



Munich Personal RePEc Archive

Evolution of Social Security in the Lap of Public Action: Recounting the Experience of Kerala

K P, Kannan and Pillai N., Vijayamohanan

Centre for Development Studies, Prasanth Nagar, Ulloor,
Trivandrum, Kerala, India

June 2007

Online at <https://mpra.ub.uni-muenchen.de/9691/>
MPRA Paper No. 9691, posted 24 Jul 2008 10:31 UTC

**Evolution of Social Security in the Lap of Public Action:
Recounting the Experience of Kerala**

K P Kannan

Vijayamohanan Pillai N.

Centre for Development Studies

Trivandrum – 695 011

Kerala

India

E-mail:

kannan.nce@nic.in
vijayamohan@cds.ac.in

**Evolution of Social Security in the Lap of Public Action:
Recounting the Experience of Kerala**

K P Kannan

Vijayamohanan Pillai N.

Abstract

This paper is part of a large study on the Social Protection in Rural India and China. In this paper, we attempt at a critical appraisal of the historical development and experience of social security initiatives in Kerala, India. We situate the development experience of Kerala in a conceptual framework of participatory development, which we interpret in a broad context of organization and mobilization of people at specific junctures of historical progress of a society. Thus participatory development, in our view is participation in the progressive process of realization of human rights and thus in development; that is, public action, with an *effective* public demand and a *wiling* public supply, conditioned by the legitimate function of the state. It is also attempted to categorize the on-going social security schemes according to the definitional framework of our study, that is, in terms of the definitional division of social security into basic and contingent social security.

**Evolution of Social Security in the Lap of Public Action:
Recounting the Experience of Kerala**

K P Kannan

Vijayamohanan Pillai N.

“Public assistance is a sacred duty.
Society owes subsistence to unfortunate citizens by procuring them work
or by ensuring to those who are unable to work, the means of existence.”

(Preamble to the French Constitution of 1793)

“Everyone has the right to a standard of living adequate for the health and
well-being of himself and of his family, including food, clothing, housing
and medical care and necessary social services,
and the right to security in the event of unemployment,
sickness, disability, widowhood, old age or other lack of livelihood
in circumstances beyond his control.

Motherhood and childhood are entitled to special care and assistance.
All children, whether born in or out of wedlock, shall enjoy the same
Social protection.”

(Article 25, Universal Declaration of Human Rights, UN, 1948)

*“Praja sukhe sukham rajna:
Prajanam ca hite hitam;
Natma priyam hitam rajna:
Prajanam tu priyam hitam.”*

(“In the happiness of the subjects lies the happiness of the king;
In the welfare of the subjects is the welfare of the king;
Not his personal desires and ambitions, but what is desirable and beneficial to the
subjects,
That is desirable and beneficial for the king.”)

- Arthasastra (1.19.34)

Article 38:
The state shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of the national life.

Article 39:
The state shall direct its policy towards securing that the citizens, men and women equally, have the right to an adequate means of livelihood.

Article 41:
The state shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness, disablement etc.

- Directive Principles, The Constitution of India

1. Introduction

This paper is a critical review of the existing social security initiatives in Kerala, India, based on a comprehensive conceptual outline of Social Security, as developed in Kannan and Pillai (2007).

We take development as removal of all “unfreedoms” from all possible vulnerabilities, to both adversity and deficiency. Social security is the collective care mechanism to meet such vulnerabilities, and as such is the means to reach development, which in turn manifests in the progressive realization of basic rights. Thus any approach to development and hence to social security (SS) must be a rights-based one. Significantly, the most basic of the welfare rights are the right to life: the right to an adequate standard of living, the right to primary health care, and the right to public education. The first of these (adequate standard of living) is realized once food security and housing security are ensured, and the remaining through health security and education security. Note now that these four securities constitute what we call the Basic Social Security (BSS). Thus the basic social security supported by the contingent social security (CSS) is *the* basic welfare right.

In short, the sequence we proposed in the development of SS is as follows: realizing these human rights leads to removal of basic “unfreedoms” of deprivation, which in turn leads to development, enabling individuals in their valuable functioning and enhancing (or promoting) and protecting capabilities, resulting in honouring positive freedom by the correlative duty bearer (state, community/organization, family), thus securing availability, accessibility and utilization of an enabling environment that is basic and contingent social security. Thus development is fructified under the comprehensive umbrella of SS, by means of progressive realization of all basic human rights.

2. Situating the State: In the Lap of Public Action

Kerala’s¹ experience in enjoying a far higher level of quality of life, notwithstanding a lower level of income, compared with the rest of India, has already elevated her to the pedestal of a much acclaimed ‘model’. It goes without saying that this development in turn represents a good degree of realization of the basic right to life, covering SS. Note

¹ Kerala was primarily an agricultural economy; in 1960-61, the contribution of the primary sector to the State income was 56%. The structural change, however, has since been drastic, with the primary sector contribution falling to 16.8% by 2004-05; now the services sector contributes 61% to the State income, a steep rise from 29% in 1960-61. There has also been a commensurate change in employment; about 40% of the labour force being engaged in the tertiary sector as in 1999-2000 (a rise from 28% in 1983), and 32% in primary sector (falling from 50% in 1983), as per various NSSO Reports.

that it is with this equivalence between development and realization of SS in terms of basic rights that our conceptual framework has been moulded. In the context of Kerala, this development in fact was made possible by certain historical conjunction that presented an objective enabling environment for (what we call) the participatory development experience *a la* organization and mobilization of people that constitute effective political demand for progressive realization of basic rights; below we seek to single out the significant social and political movements or trends involved in the different phases of development in Kerala.

We situate the development experience of Kerala in a conceptual framework of participatory development, which we interpret in a broad context of organization and mobilization of people at specific junctures of historical progress of a society.² Unlike its static reference to conceptual variants of local level self-government and the still-micro self-help groups, this contextualization identifies the initiatives in the initial integration of nationalist feelings, that is, popular mobilization for the first generation (civil and political) rights itself. Securing these rights primarily represents the basis of participatory development, taken in a dynamic chain of progressive realization, local self-government (decentralization) being a later (if not final) manifestation. Thus participatory development in our view is participation in the progressive process of realization of human rights and thus in development.

Our theoretical interpretation of participatory development is built up in a Sennian capability approach framework. Here deprivation is seen in terms of unfreedoms and their removal as development, which in turn manifests progressive rights realization in nation building, achieving first generation rights through national struggle, in an enabling environment of reformation, renaissance and rising capitalism, through popular organization, mobilization, and participation. Having won the first generation (civil and political) rights, public action is turned to realizing further generation rights in a progressive process of participation for ever-enhancing development. This is made possible by what we postulate as 'effective political demand'; here the dynamics of organization and mobilization of the public constitutes the corresponding 'political purchasing power', which presupposes development in our view. And this in turn is made possible by the historical conjunction that presents an objective enabling environment.³

It is in this theoretical light that we analyze the Kerala experience of development in SS. Significant to note here is that this development experience has been somewhat unique for Kerala within the broad context of India, despite an almost similar backdrop of reformation, renaissance and national struggle. What accounts for that unique experience has been the particular participatory development process through organization and mobilization *to the hilt*, that is, public action, with an *effective* public demand and a

² See, for details, Pillai (2003) and (Kannan and Pillai 2004; 2005). The following section heavily draws on these works.

³ See Kannan (1988) for a detailed discussion on the historical conjunction that presented itself in Kerala in the context of the proletarianization of the working people and their subsequent organisation and mobilisation.

wiling public supply, conditioned by the legitimate function of the state. Here we differentiate for expository simplicity two distinct phases in the historical continuum of the development experiences of Kerala: the first generation development, which necessarily laid the basis on which the second generation development has built up what is known as 'the Kerala model'. The first phase marks a long period of social and political movements for realizing the first generation human rights. Though the second phase, firmly built up on the first one, is entirely characterized by a populist structure of development, we identify three prominent strands of participation, viz., the early institutionalized populism, cooperative movements and decentralization.

i) The First Generation Development

Institutional background

As in the larger context of India, the most important institutional mechanism, which provided social security to the people of traditional Kerala was the joint family system. Under this set up, the vulnerable sections like the old aged, widows, disabled persons, women and children used to receive natural protection under the wide umbrella of the joint family. The basic needs of the people like food, health, education as well as shelter were satisfied using the common resources of the joint family. However, only families belonging to the higher castes had sufficient resources to satisfy the various needs of their members. Nevertheless, under the feudal set up, the tenants being attached to the land and the landlords being mostly ideal patrons in their relationship with the tenants, some measure of security was prevalent for them too, in spite of the different kinds of inhuman discriminatory treatment they were subjected to by the upper caste people.

One of the contributing factors was the tradition of matrilineal system of a majority of the people and its cultural influence. It may not be wrong to trace the gender development in the state partly back to this cultural backdrop that, we feel, had much to do with ensuring and reinforcing the female-headed family system that emerged later in the wake of Gulf migration with far-reaching implications for gender equality. However, the lower caste women were at a disadvantage: they were not allowed to cover the upper part of their body and were often victims of sexual harassment by (the upper caste) landlords. In fact, the first exposition of anger against the prevalent social inequalities also came from the untouchable women, who agitated as early as in 1820 for the right to cover their body fully.

Initial welfare state policies

The welfare state concept, which had been inaugurated in pursuance of the self-interested legitimation function of the capitalist state in the mid-19th century with the provision of public elementary education in Europe, had its natural reflection in Travancore and Cochin, the two princely states of then Kerala. This objective situation opened up one of the significant avenues of SS and development, namely, education. The first English school started functioning in Travancore in 1836. Opportunities for education of girls were recognised in Travancore as far back as in 1859, by opening a separate school for

them. Subsequently, the principle of *free primary education for both the boys and girls of all communities, including the 'untouchables'* was accepted and practised during the reign of Sri Mulam Tirunal (1885 – 1924). The role of the Christian church in education, though motivated on religious mission, also was significant. The educated were absorbed in government jobs that earned them income security and social status. For the lower strata of the society there were added motivations, as education offered immense scope for vertical mobility, with implications for promoting equality, and this led to increasing demand for education. Continuation of the tradition then made it easier and *mandatory* for the later democratic governments of independent Kerala to enlarge the set of educational and thus the gender-related capabilities also.

Health care also figured prominently in the welfare state policy of the then princely states of Travancore and Cochin. Besides the Ayurvedic and other indigenous medical aid widely prevalent traditionally, the European system of medical care was first introduced in Travancore in 1811, and the first hospital opened about six years later (*Travancore Administration Report for 1106 M.E. (1930-31)*: 170). According to the Census of 1931, the life expectation in Travancore was 43.8 years for males and 44.55 years for females, comparable with that of 44.8 years for males and 46.5 for females in Japan during 1926-30 (Centre for Development Studies 1975 [2000: 137]). By the 1940s, the death rate in Travancore-Cochin came down to about 15, a level attained in France and Sweden only a decade earlier (Panikar and Soman 1984: 46).

Reformation, Renaissance and Freedom struggle

Again in parallel to the development history of nations elsewhere, Kerala awakened from the 'mad house' of caste-ridden feudalism⁴ at the challenge to the entrenched value that came from the social-religious reformers. Along with this reformation strengthened a renaissance also. Thus the literary movement also was a powerful engine of education. The press and the literary movement, though informal and uncoordinated, contributed to an enabling environment in which the social reforms organised and mobilised the deprived ones, motivated for their civil rights to recognition and dignity.

The old order was already on fast decline under the pressure of the social-economic changes brought about by the spread of school education, monetisation and commercialisation, nascent industrialisation and proletarianization of the working mass. The freedom struggle imparted the inevitable political dimension to this flux. However, the political aspirations and assertions assumed a radical mass movement with sacrificial participation at the grassroots level only with the emergence of the socialist/communist group in the State Congress. The workers unions started emerging as early as in 1920s. The first workers union started among the coir workers of Alappuzha namely, Travancore Labour Association (TLA). This union fought for the standardization of wage rates, wage

⁴ Swami Vivekananda was shocked at the inhuman caste distinctions in then Keala and described her as a 'mad house'.

hike, improvement in the working conditions, abolition of bond labour, etc. (Prakash, 1994). The strike led by TLA attracted attention of the general public as well as the authorities. In addition to the strikes, they organized a liquor boycott movement in 1922, started a death benefit fund, a health care system and a reading room. The union activities soon spread to the other areas of the state as well, especially to Cochin the next industrial centre of the state. Quilon labour union was the first labour union formed in Cochin. Malabar also had strong labour unions especially among the Toddy tappers of *Anthikkad* and Tata oil mill workers. The emergence of trade unionism as well as its sympathetic attitude towards the causes of workers was instrumental in improving the socio economic security of the workers in Kerala

The cumulative incidence of all these radicalising events constituted an objective condition of historical conjunction for Kerala. It was in fact the communist fervour in an enabling environment, made richer by education and popular literary movement that materialised working class solidarity, highly conscious of human rights with inescapable implications for development. This fervour in turn had its origin in the peculiar circumstances that saw the leaders, mostly from the upper caste/class families, living among, with and as the common people, often under compulsion from the state ban on communism. And this in fact helped make the masses educated, enlightened and thus politically better conscious of their rights. And it was the homogeneous aspirations, coloured in ideological potential, for a 'Promised Land' that translated this mass movement into a reality of political power. It was only the second time in the world, after the example in French Guyana in the 1940s, that a communist party was brought into power in Kerala through the democratic means of election in 1957.

