala 2008: 192). And again: “[i]t is estimated that only 50% of the waste generated is collected for disposal. Every day a quantity of about 1,500 tonnes of waste is left to decompose on road margins, drains, canals, water bodies and open space. The reason for poor waste management is due to the absence of segregation and primary collection from the source of its origin.” (Government of Kerala 2011: 138). This is despite the schemes of ‘Malinya muktha Keralam’ (2007) and Suchitwa Mission (2008)!

## **5. Quality and Freedom**

Development is the process of enhancing freedom, expanding capability set, opportunities and choices “so that each person can lead a life of respect and value.” (UNDP 2000: 2). In other words, “Development consists of the removal of various types of unfreedoms that leave people with little choice and little opportunity of exercising their reasoned agency.” (Sen 1999: xii). The list of freedom includes the civil and political freedoms, economic facilities, social opportunities including entitlement to education and health care services, transparency guarantees involving freedom to deal with others openly, and finally, protective security guaranteed by social safety nets (Sen 1999: 38–40). Also included in the list are honest governments, open legislative and

transparent regulatory systems and effective and impartial legal system, with protection of and support for rights, physical infrastructure such as energy, roads, transportation and telecommunications (Sen and Wolfensohn 1999). And as we have seen, Kerala has to her credit a remarkable record of “the removal of substantial unfreedoms” that “is *constitutive* of development.” (*ibid.*) especially in respect of ‘social opportunities’ and ‘physical infrastructure’.

It should be noted that development as freedom from deprivation consists in realising both availability (including accessibility) and utilisability (or simply, utility) of those the public provision of which constitutes freedom from deprivation. In other words, realisation of development implies that in its truest sense of this duality. Then the right to development, being a human right, *is* a right to *both*; even with availability, development is denied and unfreedoms exist if utility is denied. Following the reinterpretation (for example, by Lancaster 1971) of the traditional theory of demand for commodities as a demand for *characteristics* of commodities, the demand for development may be seen as a demand for characteristics or *quality* of commodities, the public provision of which constitutes freedom from deprivation. In this light, mere availability sans quality fails the purpose of public action and thus development. For example, a badly corrugated road, or an unreliable electricity connection, or an uncomfortable public transportation or an unbecoming school or hospital by no means represents development, though each apparently augments the vector of capability. Such *apparent* capability enhancement in quantitative terms sans utilisability which we call ‘*a-capability enhancement*’, however, is of neither intrinsic nor instrumental value. A school that issues certificates but imparts no intellectual light generates no value. An untreadable road is only a waste of a natural resource. An electricity connection that spawns blackouts and brownouts is only a source of irritation and disutility. It is in fact quality or utility that lends both intrinsic and instrumental values to capability. And it is for its value that a capability and hence development is desired and demanded.

It is now possible to distinguish between *apparent* development (*a-development*, corresponding to *a-capability enhancement*) and undevelopment (on account of stark

deprivation). Since development is desired for its value and the value is valued in terms of utility, the right to development is also a right to quality. Where quality provision is denied, there is denied freedom, development. To this extent then unquality is undevelopment, but the corresponding a-capability enhancement stands to qualify this undevelopment. It should be noted that a-capability enhancement is a cut above deprivation and is of much shorter gap from development. As quality is attained, the apparentness disappears. Such development constrained by unquality is hence only an a-development. An irritatingly unreliable electricity connection is an a-development; and so is an unapproachable road or an unbecoming hospital. In all these cases we have a-capability enhancement and hence a-development only. Thus there is an unfreedom in unquality that puts a constraint on the realisation of freedom or development in its truest sense of the duality of availability and quality. That is, unquality represents an unfreedom in freedom. Only the removal of this constraint then constitutes development. This is the stage of what we call *freedom of freedom* that is development in its truest sense of realising its duality of availability and utility.