It should be noted that an important facilitator of the spread of education and health care facilities as well as social and political movements in Kerala has been a unique ecological feature, with no urban-rural demarcation. There has been an evenly dispersed settlement pattern (which might be due to the mostly undifferentiated access to water), and this in turn has helped the economic, social and political developments gain undifferentiated access to the populace. Note such a situation is ideally potential for presenting an almost homogeneous agency of effective political demand in terms of organization and mobilization such that participation becomes a way of life or gets institutionalized. It has so happened in Kerala, as we will see, in the second phase.

ii) The Second Generation Development

The civil and political freedom having been achieved, the public action in the next phase turned to reforms and freedom in the social and economic spheres. An ambitious first step was strategised by the first communist ministry, initiating to revolutionise state's role in the universal provision of education and health care and in redistribution, the first best solution to poverty. The enabling environment with its implications and prospects, as already explained, led to an increasing public demand, to be precise, organised

bargain. Remember the vibrant tradition of organisation and mobilisation for rights, the very participation in development, could not but keep on flaming. And the political economy of populism and rent seeking ensured the corresponding public supply. Such a demand-supply dialectics of that period, in fact stood to *institutionalise* these aspirations and measures to such an extent that it became mandatory for the later governments not to ignore them, except at the cost of their own survival. And this explains the genesis of the 'Kerala model'.

(a) The Early Institutionalized Populism

Radical legislative measures

The substantial freedom in the social and economic spheres that followed the political freedom consisted in a continuous series of turning points, brought about by public action, that is, public participation through organisation and mobilisation on the demand side and state intervention on the supply side. The radical land reforms were a landmark in the development history of Kerala that bestowed a measure of economic freedom upon the large mass of agricultural labour households through land redistribution, conferment of ownership rights to hutment dwellers, creation of colonies for members of the Scheduled Castes (SC) and Scheduled Tribes (ST) with lands, buildings, and facilities, etc. Also radical were the Agrarian Relations Act and the Kerala Agricultural Workers Act of 1974, hailed as the Magna Carta of the agricultural labourers in the State. The latter prescribed hours of work, security of employment, higher fixed wages, an arbitration board to settle disputes between workers and employers, and welfare provisions for the agricultural workers, and heralded the wage inflation in Kerala that also contributed to the higher living standard.

Another in the series of landmarks was the vast network of public distribution system (PDS), which enhanced the people's access to food grains and other items of daily consumption such as sugar, edible oil and kerosene, by subsidising the difference between the market and the issue prices. An expanding network of social security and welfare measures such as pension schemes (for agricultural workers, widows, destitutes, old age and the physically handicapped), unemployment dole and welfare funds (for informal sector workers), taken up over time under populism and organised public demand, also ensured enhancing of economic freedom.

Gulf Boom

Behind all these improvements was an ever-growing public demand. But the initial immediate motivations such as the lure of a secured job and the associated opportunities were not sustainable themselves and were incapable of further thrust. Note that agency wellbeing is a function not only of the capability to function but also of its translation into achieved functioning. If aspirations and expectations are enhanced by enlarging options and opportunities, they must be matched by fulfilment also; otherwise discontent and frustrations set in. It is possible to achieve higher standards of development by turn of

priorities within the broad parameters of the given economic capability. Once this given capability is exhausted, further fuels for development also cease to flow. Thus, enhancing social development presupposes expanding economic opportunities. However, given the regional character of the Kerala economy, the capability-building development process could not lead to enhancing opportunities in the productive sectors of the economy. To be precise, it created and accumulated a large reserve of human capital much in excess of physical capital, thus giving rise to a socially frustrating outcome in the form of the educated unemployed. In short, Kerala was not in fact able to translate its greater freedom to achieve into actual achievement.

Nevertheless, the social development achieved implied a positive outcome of a fast demographic transition, resulting in almost wiping out further demographic pressure. At the same time, the accumulated human capital responded to employment opportunities emerging in the wider world generating substantial linkage effects of the 'Gulf boom', raising the per capita consumption expenditure, that is, purchasing power capability, especially in durable goods, much ahead of the per capita state domestic income. With this expanded economic capability, the public demand for further social development such as education and health care also rose to new heights, and the political economy of populism and corruption responded positively.

(b) The Cooperative Movement

Social security, in the sense of collective care arrangements, itself is a co-operative outcome, with family, society and state being the correlative duty bearers on the co-operative ladder. The very notion of organisation and mobilisation carries the sense of co-operative action. In this light, the strong civil society in Kerala with a large number of organised mobilisations represents a highly vibrant co-operative community in all, social, economic, political and cultural, spheres⁵ with immediate implications for SS. For a people, well aware of and used to the benefits of organisation and mobilisation for bargaining, it is quite natural for the idea of self-dependency to take form in co-operative society, a group of people organised to achieve a common end and to secure economic benefits. However, as we will see below, labour co-operatives cropped up in Kerala not as a concrete development of any lofty ideal of co-operation, but to counter the effect of the withdrawal of the private capitalists from the labour market.

Thus another facilitating background for the development of SS through organisation and mobilisation emerged in Kerala with the inception of the co-operatives. It should however be noted that a crude informal co-operation has traditionally served (and still

⁵ "The role of co-operative action in social life is so pervasive that it is easy to lose sight of... Some of the treasured activities in life, such as playing games or celebrating a festival, are intimately associated with co-operation. More significantly perhaps, social progress in fields such as public health, environmental protection and conflict prevention also depends a great deal on various forms of social co-operation. Even achieving prosperity is often facilitated by co-operative action, e.g., in the form of community activities to maintain irrigation structures or civic initiatives for the promotion of education." (Dreze and Sen 2002: 57).

does) the locality in the form of mobilisation of funds among neighbours, known as *chitti*, or *kuri*. Its formal manifestation in the form of co-operative banking system has thus a long history in Kerala, since 1915 with the Trivandrum Central Co-operative Bank. However, labour co-operatives came on the scene only with the first communist ministry in Kerala, when the 1957 Minimum Wage Committee proposed a model bill for setting up co-operatives. This was in response to the labour unions' demand for employment guarantees in the face of the crisis of the private sector reluctance to offer or continue to provide employment. That crisis was a possible by-product of the very objective condition of that period with labour militancy backed by a communist government that insisted on minimum wage conditions. In the void of private employers, self-dependency (on government shoulder, to be precise) proved the only effective source of livelihood. The first labour co-operatives benefited the toddy tappers and beedi workers in providing employment security. Though the former could not survive, the latter, known as Kerala Dinesh Beedi, has come up in flying colours and still stands as a powerful example of such co-operative employment security. 'Labour Contract Co-operative Societies', set up during the first communist reign, sought to break the grip of the contractors on public works, and credit co-operatives to meet the credit needs of the farm front. Again, the former failed and faded, but the latter has grown such that Kerala has now the strongest co-operative credit base in India.

It is remarkable that the principle of co-operation did succeed to encompass the whole economy of the State, with about 28,000 co-operatives at present working in the sectors of production, marketing, agro-processing, consumer, housing, employment, health, professional education, insurance and infrastructure development. However, "[i]n spite of the quantitative growth, the co-operative sector is beset with several constraints related to legislative and policy support, resource availability, infrastructure development, institutional inadequacy, lack of awareness among the members, erosion of the democratic context in management, excessive government control, etc." (Government of Kerala 2002: 125). More than half of the co-operative societies in the State are running in loss (Government of Kerala 2002: 129) and continue to breathe on government support. Thus the wide spread and the fast growth of the co-operatives in different sectors have been the outcome of conscious development plans with government initiatives and finance. Hence the significance of the implications of the recent moves of withdrawal of the state from its interventional obligations.

(c) Decentralisation

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.⁶ 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.

An important contribution to the study of governance behaviour⁷ 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 effects⁸: 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).

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,

⁶ 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).

⁷ See, for details, Pillai (2004); the following section largely draws on this work.

⁸ The term 'principal-agent problem' appeared first in Ross (1973). The earlier discussion on principal-agent problem in the framework of imperfect monitoring and imperfect information appeared in Stiglitz (1975), Mirrlees (1976), Harris and Raviv (1978), Holmstrom (1979) and others. For excellent surveys, see Hart and Holmstrom (1987), Levinthal (1988) and Holmstrom and Tirole (1989). 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.

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 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 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 decentralized humanist democracy of citizen participation.

The Kerala experience

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 73rd and 74th constitutional amendments in 1993. The 73rd 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 74th

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 centralization to decentralization 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 decentralization, 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.

The real test of the effectiveness of the mandate of decentralization, 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, waiting for some further dynamics of organization and mobilization. It was in 1957, after the victory of the then undivided Communist Party in state elections, that an agenda of decentralization, 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, 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 decentralization remained stalled because successive governments had better things to do than decentralize their power. Though the agenda came up again in the national context of the Janata Party coming to power at the centre, but unlike Karnataka and West Bengal, Kerala's coalition politics could not accommodate decentralization seriously, let alone give a lead. A minor exception was the short-lived experiment of the creation of district councils during 1990-91.

When the constitutional amendments took effect in 1993, the way was cleared for passing legislation in the state assembly. However, it was only in 1996 with the Left Democratic Front (LDF, led by the Communist Parties) in power that the legislation found light. The LDF government transformed the Ninth Plan into a 'People's Plan Campaign' (*Janakeeya Aasoothranam*), with an ambitious programme of drawing up and implementing the Ninth State Plan with public participation through local self-governments. A major political decision was taken by allocating nearly 40 per cent of the

State's annual plan outlay to the local bodies at the village, block and district levels. 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.

Within this 'democratic' decentralization 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 visualized as a participatory poverty reduction approach by means of a neighbourhood organization of the poor, under the leadership of the local self governments, and 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 as explained earlier, represent only a government-backed agency for a top-down unitary mode of participatory development. However, this far-reaching state-sponsored experiment initiated in Kerala under the Poverty Eradication Mission by the name of '*Kudumbashree*' (Family prosperity) has gone a long way towards ensuring a part of what we call BSS.

It is generally recognized that decentralization, as practised in Kerala, has not only enhanced her capability vector but also had significant impact on quality, efficacy and inclusiveness of that development.⁹ For one thing, it has opened the public sphere for the SCs and women in proportions never seen before. There are 6184 PRI seats reserved for women in Kerala. The local bodies have been found to be much more effective in providing targeted benefits to the poor households, that is, individual beneficiary-oriented programmes and their performance impressive in the areas of agriculture related activities, self employment generation, and in providing minimum needs infrastructure such as housing water supply, sanitation and connectivity. 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. As already stated, household sanitation that directly contributes to human development has been accorded prime priority by a number of village *panchayats*.

⁹ See for details Chaudhuri, *et al.* 2004.

3. The SS provisions in Kerala

We discuss the development of the SS provisions in Kerala in the broad theoretical framework of BSS and CSS. We start with the basic welfare rights that constitute the BSS:

Food

As already explained, the feudal system with its land-attached tenants under the patronage of landlords was self-sufficient and almost secure in its time-specific wants, despite the tenants having been treated as untouchables. With the advent of capitalist farming on cash crops and monetization of transaction and remuneration, the old order of self-sufficiency vanished, and with it the patronage and security too. Along with the scarcity in food crops, the monetized impersonal markets brought in widespread food insecurity. The very capitalist life of profit motive in production and trade led to artificial scarcity in food crops, with hoarding and black marketing at exorbitant prices. Unlike in most other areas, however, the particular historical conjunction in Kerala of that time was often able to rein in such tendencies through organized protests. In 1946, the Kerala Peasant's Front in Malabar, for instance, organized a campaign against food hoarding and black marketing and compelled the landlords to sell surplus food produce at reasonable prices in the open market. These struggles were sporadic and spontaneous, with little long-term effects, but the fire never burnt out till it brought about sustainable administrative measures in food security.

Kerala, with an increasing specialization in its agriculture towards non-food crops, has been a food deficit State, with a wide gap between consumption and production of food grains, especially, rice, the staple food. Its serious implication has in turn been well taken care of in public policy debates and exercises: "Food self-sufficiency for Kerala, in the sense of the State's ability to produce all the food items to meet its requirements, is not an economically feasible one.... Therefore, the policy of the State should be redefined in terms of *achieving food security rather than food self-sufficiency.*" (Government of Kerala 1999: 114; *italics as in the original*). The general recognition of the food deficit state of the region along with the persistent organized public demand did force the successive governments to accord high priority to food security as part of a wider system of SS. Currently, Kerala's comprehensive food security system includes the public distribution system which operates through the fair price shops as well as maveli stores, free noon meal for the school children up to eighth standard, and nutritional support to the preschool children, pregnant and lactating mothers through the network of *anganwadis*.

Besides the PDS, the State government also intervenes in the market, with a view to controlling market prices, by means of procurement and distribution of essential commodities through the Kerala State Civil Supplies Corporation, set up in 1974. The State also enjoys a better record in respect of performance of the targeted nutritional intervention for children and women.

Public distribution system

Food security has been an important agenda in State intervention in Kerala, such that the public distribution system (PDS) in Kerala has been rated by many studies as ‘the most efficient and egalitarian under Indian conditions, where access of the poor to food remains the single most factor in their poverty status’, with the salient features of universal coverage and easy physical access (Kannan 2000: 11). The PDS has been instrumental in enhancing the people’s access to food grains and other items of daily consumption such as sugar, edible oil and kerosene, by subsidising the difference between the market and the issue prices. Given this price differential, the PDS in practice amounts to an income supplement, with its implication for increased wellbeing. Covering nearly cent percent of the households in Kerala, the PDS has thus “contributed to improving a wide range of human development indicators that are closely related to access to food and alleviation of poverty.” (Kannan 2000: 1). It should be noted here that the PDS was materially made possible in Kerala thanks also to the facilitating factor of continuous human settlement.

Although the PDS in Kerala does not have the advantage of a long period of positive public policy, as in the case of health care, its origins also go back to the pre-independent days when food rationing was introduced in India at the start of the Second World War. It took almost a quarter of a century to establish a Public Distribution System in India as part of the public policy on food security (see, for instance, Mooij 1996: 69-76). In Kerala the universal and statutory rationing was introduced in 1965 at a time when the state was undergoing an acute food shortage. This shortage, as we saw earlier, was structural to the Kerala economy in that a major share of value added in the agricultural sector was through the production of cash crops such as coconut, rubber, tea, coffee, spices, etc., earning or saving considerable foreign exchange to the national economy. Even at the best of times, Kerala could not produce more than 50 percent of its food grain requirements. This was recognized by the Central government, which agreed to supply food grains (mainly rice and wheat) to meet the requirements of the PDS. The introduction of PDS in Kerala, thus, has been part of the overall concern of the state to take care of its food security. The widespread network of ration shops in Kerala, more than 14 thousand in number, has ensured physical access in both rural and urban areas, and thus universal coverage. The First Economic Census of India (1977) reported that 99% of the villages in Kerala had a fair price shop within two km distance; Maharashtra came second with 67%, with an all-India average of just 35%. It has been found that nearly two-thirds of the total purchase of rice of the poor in Kerala come from PDS (UN/CDS 1975; George 1979; Suryanarayana 1996). One of the facilitating features of the Kerala PDS in terms of economic access is its flexibility in permitting the cardholders to purchase their ration in installments rather than in one lot for a given period.

In 1997, Kerala also adopted the new Targeted Public Distribution System (TPDS) as part of the Central policy. Under this system, the above poverty line (APL) and the below poverty line (BPL) families are identified and given different types of cards, whereby the below poverty line families get the food grains at the subsidized price level, while the above poverty line households need to pay a near market price for the food grains. This

policy change, needless to say, constituted ‘a major departure with regard to food security policy in the country. On the one hand, it has sought to restrict the coverage of the subsidized PDS to what it considers to be the poor. On the other, it has unilaterally increased the price of the food grains and other essential commodities to both the poor and the non-poor.’ (Kannan 2000: 1). Also note that at present the PDS allotment of sugar and kerosene is restricted to BPL cardholders only. One of the hard-hit States of this policy change being Kerala, ‘its PDS, assiduously built up over a long period of time and hailed as a model one, is now facing survival problems. What should have been a model for other States in the matter of food security, given the acute inequalities in accessing food in this country, is now left to fight for its very survival.’ (*ibid.*). It is reported that with the introduction of the TPDS, as expectedly, the number of real beneficiaries has sharply declined and monthly off take has come down to one third of the earlier (Government of Kerala 2005: 362).

It goes without saying that the present mode of PDS with a basic component of targeting is inherently prone to serious errors of false inclusion (Type I) and of false exclusion (Type II), as we discussed elsewhere. As we seek to minimize the Type I error, there floods in Type II error and *vice versa*. This in turn suggests that unless a foolproof targeting mechanism built into the scheme is available, it pays to have a universal programme wherein Type II errors are minimized, disregarding Type I errors. It simply means then that given the more than comfortable level of food stocks available with the government as at present, a *universal* PDS would be far more effective, provided that the fair price shops follow a flexible functioning catering to the specific needs of the poor.

For the poorest of the poor households, two special schemes, namely, *Anthyodaya Anna Yojana* and *Annapoorna Anna Yojana* are also in implementation.

Table 1: Different types of cardholders and degree of subsidization (in rice) for each group in Kerala (2005)

Category of cardholder	Number (in million)	%	Price of rice/kg for each category in 2004
APL households	4.643	69.46	8.90
BPL households	1.569	23.47	6.20
<i>Anthyodaya Anna Yojana</i>	0.472	7.07	3.00
Total households	6.684	100	

Source: Government of Kerala (2006).

Free Noon Meal Scheme for School Children

An important component of the food security is child nutrition programme. While the PDS in effect involves indirect nutritional support with the objective of improving the physical and economic access to staple food, programmes of direct, targeted nutritional intervention involving provision of cooked food to the vulnerable among the poor,

especially children (by self-selection) have come to assume a crucial role in the larger scheme of social security. These programmes work through midday meal scheme and Integrated Child Development Programme (ICDS). The Central Government launched Mid-day Meals programme on August 15, 1995, with an additional objective of raising enrolment, attendance and retention among primary school going children (6 – 11 years) by reducing drop out rates. Under this scheme, every child is entitled to 3 kg wheat or rice per month for 10 months a year where food grains are distributed in raw form or at the rate of about 100 gm per child per day per school where cooked meal is being served.

The programme had had a long history in Kerala since the mid-1940s when ‘the princely States of Travancore and Cochin had established a system of free mid-day meals for poor children in the lower primary schools’ (UN/CDS 1975 [2000: 41]); the scheme was then extended to other parts of the reorganized State of Kerala in 1961, much earlier than the currently well-known scheme introduced in Tamil Nadu in 1982. Until 1975, a consortium of American voluntary organizations, called Cooperative for American Relief Everywhere (CARE), was providing the commodity aid required for the programme; since then the State government has been taking care of it. The scheme had earlier been confined to children in the lower primary (LP) classes (I to IV) and in class V, if attached to LP schools. It has since the mid-1980s extended to children up to class VII, in the age group of about 6 to 12 years.

Table 1. Percentage of students taking midday meal scheme

Year	No: of students in Primary level (in lakhs)	No: of students in Upper Primary level (in lakhs)	Total eligible students	Students enrolled in the scheme (in lakhs)	(5) As % of (4)
1	2	3	2+3 = 4	5	6
1979-80	25.76	-		18.12	70.34
1984-85	25.01	-		14.81	59.21
1987-88	25.86	17.90	43.76*	32.00	73.13
1990-91	25.27	19.00	44.27	20.57	46.46
1995-96	22.51	18.39	40.90	20.86	51
1997-98	21.40	17.90	39.3	27.95	71.12
1998-99	20.78	17.61	38.39	28.08	73.14
1999-00	20.11	17.26	37.37	28.26	75.62
2000-01	19.32	17.05	36.37	23.28	64.01
2003-04	18.28	15.02	33.3	21.67	65.08
2004-05	18.47	14.70		21.16	63.79

Source: Various issues of Economic Review, State Planning Board, Kerala.

The scheme is implemented in all the government as well as private aided schools of Kerala. Gruel and gram is the usual menu of noon meal in the schools of Kerala and the budget provides for it during 180 school days a year. During the 1960s and until the end of the 1970s, the scheme covered more than 70% of the children in the age group (since

Kerala had already achieved high enrolment at the primary stage). During the 1980s, however, the coverage declined, a sign of the declining incidence of poverty. When the scheme was extended to children in the upper primary stage, the coverage naturally increased. Note that the wide coverage of the scheme shows its success, though there are complaints regarding the quality of food provided.

Supplementary Nutrition for Pre-School Children and Nursing Mothers

A third and equally important component in the food security system in Kerala has been the programme for providing supplementary, but free, nutrition to pre-school children and expectant or nursing mothers. It is reported that in Kerala 4.7% of children below five years suffer from severe malnutrition and 26.9% from moderate malnutrition; similarly, iodine deficiency is found among 4% of children below five years and as much as 43.9% are victims of anaemia. Among women in the age group of 15 – 49 years, about 22.7% suffer from anaemia and 15% of adolescent girls weigh less than 45 kg (Government of Kerala 2005: 342). Hence the significance of this programme.

The programme in fact has been a combination of a number of schemes such as Special Nutrition Programme (SNP), Applied Nutrition Programme (ANP), Composite Programme for Women and Children (CPWC), World Food Programme supported feeding scheme, One-Meal-a-Day Scheme, Health and Nutrition Programme and the national programme of Integrated Child Development Services (ICDS). Initially, 'in terms of the quantity involved, this programme [was] not significant (UN/CDS 1975: 41), but by the late 1970s it assumed such a dimension as to cover more than a million pre-school children, that is, close to 40% of the total number of children up to five years of age. Through a series of reorganizations, the ICDS has now emerged as the most important and almost single scheme in this respect. The State government launched this programme in 1975, intended to provide 300 calories and 8.15 grams of protein per child per day for 300 days a year. For women the provision is 500 calories and 15 grams of protein per day per person. These rates are roughly equivalent to one-fourth of the requirements of the beneficiary groups. In Kerala, about 84 percent of the beneficiaries are children and the rest expectant/nursing mothers (Table 2). The focal point of delivery of these services is *anganwadi* centers managed by *anganwadi* workers and assisted by helpers. There are at present 25373 functioning *anganwadis* in the State such that there is one *anganwadi* per thousand population in both rural and urban areas and one *anganwadi* for 700 population in the tribal area of the State. Young, educated women in rural areas - who face the highest incidence of unemployment in Kerala - are recruited as volunteers and receive a monthly honorarium of about Rs 763 (Seema 2001: 36), which is much less than eight days' wages of female agricultural labourers in the State (the honourarium was just Rs 500 till 1996). But there is a high social premium attached to a regular job outside the farm and hence this abundant supply at a very low remuneration.

The scheme is 80 percent supported by financial assistance from the Central Government. The Applied Nutrition and Composite Programme for Women and Children are slightly different in orientation and are also sponsored by the Central Government. The Special

Nutrition Programme, started by the state through commodity aid from various agencies, has progressively been integrated into the ICDS as its aims are the same as that of ICDS.

Table 2. Details of beneficiaries under ICDS in Kerala (2005-06)

Category of beneficiary	Number of beneficiaries	% in total
Children 0-3 age group	358849	37.67
Children 3-6 age group	442735	46.47
Pregnant and lactating women	151152	15.86
Total	952733	100

Source: Government of Kerala (2006).

Education

As elsewhere discussed, education along with health care was the main agenda of the welfare state initiatives in general, pursued in deference to the legitimation function of the nascent capitalist state and in response to the need for manning its administrative arms. Colonies too came under this development, but limited to the purpose of the rulers. Here the missionaries, lured by large-scale scope for religious conversion, also had a major role, of course, supported by the state. Thus it was the combined dynamics of the legitimation function and the religious mobilization that initiated the welfare state in the colonies. So was it in Kerala too in the broader context of India, but with a different development path. Aspirations that arose for a new generation free from ignorance and ill health and with better prospects resulted, through public demand and populism, in wider access to education and health care. Note that the immediate influences on demand for education, as we already discussed above, came from the lure of a secured job, scope for upward mobility, status, along with demonstration effect, not from the ideal of being free from ignorance. But in effect it led to the rise of an educated society. By 1894, there were 255 government schools and 1388 government aided private schools with a total enrolment of more than 50000 students (Franke and Chasin, 1989). The reformation gave rise to powerful caste associations (such as the Ezhava social reform movement of 1905 and the movement of *Pulayas* under the leadership of Ayyankali in 1907 and the Nair service society formed in 1914) to fight for the right to education and government jobs. By 1911-12 the caste restrictions in government schools were completely abolished. Close on the heels of the reformation came the national struggle with the socialists/communists on the forefront. And all this historical conjunction involved literacy as a minimum requirement.