This light casts doubt on the claims of Kerala in respect of both social and economic infrastructure development. Quality is an issue of serious concern in these fields: roads and transportation, electricity, education, public health, to mention some. Once discounted for quality, this 'development' boils down to mere a-capability enhancement, and thus to a-development. For one example, Kerala completed cent percent rural electrification long back, and even put up an air of an energy exporter for quite some time in the past, but since the early 1980s she has been reeling under severe power famine. Though 70.24 percent of the households in Kerala are at present electrified, the reliability of electricity connection is far from satisfactory, with very frequent and long spell of blackouts and brownouts. It goes without saying that Kerala's electrification is only an a-capability enhancement. Similarly, Kerala does have a high edge over all-India in connectivity among communities via roads, but most of the roads are in bad condition and are still as narrow as earlier due to long neglect of upkeep, despite the phenomenal increase in the number of vehicles on the roads. Combine with this the poorly maintained



public transportation, and the common man in Kerala stands to achieve his social contacts at a very high indirect cost – another example of a-capability enhancement.

Perhaps a better and widespread recognition of quality problems of infrastructure in Kerala is in the field of education. Outdated syllabi and poor quality teaching leave little light for the learner here. No wonder in the lacklustre performance of the Kerala students in all-India competitive examinations. As we have already seen, the sharp increase in the enrollment in the private unaided schools, along with a decline in the case of government and private aided schools, is a reflection of the recognition of this problem. Where quality matters substitution takes place, with private sector viewed as competitive in quality. Thus demand for quality gets reflected in demand for private sector provision, wherever it is available. Such substitution is strong in the health sector also. It may be argued in this line that had there been opportunities, substitution would have a substantial role in the power sector also. The widespread use of stabilisers, inverters and gen-sets across Kerala as a reflection of the quality problem in the supply of power might be an indicator of the tendency for such a substitution. That private sector provision is qualitatively superior is supported by the general economic logic of *quid pro quo*, that a price ensures and enforces quality. These threads of argument are both baseless and dangerous. Baseless because conveniently forgotten here is the fact that there is no free lunch: behind every public provision, there is a price in the form of taxes from the public and this price should have ensured and enforced quality as much as it does in private provision. Dangerous because it props up an unwarranted bias for private sector where there is an explicit provision for exclusion.

Thus it goes without saying that structure of provision has nothing to do with quality: public provision has as much economic space for quality as private one. The problem is in enforcement. There is a compulsive demand for quality as far as private provision is concerned. But this simply lacks in the public one under the false impression of a seeming free lunch. This in turn suggests that it is imperfect information that matters here. The public remain just unaware of their right to development in its true sense and

thus of their right to quality. Development is never a dole of a 'charity state', but a commitment of a state as a duty bearer. It is what the tax income from the public must be translated into. In other words, it is the development in its dual sense of availability *and* quality that the public *must* purchase for their taxes. With this light come incentives that work behind a compulsive demand for true development that is to colour the corresponding public action. It is here that an informed platform gains significance to institute itself as a force of social reform to raise a civic society, conscious of the rights. Kerala is fortunate in having had such a platform, strong though fragmented, for a long period that has been instrumental in bringing in so much a-capability enhancement. But history cannot stop here. The question is: Can Kerala achieve the true development, the freedom of freedom?

## **6. Concluding Observations**

Political society will have not only to recognise but also to help the development of a civil society where the contributions of independent and collective initiatives are valued and countervailing institutions respected. Ordinary people should be seen as citizens, not clients. Such a shift will, in our opinion, help evolve *panchayat raj* as an institution of local self-government. People expect not only development functions but also civic functions to be brought under *panchayat raj*. In this way the country may pay a small tribute to the original author of the *panchayat raj* whom we honour as the Father of the Nation.

Despite the grey areas, the *panchayati raj* institution has in effect both an intrinsic and an instrumental value in ensuring an enabling environment for development. It offers a public platform for a vigilant civil society, conscious of its rights and committed to the correlative duties, to act as a watchdog in the common interest of overall development. And in the one step forward taken by Kerala, we have a scope for the rise of such a platform. The social terrain in Kerala with a vigilant public, vigorous press, vibrant voluntary organisations and the unutilised and underutilised energies of younger men and women, willing and waiting, is more than ready. A new paradigm of development

politics has to emerge and respond to this social reality for materialising that common interest, that is to sustain and further the virtuous growth Kerala has already managed to attain. We hope this has a fair chance in the most ideal stage of development, where the agencies of demand-supply dialectics of public action merge into one, the principal becoming the agent herself, that is, on the platform of the participatory development through decentralisation that Kerala has now assiduously set up. And we are happy this is the message of this article.

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