Even by 1971, a little over 60 percent of Kerala's population were literate, as against 29 percent of all-India (Panikar and Soman 1984: 60), and she always led all other States in per capita expenditure on education (Menon 2000: 285). Even in the 1950s, education claimed 35.6 percent of the total State government expenditure and in the 1970s, 39.7 percent (Panikar and Soman 1984: 61). Kerala was again fortunate in that the literary movement along with the Press helped develop a non-formal education system with a wide network of libraries and reading rooms and a large number of vernacular

newspapers, supplemented by a large number of cultural organisations, arts and sports clubs. A number of voluntary organisations also emerged, consciously and conspicuously imparting scientific and rational awareness among the mass, for instance the *Kerala Sastra Sahitya Parishad* (KSSP). Founded in 1957 by a group of scientists motivated to translate major scientific texts into Malayalam, the language of Kerala, the KSSP evolved into a mass movement and into the main environmental pressure group in Kerala. In 1989, the KSSP helped the State government make the 'Total Literacy Campaign' 'successful' that sought to bring the three Rs to most of the state's remaining few illiterates and won UNESCO's literacy prize in 1991. It should be emphasized here that Kerala was already literate by about 90 percent by that time, and the informal attempt in a big bang campaign mode was bound to yield only short-run achievements in the absence of sustained participation. The later experiences have in fact corroborated this with the natural drips of most of the gains following the end of the campaign. However, the campaign transmitted a sense of urgency to the rest of India and acted as a catalytic agent to the literacy work on a mission mode through the National Literacy Mission, an instrumentality of the Central government.

Currently, Kerala has the highest literacy among the Indian states with very less discrimination between urban-rural, male-female, and lower caste-higher caste. The literacy rate, which was 47.18% in 1951, almost doubled (90.92%) as per 2001 Census, as against the national rate of 65.38%. The drop out rate from schools has come down sharply even among the SCs and STs. Currently (2004-05) the drop out rate of students, in general, is estimated to be 1.46%; that of SC students is 3.64% and ST students, 4.66%. As already discussed, the midday meal programme was also meant to prevent any dropout from school. Further, the teacher pupil ratio is also found to be favourable in Kerala with a ratio of 1: 28.3 (as in 2003-04).

Commensurate with the population density, Kerala has also had a higher school density, and this along with a better transportation infrastructure ensured expanding accessibility. At present, 94.4 percent of the rural population is served by primary schools/sections within a distance of one km. and 98 percent within 2 km. Upper primary schools/sections are available for 96.2 percent of the rural population within a distance of 3 km., and secondary education for 24.7 percent within 2 km. and for 97.8 percent within 6 – 8 km. (Government of Kerala 2002: 234). For every 236 children in the LP school age group, there was one LP school/section in 2001-02, and for every 328 UP school going age group population, there was one UP school/section in Kerala (*ibid.*). The spatial distribution of this infrastructure has much to do with its accessibility, and Kerala has been fortunate here also. As in 2001-02, Kerala had 130 schools in each corporation area, about 18 schools in each municipal area and 11 in each *panchayats*. In 1960-61, there were 24.4 schools in a 100-sq. km. of area of Kerala against 14.3 of all-India; these went up respectively to 31.7 (at an annual growth rate of 0.66 percent for Kerala) and to 31.9 (at a growth rate of 2 percent per annum for all-India) in 2000-01. Note that the initial advantage Kerala had in the spatial density of schools is on the wane now; this however is expectedly in line with the unique historical stage Kerala has attained in demographic transition, compared with the rest of India.

Sarva Shiksha Abhiyan (SSA) is a recent programme implemented by the government of India for the universalization of education in the country. It has two components, namely education guarantee scheme (EGS) and Alternative and Innovative Education (AIE). The Education Guarantee Scheme is meant to cover the inaccessible habitations, which do not have school within one kilometre. But Kerala does not have such habitations. The second scheme, Alternative and Innovative Education is meant for the special category children like street children and child labour. Under this scheme, achievement was 9169 students in the State (Government of Kerala 2006). Further, under this scheme all the schools (government and private aided) as well as teachers get grants annually. Each school gets Rs. 2000 for the maintenance of the school building and the teachers get Rs. 1000 for buying teaching aids. It should be noted that the physical and basic facilities of schools in Kerala are reported to have improved a lot on account of the infrastructure created under SSA and the involvement of local governments under decentralized planning; for instance, 97.6% of the schools in Kerala have now pucca buildings.

Health

Such rise of an informed society had a favourable impact on the health front also. Kerala has attained high health status in respect of all standard indicators of maternal, infant and child health as well as of the general health of the people, on par with those of many developed nations, thanks to a vast health care infrastructure facilitating access to institutional care. The continuous human settlement factor has again played a major role here. The network of primary and community health centres has extended their services to the remotest of the rural areas in the State. The crude death rate in the early 1970s came down to about 9 per thousand population, and in 1981 to 6.9. The infant mortality rate that reflects the qualitative and quantitative dimensions of the health standard of a community (the infants being the most vulnerable group among the children) was only 61.4 per thousand against 138.35 of all-India in 1968-69. And the life expectation by 1971 rose to 60.57 years for males and 61.16 for females (Paniker and Soman 1984: 36-40).

Health care facilities mainly include two types of care like curative health care and preventive health care. In both the areas Kerala is far ahead of other Indian states. Immunization programmes had its history in the pre independence era in Kerala. To illustrate, the smallpox vaccination in Travancore started in 1879. By the late 1930s, the entire population was covered by this immunization programme, though it had been only available to the government workers when started. Further, the king of Travancore had implemented similar programmes for cholera and malaria. In fact, the immunization programme not only included various vaccination programmes, but also cleaning up of mosquito breeding areas. Currently, Kerala has achieved near universalisation in immunization programmes. Most of the immunization programme achieved more than ninety percentage of the respective target. The respective details are given in table 3.

Table 3.
Target and Achievement of Immunization programme in Kerala 2003-04.

Programme	Target	Achievement	Percentage
DPT	5.82	5.57	95.6
Polio	5.82	5.52	94.8
BCG	5.82	5.76	98.9
Measles	5.82	5.00	85.9
TT for pregnant women	6.43	5.75	89.4
TT for 5 years	5.35	4.32	80.7
TT for 10 years	5.35	5.18	96.8
TT for 16 years	5.79	5.26	90.8

Source: Economic Review (2004), State Planning Board, Trivandrum.

In the area of curative health care too, Kerala has had a better record than the other major states in India. Curative health care has broadly two aspects: availability of health care facilities and the affordability of the same. In the case of availability of health care facilities Kerala is far ahead of the other Indian states. In Kerala, each Gram Panchayat has at least one health care institution (Government of India 2006: 64).

Health development in Kerala, comparable to that of high-income countries, has been the outcome of investment in health infrastructure in public, private and co-operative sectors, along with the people's health awareness and transport facilities. Kerala's health care network in the public sector, under the three medical systems of allopathy, ayurveda and homoeopathy, had a total of 7831 institutions including sub centres in 2001-02. The institutions under the allopathy system were 1310, with 46800 beds – including 941 primary health centres, 107 community health centres and 143 hospitals. Each sub centre in Kerala serves a population of about 5000 as against 4581 at the all-India level, and each primary health centre, a population of more than 25,000 and each community health centre, about 2.25 lakh (Government of Kerala 2002: 249). It should be noted that as in the case of school infrastructure, each medical institution in Kerala serves a larger population due to high density, but the area covered is much less than in all-India, which in fact ensures greater accessibility. It is reported that there is one primary health care sub centre for every 6.2-sq. km. area in the State at present and one primary health centre for every 33.3-sq. km. (*ibid.*). About 4 public allopathic medical institutions were available in Kerala for one lakh population as against 3.8 for all-India in 2000-01.

The primary health centres are not only important for providing curative health care but also for effectively implementing various preventive health care programmes such as cleaning up of mosquito breeding areas, conducting health education classes for the local people etc. Thus the presence of a primary health centre in a village is important in both the angles of curative and preventive health care. Further the primary health centres are providing free medicine to the patients. In the government hospitals too, the medicines as well as other major treatments are providing at a very nominal price, which is affordable to the poorer sections of the society.

Despite the achievements, the prospects for the health care system of Kerala appear to be apparently dim with her recent initiatives in the mandatory 'reform' process to levy user charges for services in public health facilities, even though health is a State subject by constitution. The charges for various services are approved by Hospital Development Committees at the facility level, and hence vary across institutions. Needless to say, such charges are instruments of restrictions and exclusion, and the primarily affected are the poor, as always. As in the case of food security of Kerala, the status she attained in respect of health care security might crumble away under such targeting burden. As discussed above in the context of the targeted PDS, it goes without saying that unless a foolproof targeting mechanism built into the scheme is available, it pays to have a universal programme wherein Type II errors (of false exclusion) are minimized, disregarding Type I errors (of false inclusion).

Housing

The settlement pattern in Kerala, unlike in other parts of India, consists of independent houses in the continuum of the habitable areas with little rural-urban divide; so has been it since time immemorial. Though independent, the houses differed in conditions across the economic classes and castes; for instance, according to the 1875 Census Report of the then Cochin State, only 1.3 percent of the houses (that is 1521 in number) had tiled roofs. The common people lived in deplorable conditions. Changes in agrarian structure, followed by decline in joint families and emergence of nuclear families, under the forces of the nascent capitalism necessarily led to the development of land market; for the first time demand for housing started to exert pressure. But a sufficient supply had to wait till the construction boom following the 'Gulf effect' of the mid-1970s. As a result, the proportion of the *pucca* residential houses increased from 49% in 1971 to 72% in 1980 (Gopikuttan 1998).

The concern for housing for the poor became a matter of public policy in 1971 when the Land Reform legislation was finally passed in Kerala. With the failure of the original intention to distribute surplus land to the landless, a second best solution came up whereby landless agricultural labourers were given the right to retain and own 10 cents of the land belonging to the respective landlord, and set up their own houses. Those who could not get such land and were homeless were brought under a massive programme called One Lakh Housing through mobilizing resources from the State budget, public institutions and voluntary labour. Although the target achieved was around 56 percent, it was a remarkable achievement in itself in such a short period of time (UN/CDS 1975). Since then a number of housing schemes have been in implementation under a number of public agencies, some under the Central Government schemes.

The government has accorded the highest priority to housing of the economically weaker sections; about 80% of the State support to various housing programmes have gone to them. Since 1997-98, the housing responsibility has been with the local self-governments. The average annual housing investment in the rural *panchayats* in Kerala during 1993-1998 was estimated to be about Rs. 2.5 million and the average investment per household was about Rs. 5500. It is approximately equal to about 10 % of the total income of the

rural households as against the all-India share of 2.1% (Government of Kerala 2005: 312). It is significant to note that the average growth of houses was 16% during the last decade of 1991-2001, as against the population growth of 9 % (*ibid.*). It is such high growth in housing investment and construction that has brought about impressive improvements in the housing scenario in Kerala, as highlighted in the NSSO 59th round survey (January-December 2003) on consumer expenditure and employment-unemployment situation in India. The survey reports that 75% of the households in Kerala live in pucca houses, while the all-India indicator is only 63% as in 2003; in the rural sector, the percentages are respectively 65.7 (Kerala) and 43.9 (all-India) and in the urban, 84 and 81.7. As regards the ownership, 86% of the households in Kerala own a house, while at the all-India level it is only 78%. The rural sector shows little difference, with 94% of the rural households in both Kerala and all India owning a house, but 79.5% of the urban households in Kerala live in their own houses, as against 62.1 % of the urban all-India households. As per the Census 2001, a house in Kerala on average has three rooms, while the all-India average is only two; more than a quarter of the households in Kerala (rural: 31.87% and urban: 38.57%) have four or more rooms as against the all-India average of about 15% (rural: 13.36% and urban: 15.94%) only (Government of Kerala 2005: 312).

Special attention to vulnerable groups

In addition to these general BSS initiatives, the State has also taken special attention to provide security to vulnerable sections like orphans, handicapped, women, old age people, SC/ST population, the poor, the unemployed, and the people living in slums. Below we briefly discuss the initiatives taken by the State government to provide security to these special groups under two broad heads: (i) institutional care that comes under what we call BSS and (ii) pension schemes, our CSS.

(i) Institutional Care (BSS)

Orphans and destitute

Institutional care is the main mode of providing security to the orphans and similar vulnerable groups. In Kerala, there are fifty-one public welfare institutions, which provide security to different vulnerable groups. In addition, a number of institutions, as many as 702, are working under different non-governmental organizations. The details are given in Table 4. Note that in most of the welfare institutions the number of inmates is less than the sanctioned capacity of the same.

People living in slums

An additional Central assistance scheme launched in 1996 for improving the material conditions of life in slums is the National Slum Development Programme. This scheme aims to provide community bathrooms, community latrines, safe drinking water supply, storm water drain, streetlight, roof upgradation, and construction of new houses for the

slum population. The different needs of the slum are prioritized on the basis of the residents' opinion and the urban local self-government takes decisions on the particular plan for the area annually. The scheme has so far spent Rs. 64 crore for the development of slums in Kerala.

Table 4:
Different welfare institutions run by the state government and NGOs in Kerala.

Type of Public Welfare Institution	Number	Inmates (No.)	Capacity (No.)
<i>Mahila Mandir</i>	12	216	300
Homes for physically handicapped	3	58	75
After care homes	3	85	250
Old age homes	10	334	1000
Rescue homes	2	23	200
Observation homes	14	408	450
Centre for care of the disabled	3	30	75
<i>Asha Bhavans</i>	4	164	200
Total	51	1318	2550
Institutions run by the NGOs			
Orphanages	612	43280	52000
Fondling homes	5	417	320
Beggar homes	3	392	419
Old age homes	82	10200	14835
Total	702	54289	67574

Source: Government of Kerala (2006: 396-397)

Disabled persons

According to 2001 census, 2.7% of the population (numbering 0.861 million) in Kerala are disabled either physically or mentally. As per the National Sample Survey 2002, there are 2235 disabled persons out of every one hundred thousand persons in Kerala, as against 1755 at the all-India level. It is also reported that in Kerala there are about 0.5 million children with some kind of disability. The State government has set up special institutions for bringing these disabled persons into the main stream, by providing them with special education and care. There are 6 public institutions in the State for the care of 650 physically and mentally retarded children. The State is also supporting 1078 mentally retarded children through institutions run by NGOs. Further, Kerala State Handicapped Person's Welfare Cooperation is implementing self-employment programmes for the disabled and distributing aids and appliances to disabled persons.

Female security

As per 2001 Census, women constitute 51.42% of the population in the State. And Kerala is the only State in India where the sex ratio is the most favourable to women. In respect of literacy and health aspects also Kerala women are far ahead of their counterparts elsewhere in India. As we have already seen, this has had a favourable historical conjunction in Kerala, with a traditional matriarchy among a majority of the population and the later social reforms and renaissance as well as the particular empowering state of female-headed households following the migration boom of the 1970s.¹⁰ It is significant to note that the first Girl's School in India was started by the missionaries in the State of Travancore in 1819 and this was followed by another school by the Government in 1859. By the end of the 19th century, the State had several girls schools, resulting in the relatively high literacy level among women in Kerala: the female literacy rate was 31.5 in Kerala in 1951 as against just 7.9 in India as a whole. The high female literacy, in turn, undoubtedly, helped the State achieve remarkably high status in health: the life expectancy at birth in Kerala was always higher among females. In 1951, the life expectancy at birth among females was 42.30 as against 39.90 among males. Both these were higher in Kerala than elsewhere in India. Similarly the lower infant mortality rate, birth rate and death rate in Kerala, compared to all India rates in 1951 were also partly attributable to the higher level of female literacy in the State.

The mid-1970s witnessed the emergence of several women's groups and organizations, taking up feminist issues from a new perspective. Their activities, often independent of any political colour, were not just restricted to assert women's rights, but they also made serious attempts to articulate their thoughts on the roots of oppression of women. The Muslim and Christian women came out challenging their respective personal laws based on religions to such an extent that in any other region in India their counterparts would not dare even to think of it.

In spite of such open opportunities for high female status, women in Kerala are subjected to higher incidence of domestic abuses and crimes (for example, see Panda 2003). What exacerbates this plight is their helplessness in a situation of utter employment/income insecurity: unemployment is much higher among women in Kerala, in fact, the highest in India. Kerala ranks first among the major States in India with 76% of its elderly women reporting *no financial assets* in their name and 56% of the married elderly women are widows (Government of Kerala 2006: 488). As already mentioned, Kerala has the largest proportion of female-headed households in India, the basic reasons for it being divorce, desertion and death, in addition to migration. Unemployment and poverty among women in Kerala have been the major challenge to us for some time; it goes without saying that any notion of empowerment is impossible in the absence of such basic social security. It must be this fundamental fact that goaded the State into devising a participatory development strategy at the micro level: a special employment generation programme

¹⁰ 'As per NFHS Report, the proportion of female-headed households in Kerala during 1999 was 22.1%, as against 10.3% at the all-India level.' (Government of Kerala 2006: 488).

implemented by the State government during the late 1990s for eradicating female unemployment and poverty through women self help groups (SHGs), called *Kudumbashree* (meaning prosperity of family).¹¹ As already discussed, these SHGs epitomize the now final stage of participatory development at the micro level within the democratic decentralization movement.

History

In fact, the design of this particular programme for the eradication of poverty was based basically on two success stories of the community development schemes of Alappuzha and Malappuram. The women of Alappuzha and Malappuram proved that bottom-up approach are the most effective one for eradicating poverty than the top-centred ones. The community development scheme came into existence in Kerala as a part of the nation wide programme of Urban Basic Services for the Poor jointly funded by the Government of India, Government of Kerala and UNISEF in 1992. Under this programme, Alappuzha town was one of the demonstration town fully funded by UNISEF. The Community Development Scheme (CDS) of Kerala addressed three fundamental issues. The first one was the leakage problem and the corresponding influential capture of benefits: CDS sought an efficient way to target the most needy poor. Secondly, CDS sought an integration of all the existing programmes at the local level so that the innumerable needs of the poor could be addressed. The third issue was that of decentralized decision making.

The community development programme collected information regarding nine easily identifiable aspects of life for identifying the most needy poor. These are – whether the family belongs to scheduled caste or tribe, only one or none of the adult family members being employed, kutcha or thatched house, lack of household sanitary latrines, non availability of drinking water, family having two meals or less per day, regular use of alcohol by a family member, family having at least one illiterate member, family having at least one child below five years. Further according to programme, any family with four or more of these nine variables is classified as high-risk families.

In fact, the success of the Urban Basic Services of the Alappuzha district encouraged the state government to extend the programme to all the urban local bodies in 1994. The experience of the Alappuzha model prompted the state government to make some changes in the nine point indices constructed earlier for identifying the poor. The new indicators include no land /less than 5 cents of Land, No house/Dilapidated House, No Sanitary Latrine, No access to safe drinking water within 150 meters, Women headed house hold/ Presence of a widow, divorcee / abandoned lady / unwed mother, No regularly employed person in the family, Socially Disadvantaged Groups (SC/ST),

¹¹ The state wide programme *Kudumbashree* though inaugurated in 1998, started its operation in April 1999 and registered as a society under the Travancore Cochin Library Scientific and Charitable Societies Registration Act 1955. This programme is a partnership of the state government, central government, local governments and NABARD for eradicating poverty. The motto of *Kudumbashree* is the feeling of self-help.

Presence of Mentally or physically challenged person / Chronically ill member in the family, and Families without colour TV.

Major Features of the Programme

As we already mentioned, *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, which we have already seen, are easily observable and thus the question of measurement problem is ruled out altogether. The second stage of *Kudumbashree*, the mobilization of the poor, is important in fighting against the social and economic evil of poverty. This programme thus mobilizes the poor into an organization, 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 thus formed at the grass root level provide 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, the poor women gradually attain a position to come forward with their own micro plans suitable to their own local conditions. These micro plans formed at the neighbourhood group level will be integrated at the immediately higher level of Area Development Society (ADS) to form a mini plan. Further various mini plans prepared by the Area Development Societies will be integrated to form a community development society (CDS) plan at the local government (village *panchayat*) level. In fact, it is this CDS plan that becomes the anti poverty sub plan of the village *panchayat* or Municipality, for which one third of the total development resources of the local government is set aside.

Another noteworthy impact of the programme is the setting up of women bank through the development of credit and thrift societies – micro-credit organizations. As already mentioned, in the weekly meetings of the neighbourhood groups, the meagre savings of the poor women will be collected and recycled through the sanction of loans to the needy among the group. Thus this programme inculcates the habit of saving among the poor women and enhances their accessibility to small loans, which is very important for smoothening the consumption and meeting contingencies.

Yet another feature of the *Kudumbashree* programme is the setting up of micro enterprises using local resources as well as skills. Various commercial as well as co-operative banks now extend loans to *Kudumbashree* groups for starting productive activity. The authorities arrange training programmes for the women for upgrading their skills as well as for introducing them to new areas where the local demand is high. Thus the programme aims at combining the local demand with local resources as well as skills and thus eradicating poverty through a better integration of the local economy.

Thus the *Kudumbashree* programme by mobilizing as well as providing a social as well as an 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. 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. It is this process that is involved in essence in women empowerment.

Achievements

The *Kudumbashree* programme now covers 3.202 million households in Kerala with 159,739 NHGs at the local level, 14103 ADS at the village *panchayat*/municipal ward level and 1050 CDS at the level of village *panchayat*/municipality. The organizations have so far mobilized a sum of Rs. 5370.1 million as thrift fund and disbursed credit to the tune of Rs. 12599.1 million to the members (Government of Kerala 2006: 380). The repayment rate in the *Kudumbashree* groups is almost 100%. As already mentioned elsewhere, it is this organizational base that now works as a platform for implementing several government sponsored poverty eradication programmes.

Another major achievement of the *Kudumbashree* programme is evident in the 30,000 vibrant individual micro enterprises and 200 group micro enterprises, with minimum 10 women in each group, functioning in the rural areas (Government of Kerala 2006: 378). Obviously, this implies the development of managerial skills, productive skills and marketing skills, which are important for women to take decisions affecting their own productive activity and lives.

Special package for Destitute Families

Destitute families form the poorest of the poor of our society. Government of Kerala has implemented a special programme for such families, namely *Ashraya* ('haven'). Under this programme, destitute families are identified using a nine-point index developed by the state poverty eradication mission, separate for rural and urban ones (Government of Kerala 2007: 366):

Rural

1. No Land /Less than 10 cents of Land
2. No house/Dilapidated House
3. No Sanitary Latrine
4. No access to safe drinking water within 300 meters
5. Women headed house hold/ Presence of a widow, divorcee / abandoned lady / unwed mother
6. No regularly employed person in the family
7. Socially Disadvantaged Groups(SC/ST)
8. Presence of Mentally or physically challenged person / Chronically ill member in the family.
9. Families with an illiterate adult member.

Urban

1. Less than 5 cents of Land / No Land
2. Dilapidated House / No house
3. No Sanitary Latrine
4. No access to safe drinking water within 150 meters
5. Women headed household
6. No regular employed person in the family
7. Socially Disadvantaged Groups SC/ST
8. Mentally retarded / Disabled / Chronically ill member in the family
9. Families without colour TV

If all nine or at least eight of the nine indicators are positive for a particular family, that family is classified as destitute. The identification is done through the NHGs of *Kudumbashree*. The programme has four components: survival needs (food, health, pension, education), infrastructure needs (land for constructing house, construction of house, sanitation, water supply), development needs (employment, skill development, sustenance for livelihood) and social needs (initiative, awareness, and social inclusion). The investment per family on an average comes to Rs. 53,000 and it is estimated that there are about 83 destitute families on an average in a village *panchayat* and about 1500 urban local body or corporation (Government of Kerala 2006: 383).

The Unemployed and the Poor

The State government provides, through local governments, some financial assistance (Rs. 120 per month) to the unemployed people registered in the employment exchanges of the State. This scheme was introduced in the State in 1982 under non-plan and during 2006, it benefited 339,879 unemployed. In addition several employment generation programmes are there under implementation in the State. The three important Central poverty alleviation programmes being implemented through the *panchayat raj* institutions are the *Indira Awas Yojana* (IAY), *Swarna Jayanthi Gram Swaroggar Yojana* (SGSY) and *Sampoorna Grameen Rosgar Yojana* (SGRY). SGSY, started in 1999 with 75:25 cost sharing between the central government and the State government, aims to alleviate poverty by providing income-generating assets to the poor through bank credit and government subsidy. This rural self-employment programme encourages both individual units and group units.

SGRY, started in 2001, ensures additional wage employment in rural areas, and food security along with creation of durable social, economic and community assets and infrastructure development for the benefit of the poor. The Central government provides food grains of value equivalent to the cash component, free of cost, under the scheme at 5 kg per manday at Rs. 6.20 per kg. The balance wage is paid in cash as per the notified minimum wages.

IAY is also a Centre- State cost-sharing project in the ratio of 75:25, which provides dwelling units to the homeless Scheduled Castes and Tribes, freed bonded labourers and other rural poor below poverty line by providing grant at the rate of Rs. 27,500 per house. The beneficiaries should have at least two cents of land for house construction. As already discussed, *Kudumbashree* is yet another important employment generation programme implemented in the State especially to eliminate female unemployment.

As elsewhere discussed, the National Rural Employment Guarantee Act, 2005, hailed in general as a revolutionary step in the direction of eradicating poverty and unemployment in rural areas, seeks to enhance the livelihood security of the households in Rural areas of the country by providing at least one hundred days of guaranteed wage employment to every household, whose adult members volunteer to do unskilled manual work at a wage rate of not less than Rs. 60 per day per person (note that the minimum wage at Kerala is Rs.125). The Central-State cost-sharing ratio is 9:1. The Central government has selected 200 districts from the country to implement the Act in the first phase in which two districts from Kerala viz, Wayanad and Palakkad are included. According to the Commissionerate of Rural Development, 163,000 households were sanctioned job cards in Palakkad, but only less than 50,000 people came forward to do the job; and in Wayanad, 99,023 people registered for job cards, but only 45,000 opted to do work (*The New Indian Express* daily, 30 May 2007). The State has asked the Centre to let the programme cover agricultural operations of marginal holdings also.

In addition to these, the State government also implements a number of Central anti poverty programmes for eradicating urban poverty. The two important ones are *Swarna Jayanthi Shahari Rosgar Yojana* (SJSRY) and *Valmiki Ambedkar Awas Yojana* (VAMBAY). Under SJSRY, the identified poor families are organized into neighborhood groups, and these neighborhood groups are organized as ADS at the ward level and CDS at the municipal or village *panchayat* level. The CDS is registered as a charitable society. All programme monitoring is done at the CDS level. This programme encourages people to start income generative activities through group enterprises. VAMBAY is implemented in the state to ameliorate the housing conditions of the urban slum dwellers. The upper limit for the rate of assistance is Rs. 40,000 per house with sanitary toilet and with plinth area not less than 15-sq. m.

Scheduled Castes and Scheduled Tribes (SC and ST)

The Protection of Civil Rights Act 1955 and Prevention of Atrocities Act 1989 are the two important legal documents for the protection of rights of the SC and ST people and to curb social discrimination in India. As per Census 2001, the SC population of Kerala constitutes 9.81% of the total population (numbering 3.124 million) and the ST population 1.14% (0.364 million), as against 16.23% and 8.15% respectively at the all-India level. The SC people live along with the rest of the people across the State, but the ST are geographically concentrated and overwhelmingly rural. The impressive fall in the general poverty level in Kerala has had a significant inclusive effect on the downtrodden also such that the incidence of poverty among the SC and ST is only one-half of the all India level. Thus the poverty level among the SC reduced from 62.3 per cent in 1983 to

14.6 per cent in 1999-2000 and that among the ST, from 37.3 per cent in 1993-94 to 24.2 per cent in 1999-2000. It is estimated that the SC constitute 19 per cent of the below poverty line (BPL) population in Kerala, though they are only 9.81 per cent of the State's total population; this suggests that the incidence of poverty among the SC is about double that among the population of the State. Similarly, the ST constitute 3 per cent of the total BPL population though they are only 1.14 per cent of the population, implying that the incidence of poverty among the ST is about three times that among the total population of the State (Government of Kerala 2007: 397). It should also be noted that as per the Human Development Report 2005 (Kerala), the incidence of deprivation among the SC and the ST is 45.5 and 57.9 respectively, while that for the State as a whole is only 29.5; the index is based on deprivation in four basic necessities for well being such as housing quality, access to drinking water, good sanitation and electricity lighting (Government of Kerala 2006 b: 62).

The government provides infrastructure facilities like roads, electricity, and water supply to habitats having more than fifty percentage of population belonging to ST. Under the various individual beneficiary programmes, all the beneficiaries have to be the members of Scheduled Caste and Scheduled Tribe. Further, the ST development department runs 8 model residential schools, 105 pre-matric hostels, 38 single teacher schools, and 58 kindergartens in the state. In addition the department also helps to ensure their housing security and runs medical institutions in the tribal areas for the better health of the tribal people. The ST department is running four mid-wifery centres, 17 Ayurveda dispensaries, 5 allopathic dispensaries, one Ayurveda hospital, 2 mobile medical unit, and one allopathy hospital and some homoeo dispensaries. Similarly the SC department also helps the Scheduled Caste people to build their houses. Further, a tribal development mission also functions in the state for giving land to the landless and houses to the houseless. A state development corporation for scheduled castes and scheduled tribes also works for making the SC and ST population economically self-reliant. Major schemes under the corporation are agricultural land purchase scheme, micro credit finance scheme, mini venture loan and education loan schemes.

Old age security

In Kerala, ten old age homes are functioning for giving shelter and food to the old age people. Table 5 gives the different old age institutions functioning in the state both under the government and non governmental organizations.

Table 5:
Number of inmates in different welfare institutions in Kerala

Name of the Institution	No. of inmates
Old age home	319
Day care centre and old age home	17
Oldage homes (under NGO)	5814
Home for aged infirm (under NGO)	73

Source: Government of Kerala (2005).

Further, all old age persons without anybody to look after are eligible to receive old age pension from the government. Another scheme implemented for the welfare of the old age persons is the *Annapurna* scheme. This scheme, as we have already seen, ensures food security of the old age persons through the free supply of food grains to them. This scheme is implemented through the public distribution system of the state.

(ii) Pension Schemes (CSS)

A number of pension schemes are in force in the State to benefit the vulnerable sections of the society. More than 3.7 million people are benefited through more than 40 pension schemes, of which 20 are financed by the State itself (Government of Kerala 2007: 382). Some of these pension schemes are implemented directly by the Government and others through different Welfare Fund Boards.

Table 6:
Number of beneficiaries under different pension schemes in Kerala

Major pension schemes	No. of beneficiaries	Pension Rs./month
Widow pension	259,438	110
Disabled persons	169,417	150
Leprosy, cancer patients	7701	200
Freedom fighters	8007	3000
Second world war veterans	5130	400
National old age pension	131,912	110
Spinsters above 50 years	29,839	110
Unemployment assistance	339879	120
Journalist/dependents	442	500
Sportsmen		400-800
Construction workers	1158040	200
Handloom workers	49587	100
Tailoring workers	349618	100-430
Fishermen	277862	120
Toddy workers	39880	100
Ration dealers	13658	150
Coir workers	207722	100
<i>Abkari</i> workers	2057	200
Cine artists	146	500
Khadi workers	16933	100-300
Cashew workers	195000	125
Agricultural workers	1626908	200
<i>Beedi</i> and Cigar workers	39071	100
Motor transport workers (retirement benefit)	58372	12000-60000

Artisans & skilled workers (Death benefit)	231177	10000
Head-load workers (Invalid pension)	84752	200-2400
Autorikshaw workers	19088	
Anganwadi workers	42074	
Lottery workers	4021	
Labour welfare	489808	

Source: Government of Kerala (2007).

One of the major programmes is the National Old Age Pension Scheme being implemented from 1995 for persons above 65 years of age, as part of National Social Assistance Programme of Government of India. Each beneficiary receives Rs 110 a month from a Central share of Rs.75 and State share of Rs.35 per month. During 2006, the scheme benefited 131,912 persons in the State (*ibid.*).

Table 7: Details of SS Pension schemes in Kerala

Sl. No.	Welfare Institution	Qualifying condition	Year	Year of Revision and Rate of assistance						
				5	6	7	8	9	10	
1	Agricultural Workers Welfare Scheme	1. Pension - Above 60 years. Annual family income Rs.11,000 2. Retirement benefit - minimum one year membership	1980	Rs.40/m Rs.5000 to Rs.25000	Rs.45/m(1985)	Rs.60/m(1987)	Rs.70/m(1991)	Rs.80/m(1996)	Rs.100/m (1997)	Rs.120/m (2000)
2	Kerala Widow Pension Scheme	Death of husband/divorced/not remarried. Income Rs.300/m	1973	Rs.55/m	Rs.65/m(1991)	Rs.80/m(1995)	Rs.100/m(1996)	Rs.110/m(1997)		
3	Special Pension for the Disabled and Mentally Retarded Persons	40% Disability. Medical Certificate. Family Income below 500/m.	1982	Rs.75/m	Rs.110/m(2000)	Rs.150/m(2003)				
4	Pension to Sportsmen	Income Rs.1100 per annum. Inter District/State level participation	1978	Below 60yrsRs100/m 60 to 70 yrs Rs.150/m 70 yrs and above Rs.200/m	Below 60 yrs Rs.200/m(1993)	Below60 yrs Rs.400/m(1998) 60 to 70 yrs Rs.600/m 70 yrs and above Rs800/m				
5	Ind World War Veterans	Participated in the 2nd World War. Non recipient of any other assistance. Annual income Rs.6000.	1997	Rs.200/m	Rs.300/m(2000)	Rs.400/m(2003)				
6	Freedom fighters Pension Scheme	Participated in the National Movement.	1971	Rs.300/m	Rs.1000/m(1996)	Rs.1500/m(1997)	Rs.2000/m(1998)	Rs.3000/m(2000)		
7	Financial Assistance to Leprosy and Cancer Patients	Certificate from hospitals. Income Rs.200/m.	1978	Rs.50/m	Rs.115/m(1991)	Rs.200/m(1997)				
8	Pension to Journalists/ Dependents	1. Living Journalist who are unemployed due to illhealth and overage 2. Pension to journalist who retired after 10 year service 3. Pension to daily workers. Minimum 10 year service for full pension, 50% pension for 5 year service.	1978 1993 2000	Rs.300/m Rs.1000/m Rs.1000/m	Rs.500/m(1997) Rs.1400/m(2001)					
9	Welfare Fund for Cine Artists	Cine Artists in distruss. Annual family income Rs.12000	1981	Rs.300/m	Rs.400/m(1997)	Rs.500/m(1998)				
10	Kerala Cashew Workers Welfare Schemes	1. Cashew Workers above the age of 60. Incapacity to do work. 2. Death benefit to nominees	1989 1991	Rs.75/m Rs.250/m	Rs.100/m(1992)	Rs.125/m(1996) Rs.500/m(1995)	Rs.1000(1998)			
11	Kerala Coir Workers Welfare Scheme	1. Pension - Workers above the age of 60 years. 2. Family Pension - Death of the member worker	1989 1989	Rs.75/m Rs.75/m	Rs.100/m(1997)					

Sl. No.	Welfare Institution	Qualifying condition	Year	Year of Revision and Rate of assistance						
				5	6	7	8	9	10	
12	Kerala Construction Workers Welfare Scheme	1. Pension - Workers having one year service, 60 years of age. 2. Disability pension - Medical Certificate 3. Family Pension - Death of the Pensioner	1991 1993 1996	Rs.75/m Rs.150/m Rs.100/m	Rs.100/m(1995)	Rs.150/m(1996)	Rs.200/m(2000)			
13	Kerala Khadi Workers Welfare Scheme	10 years service, 60 years of age	1990	Rs.60/m	Rs.180/m(1991)	Rs.100 to Rs.300(1999)				
14	Kerala Handloom Workers Welfare Scheme	1. Pension - Above the age of 60 years, atleast 3 years service 2. Self employed person 3. Death Benefit	1989 1998 1990	Rs.75/m Rs.100/m Rs.1000/m	Rs.100/m(1997)	Rs.5000/m(1999)				
15	Kerala Abkari Workers Welfare Scheme	1. Pension - 60 years. Completed 3 years continuous service 2. Death benefit 3. Permanent Disability Benefit	1993	Rs.115/m Rs.10000 Rs.5000	Rs.200/m(1995)					
16	Kerala Toddy Workers Welfare Scheme	1. Pension - Not less than 10 years membership 2. Assistance to Disabled workers	1997 1988	Rs.100/m Rs.100/m	Rs.125/m(1992)	Rs.150/m(1994)				
17	Kerala Head Load Workers Welfare Scheme	1. Death benefit 2. Invalid Pension	1987 1990	Normal death Rs.1000 Accidental death Rs.2000 Rs.150/m	Rs.15000 and Rs.30000 respectively Rs.200 to Rs.2400(2000)					
18	Kerala Motor Workers Welfare Scheme	1. Death benefit - 3 months continuous service 2. Retirement benefit	1986	Rs.5000 Rs.12000 for 5 years service and Rs.60000 for 15 years service	Rs.25000(2000)					
19	Kerala Fishermen Welfare Scheme	1. Pension - Completed 60 years. Annual Income Rs.5000 2. Accidental death/missing - 18 to 70 years. 3. Permanent disability	1987 1986 1986	Rs.75/m Rs.15000 Rs.7500	Rs.85/m(1992) Rs.21000(1990) Rs.10500(1990)	Rs.100/m(1996) Rs.25000(1992) Rs.25000(1992)	Rs.120/m(2000) Rs.50000(1996) Rs.50000(1996)	Rs.100000(1999)	Rs.100000(1999)	
20	Kerala Tailoring Workers Welfare Scheme	1. Pension - Completed 60 years. Minimum 9 years service. 2. Disability Pension	2000 1997	Rs.100 to Rs.430/m Rs.100/m						
21	Kerala Artisans & Skilled Workers Welfare Scheme	1. 60 years and above and is a member 2. Death Benefit 3. Permanent disability	1986	Rs.50000 for 40 years of service. Rs.600 for 2 yrs service Rs.10000 Rs.1000						
22	Financial Assistance to Widows for the marriage of their daughter	Family annual Income Rs.10000, Individual Income Rs.6000.	1978	Rs.1000	Rs.1250(1991)	Rs.2000(1995)	Rs.2500(1998)	Rs.5000(2002)		
23	Tree Climbers Welfare Scheme	Workers in the event of total accidents and permanent total disability following the accidents	1980	Rs.10000						
24	Kerala National Employment Services	1. Unemployment Assistance Passed SSLC registrant of employment exchange for more than 3 years. Age limit 18-35 years. Family Annual Income Rs.12000 should not be a student. 2. Self Employment Scheme for the registered unemployed Persons between 21-40 years. Annual Family Income Rs.24000	1982 1999	Rs.50/m Rs.30000 to Rs.50000/ Loan 20% loan amount subsidy	Rs.60/m(1987)	Rs.70/m(1991)	Rs.80/m(1996)	Rs.90/m(1997)	Rs.100/m(1996)	Rs.120/m(2000)
25	National Old Age Pension Scheme	Above 65 years. Annual Family Income below Rs.11000	1995	Rs.100/m	Rs.110/m(1996)					
26	Ration Dealers Welfare Fund Scheme	1. Pension - completed 65 years/ Minimum 10 years of service 2. Death Benefit - one year minimum membership	2000 2000	Rs.150/m Rs.10000 to the nominee						
27	Beedi and Cigar Workers Welfare Scheme	1. Pension - Completion of 60 years/Minimum 3 years service 2. Retirement benefit	1997 1997	Rs.100/m Rs.10000						
28	Pension to unmarried women	Above 50 years. Annual family income below Rs.6000. Not covered under any other social security schemes	2001	Rs.110/m						

Source: Government of Kerala (2007: Appendix 14.16).

The most important social security scheme implemented for women in the State is the widow/destitute pension scheme. Currently, this pension benefits 259,438 women with a monthly pension of Rs. 110. Another scheme is the provision of pension to unmarried women above 50 years at the rate of Rs. 110 per month; the scheme benefits 29,839 women (*ibid.*). Financial assistance (amounting to Rs. 5000) is also provided to poor widows for the marriage of their daughters.

The details of major pension schemes implemented by the State government are given in Table 6 and 7 above.

Welfare Fund: An Important institutional innovation for providing security

Welfare fund is an important institutional innovation for providing economic security especially for those who are working in the informal sector and not covered by any other social security schemes. Under this model of socio economic security, the employer, the state and the employee are responsible to contribute to the economic security of the employee. At present, there are 23 Welfare Fund Boards for the unorganized/informal workers functioning in Kerala in a wide range of occupations (besides a centrally administered fund board for Beedi and Cigar Workers). These are:

Table 8: Different welfare funds functioning in the state

No.	Name of the Welfare Fund	Year	Position
1	Kerala Toddy Workers Welfare Fund (Toddy)	1969	Statutory
2	Kerala Labour Welfare Fund (Labour)	1977	Statutory
3	Kerala Head load Workers Welfare Fund (Head-load)	1983	Statutory
4	Kerala Motor Transport Workers Welfare Fund (Transport)	1985	Statutory
5	Kerala Advocate Clerk Welfare Fund (Adv-Clerk)	1985	Non-statutory
6	Kerala Artisans Skilled Workers Welfare Fund (Artisans)	1986	Non-statutory
7	Kerala Cashew Workers Relief and Welfare Fund (Cashew)	1988	Statutory
8	Kerala Khadi Workers Welfare Fund (Khadi)	1989	Statutory
9	Kerala Coir Workers Welfare Fund (Coir)	1989	Statutory
10	Kerala Fishermen Welfare Fund (Fishermen)	1989	Statutory
11	Kerala Handloom Workers Welfare Fund (Handloom)	1989	Statutory
12	Kerala Abkari Workers Welfare Fund (Abkari)	1990	Statutory
13	Kerala Construction Workers Welfare Fund (Construction)	1990	Statutory
14	Kerala Agricultural Workers Welfare Fund (Agricultural)	1990	Statutory
15	Kerala State Lottery Agents Welfare Fund (Lottery)	1991	Non-statutory
16	Kerala Document Writers, Scribes and Stamp Vendors Welfare Fund (Document)	1991	Non-statutory
17	Kerala Auto Rickshaw Workers Welfare Fund (Auto-rickshaw)	1991	Statutory
18	Kerala Anganwadi Workers & Helpers Welfare Fund (Anganwadi)	2004	Non-statutory
19	Kerala Tailors Welfare Fund (Tailors)	1994	Statutory

20	Kerala co-operative employees pension board	2004	
21	Kerala Ration Dealers Welfare Fund Board		
22	Traders Welfare FB		
23	Kerala Bamboo, Kattuvalli and Pandanus Leaf W WFB		

Source: Government of Kerala (2007)

The current organizational model is one in which a government officer is deputed to function as the Chief Executive with staff, also deputed from various government departments. This has led to a typical ‘departmental’ style of functioning. A vigilant Board, consisting of representation from government, employers and employees, sometimes acts as a catalyzing force ensuring dynamic functioning. However, the State continues to wield enormous power on crucial policy decisions.

The contribution of employers and employees is determined after taking into account a number of factors, both specific and common. Therefore, the contribution of employers, employees and government varies across funds, as there is no uniform or fixed pattern applicable commonly for all the funds, as we can see from the following table (Table 9). The diverse nature of occupations and differential earning opportunities as also the risks associated with them may be leading to such differences in contribution. It seems that State contributes relatively high to the funds in which workers seem to have a lower ability to pay and vice versa.

Table 9. Details of different welfare funds in Kerala

Fund	Government	Employer	Employees
Toddy	—	13 % of workers wages	8% of the wages
Labour	Varies from year to year till now Rs. 40 lakh in total	Rs. 8 per half year per worker	Rs. 4 per half year per worker
Head-load	—	25 % of workers wages (including gratuity of 5%)	10 % of wage
Transport	—	13% of workers wages	8 % of workers wages
Adv-Clerk	Rs. 90 per year per member	—	Rs. 60 per annum per member
Artisans	Rs. 2 per every Rs. 10 contributed by the worker	—	Rs. 10 per month per worker
Cashew	Twice the amount contributed by the employer	Re. 1 per worker per working day	50 ps per worker per working day
Khadi	10 % of workers wage	10 % of workers wage	10 % of worker’s wage
Coir	Grant which is twice the amount contributed by workers	1 % of the turn over	Re. 1 per month per worker

Fishermen	Govt. contribution for pension and group insurance	Dealer - 1% of turn over, vessel owner – Rs. 1 to Rs. 7 per month for 9 months. Net owner – Rs. 1 per month	3 % of value of fish caught or 3% of wage and Rs. 30 per worker per year
Handloom	Twice the workers and self employers contribution	1 % of annual turn over and an amount equal to workers contribution	Re. 1 per month Rs. 2 per month by self employed
Abkari	Re. 1 lakh for pension purpose	15 % of workers wage	10 % of workers wage
Construction	10 % of initial members contribution per annum	1% of construction cost yearly contribution made also by contractors (Rs. 100 to Rs. 1000)	Monthly contribution per member slabs of Rs 10, 15 and Rs. 25
Agricultural	—	Land owners contribution 0-1 ha. Rs. 10 per year and above 1 ha. Rs. 15	Rs. 2 per month per worker
Lottery	20 % of members contribution	—	Category A/B Rs. 15/10 per month
Document	10% of members contribution	—	Category A/B Rs. 15/10 per month
Auto-rickshaw	10 % of members contribution	Rs. 10 per month per worker	Rs. 20 per month per worker
Anganwadi	10% of members contribution	—	Rs. 20 per month Rs. 10 per helper per month
Tailors	10% of the workers contribution	Rs. 5 per month per worker	Rs 10 per worker and Rs 15 per self employee per month

Source: Kannan (2002: Table 1)

It needs to be emphasized here, however, that funds that have some mechanism to ensure the regular contribution of employers — for instance construction and head-load — are the ones that continue to be viable. The coverage of workers across the welfare funds varies.

Table 10. Coverage of workers under different welfare funds in Kerala (2006)

Welfare Fund Board	Total number of workers in the sector	Workers covered under the scheme	Coverage Ratio (%)
Anganwadi workers & helpers	50786	42074	82.84
Agricultural Workers	1653601	1626908	98.38
Toddy Workers	39880	39880	100
Cashew workers	220000	195000	88.64
Abkari workers	2057	2057	100
Fishermen's WFB	277862	277862	100
Labour welfare board board	508454	489808	96.33
Building & other Construction	1500000	1158040	

<i>Khadi</i> Workers	16933	16933	100
State Lottery WFB	32296	4021	12.44
Motor Transport Workers	273175	58372	21.37
Coir workers WFB	400000	207722	51.95
Handloom workers	100000	49587	49.6
Beedi & Cigar Workers WF	150000	39071	26
Auto-rickshaw Workers	303092	19088	6.3
Head-load workers	300000	84752	28.25
Tailoring workers	500000	349618	70
Bamboo, <i>kattuvalli</i> and <i>pandanus</i> leaf workers	15006	15006	100
Artisans and skilled workers	231,177	231,177	100
Traders welfare fund board	61375	23086	14.17
Total	7,964,751	4,964,330	62.33

Source: Government of Kerala (2007).

The coverage seems to be quite low: all the funds together cover only about 62 per cent of the workers of the concerned fields in the informal sector. Also, extending the membership base obviously implies increasing burden for the employers, hence they collude with the unions in restricting the entry. Therefore, a sizeable number of workers remain as 'unregistered' under almost all the funds. The administrative expense, which is more than the stipulated norm, i.e. 10 per cent of the total revenue in all the funds, is very high to an extent that even a portion of workers' contribution is being used to meet the expenses.

The benefits vary across funds. However, they cover a number of common contingencies. Some of the major benefits are given below:

1. Pension benefits to the workers on their retirement or invalidity or family pension after their death.
2. Ex-gratia financial assistance to workers on prolonged illness/ permanent disability and death relief to the dependents for funeral and related functions.
3. Medical reimbursement for medical treatment of the workers or dependents.
4. Marriage assistance for daughters' marriage.
5. Educational assistance to members' children like scholarships, cash awards and lump sum grants.
6. Long term housing loans at low interest rate.
7. Maternity benefits.

Table 11: Major welfare measures of the Welfare Fund Boards in Kerala

Sl. No.	Name of Welfare Fund Boards	Maternity benefits	Marriage Assistance	Medical Assistance	Death Relief	Pension (per month)	Family Pension (per month)	Invalid Pension	Permanent disability	Educational Assistance	House Building Advance
1	2	3	4	5	6	7	8	9	10	11	12
1	Kerala Agricultural Workers Welfare Fund Board	1000	2000	1000	1000	200	0	0	0	NA	0
2	Kerala Building and Other Construction Workers Welfare Board	2000	3000 (Daughters) 2000(Sons)	300 to 5000	15000 to 100000	200	100	150	50000	NA	50000
3	Kerala Handloom Workers Welfare Fund Board	0	2000	0	5000	100	0	0	5000	250 to 2000	0
4	Kerala Fishermen's Welfare Fund Board	0	0	2000	100000	0	0	0	100000	0	0
5	Kerala Toddy Workers Welfare Fund Board	0	0	7000 (cancer)	5000	150	0	0	150	0	0
6	Kerala Ration Dealers Welfare Fund	0	0	5000 to 15000	0	150	0	0	0	2500	0
7	Kerala Abkari Workers Welfare Fund Board	0	0	0	10000	200 to 300	0	0	10000	0	0
8	Kerala Tailoring Workers Welfare Scheme	0	1000	0	10000	100 to 430	0	0	0	500 to 3000	0
9	Kerala Headload Workers Welfare Board	0	0	0	0	250 to 2400	125	250	0	0	0
10	Kerala Coir Workers Welfare Fund Board	0	1000	350	5000	100	75	0	2500	500 to 1500	10000
11	Kerala Cashew Workers Relief Welfare Fund Board	0	0	0	1000 pensioner-500	125 to 200	0	0	0	0	0

Source: Government of Kerala (2007: Appendix 14.18)

There are substantial variations, as we have noted above, on contribution to and benefits available under, each fund. While differential ability to pay can be evoked to justify, at least partly, the difference in contribution, what renders some welfare schemes relevant for some funds and not for others do not seem to be clear. There should be some uniformity in terms of size of contribution and welfare cover irrespective of the funds. Also, the funds that cater to the welfare needs of the disadvantaged sections of the informal sector workers, such as women, seem to suffer relatively high in terms of financial viability.

Table 12. Administrative agency and investment framework of different welfare funds in Kerala

Statutory Funds		
<i>Name of the Funds</i>	<i>Administrative Agency</i>	<i>Investment Framework</i>
Kerala Coir Workers' Welfare Fund Scheme (Act 1987) 5 (1) 46789/B3/88	Industries Department and Board of Directors	As per Indian Trust Act (1882) Funds Accumulated as on 31.3.95 Rs.554.74 lakhs
Kerala Handloom Workers' Welfare Fund Scheme (1989) Kerala Handloom Workers' Welfare Fund Act	Labour Dept. and Board of Directors	As per Indian Trust Act Total Funds Accumulated as on 31.3.95 Rs.20 lakhs
Kerala Motor Transport Workers' Welfare Fund Scheme (1986)	Labour (F) Dept. and Board of Directors	All money is to be deposited in any nationalised, scheduled or co-op banks as may be approved by the Govt. from time to time.

Kerala Cashew Workers' Relief and Welfare Fund Scheme (1988)	Labour and Rehabilitation Dept. and Board of Directors	As per Indian Trust Act Total Funds Accumulated as on 31.3.95 Rs.559.2 lakhs
Kerala Toddy Workers' Welfare Fund Scheme (1969) President's Assent was obtained on 1969 April, 11	Labour Dept. and Board of Directors	As per Indian Trust Act Investment Co-operative & other Bank Rs. 42.8 crores, NSS Rs. 105.4 crores, others Rs. 1.8 crores.
Kerala Construction Workers Welfare Fund Scheme 1990 (Kerala Construction Workers' Welfare Fund Act 1989)	Labour and Rehabilitation Dept. and Board of Directors	All money shall with the approval of Govt. be invested in National Bank or Scheduled Bank or in the securities according to India's Trust Act, 1982. Total funds accumulated as on 31.3.95 Rs. 2142.25 lakhs.
Kerala Fisheries Welfare Fund Scheme 1986. Act of 1985 Received President's assent on 10.12.85	Fisheries & Port (B) Dept. and Board of Directors	All money amounts are to be deposited as decided by Board in accordance with general policy of Govt. The Board has invested in Treasury & Banks. Total funds accumulated as on 31.3.95 Rs. 145 lakhs.
Kerala Khadi Workers' Welfare Fund Board. Kerala Khadi Workers' Welfare Fund Act (1990) SRO No. 527/90	Industries C. Dept. and Board of Directors	Invest balance amount in FD in Govt. Treasury.
Kerala Abkari Workers Welfare Fund (1990)	Labour and Rehabilitation Dept. and Board of Directors	As per Indian Trust Act 1882. Rules are followed for investment. Fixed deposit & Kisan Vikas Patra. Total funds accumulated as on 31.3.95 Rs. 3852 lakhs.
Kerala Head load Workers Welfare Fund Scheme (Act of 1978 amended in 1981 and 1983)	Labour dept. & Board. State has absolute power with regard to this act.	Investment according to the decisions of Govt.
Kerala Agricultural Worker's Welfare Fund	Kerala Agricultural Worker Act-1974 Labour Dept. and Board of Directors of Agricultural Workers Welfare Fund Board	Not Available

Source: Administrative Reports of Various Welfare Funds.

4. Emerging issues

One of the emerging issues of social security in the Kerala context is the misplaced but significantly loaded concern over the financial burden of different social security schemes upon the state government. This issue is especially important in the context of the so-called 'financial crunch' faced by the State government recently, which was taken as an excuse for the possibility for a deterioration of quality of the existing services.

Fiscal Impact of Social Security

Before proceeding to look at the fiscal impact of the social security schemes in Kerala, let us take a general overview of the fiscal situation in Kerala. In the Indian federal set up the expenditure obligations of the States is disproportionately high when compared with their revenue mobilizing potential. The States also face a harder budgetary constraint than the Centre with regard to their borrowing options. There are also certain disadvantages that the States like Kerala face due to the devolution criteria followed by the Finance and Planning Commissions. It is a widely held view that due to the change in the devolution criteria by the Eleventh Finance Commission, Kerala has been adversely affected¹². States like Kerala, which have achieved a high level of human development are currently facing problems like need for quality upgradation of services, implementing modern methods of administration, unemployment of the educated, etc. These require special considerations, which the traditional criteria of horizontal equity like backwardness and per capita income gap cannot take care of.¹³

Coming to own resource mobilization, it is to be specially noted that the tax-SDP ratio for Kerala is highest in India at 17.13 percent. But some studies have brought out the alarming proportions of sales tax evasion in the State. Rakhee (2003) has found that thirty-five percent of the tax potential of General Sales Tax (GST) is not tapped in the State. Ravi Raman (2004) has stated that the sales tax revenue on gold purchases and sales in the State are a mere Rs. 32 crores and it should have been at least six times that with stricter tax vigilance. An analysis of returns filed by 79 gold merchants in Thiruvananthapuram district, show that for 89 percent of them, gold sales was less than a sovereign per day, which is a ridiculously low disclosure by any standards. But to be fair, one has to acknowledge that tax evasion is no way a Kerala specific phenomenon. In fact the non-buoyant revenues¹⁴ at the all India level has brought about fiscal stress in Central finances, which in turn adversely affects the States. In short, the need for better tax compliance at the Central and State level needs to be emphasized. While lauding the relatively better tax effort of Kerala vis-à-vis other States, the level of tax evasion and organized resistance by the interest group of trading community to tax enforcement deserve serious consideration. Another adverse feature is the high cost of borrowing in of the Government in Kerala (66 percent of the total borrowing is from the high cost provident fund and small savings in the Public Account). From what is stated above, it is clear that there is potential for augmenting resource mobilization.

¹² See Economic Review 2003 for a discussion.

¹³ See Kannan and Mohan (2004) for a discussion of these aspects.

¹⁴ See Government of India (2004).

Let us now look at the trends on the expenditure side. The revenue receipts are not sufficient to cover the revenue expenditure. This is reflected in the rising proportion of revenue deficit to fiscal deficit. It has risen from 46.1 percent in 1992-93 to 83.02 percent in 2002-03. The jump has taken place in 1998-99 and it is due to the implementation of the pay scales suggested by the Fifth Central Pay Commission. The proportion of wages and salaries reached 79.45 percent of the revenue receipts in 1998-99 as against 53.08 percent in 1992-93. The proportion of pension payments also rose to 22.76 in 1999-00 from 11.21 percent of the revenue receipts in 1992-93. Social sector expenditure as a proportion of total expenditure remained more or less steady during the time period varying from 31.65 percent in 1992-93 to 33.76 percent in 2002-03. Though there can be scope for economy and efficiency in the expenditure side, the substantial problem is in the mobilisation of own resources and falling share of devolution of Central taxes and grants.

Fiscal Costs of Social Security Pension Schemes

As already seen, in addition to the welfare board schemes, various social security schemes, which provide for pension and other one-time benefits for retirement and contingencies like death, accident etc., are being implemented in the State. These have a direct and explicit bearing on the State budget. The expenditure on minimum pension alone (based on Table 6 above) works out just to 0.905 percent and 7.51 percent respectively of the current Net State Domestic Product (Rs. 1098.06 billion) and revenue receipts (Rs. 132.34 billion) in 2005-06. These are by any standards, very low proportions and it can no way be argued that the expenditure incurred on pension schemes for various sections of the unorganized sector are causing excessive financial burden. Let us look at another measure also.

Guhan (1994) has argued that it is possible to have resources for social security at the national level by cutting military expenditure and subsidies for non-poor and considers that doubling the proportion of social security expenditure from 1.5 percent of GDP to 3 percent as feasible. In the regional context, if the State can tap more tax revenue by checking the alarming proportions of Sales Tax evasion and mobilize as far as possible more non-tax revenue from education,¹⁵ health and for several economic services from sections of population who can afford to pay, it is quite feasible that vulnerable sections can be extended benefits that will provide the critical minimum to rise above the poverty level. There are also multiple Centrally Sponsored Schemes, whose structure is inflexible with regard to specific problems of the State at the same time imposing fiscal burden on the State by way of requirement of matching contributions. There have already been suggestions at the official level to transfer these existing schemes along with the funds to

¹⁵ In the field of education, parents who can afford higher costs of education are putting their children in private unaided schools. This will make the effort to levy user charges on education difficult as only children of parents who cannot afford higher cost of education are enrolled in government schools. A thrust on improving the quality of education in government schools attain importance here, as it is the prerequisite for attracting well-to-do parents to send their children, if the user charges are reasonable and less than the cost of education in private unaided schools.

the State governments. If these are translated into reality, a modest target of pension schemes at 1 or even 1.5 percent of the State Domestic Product will not hinder the officially laid down targets of fiscal consolidation.

Aging

Yet another problem in relation to the social security in Kerala is the distinct problem of aging in the State. The percentage of people above sixty years is on an increase in Kerala. This poses a special problem for the various pension schemes in the state. The average life expectancy of male in Kerala is 68 years and that of females, 75 years. The age of retirement in the state is 55 to 60 years. Thus in the case of males the state has to pay pension for eight more years and in the case of females for fifteen more years. Another related problem is that of the informal sector workers. After sixty or sixty five years, most of them will be unable to work due to ill-health. Thus without earnings or pension, their life will be miserable in the old age. It is true that Kerala has achieved a very high life expectancy, however, it also has to design appropriate social security schemes for the old age people especially for the women.

Unemployment

Unemployment is cited as the greatest failure of Kerala. In spite of the various programmes and policies for eradicating poverty and unemployment, the number of unemployed is very high in Kerala, the largest among the Indian states. Unemployment is a very severe problem among the educated people and that too among the females. This is an important area where the state has to do something for eliminating it from the state.

Social exclusion of certain communities

Yet another very serious problem faced by the Kerala society is the social exclusion of some minorities like *Nayadies* and tribal people. The education and health indicators of these sections are far behind the state average. Further, the incidence of poverty is also very high among them. The state has to take appropriate steps to mainstream these excluded sections for having meaningful development in the state.

References

Chaudhuri, Subham, Harilal, KN, and Heller, Patrick (2004) *Does Decentralization Make a Difference? A Study of the People's Campaign for Decentralized Planning in the Indian State of Kerala*, (mimeo). Centre for Development Studies, Thiruvananthapuram.

George PS (1979) *Public Distribution of Food Grains in Kerala: Income Distribution Implications and Effectiveness*, Research Report 7, International Food Policy Research Institute, Washington.

Gopikuttan G (1998) *Housing Boom in Kerala: Causes and consequences*, Ph D Thesis submitted to Kerala University (unpublished).

Government of India (2004) *Report of the Task Force on Implementation of the Fiscal Responsibility and Budget Management Act 2003*, Ministry of Finance, New Delhi.

Government of India (2006) *Bulletin on Rural Health Statistics in India*, Directorate General of Health Services, Ministry of Health and Family Welfare, New Delhi.

Government of Kerala (2005) *Economic Review 2004*, State Planning Board, Thiruvananthapuram.

Government of Kerala (2006 a), *Economic Review: 2005*, State Planning Board, Thiruvananthapuram.

Government of Kerala (2006 b) *Human Development Report 2005: Kerala*, State Planning Board, Thiruvananthapuram.

Government of Kerala (2007), *Economic Review: 2006*, State Planning Board, Thiruvananthapuram.

Kannan KP (1988) *Of Rural Proletarian Struggles: Mobilisation and Organisation of Rural Workers in South-West India*. Delhi: Oxford University Press.

Kannan KP (2002) *The Welfare Fund Model of Social Security for Informal Sector Workers: The Kerala Experience*, Working Paper No. 332, Centre for Development Studies, Thiruvananthapuram.

Kannan KP and Mohan R (2003) *India's Twelfth Finance Commission: A View from Kerala*, December, Working Paper No. 354, Centre for Development Studies, Thiruvananthapuram.

Kannan, K.P. and Pillai, N. Vijayamohanam, (2004), "Development as a Right to Freedom: an Interpretation of the 'Kerala Model'", *Working Paper* No. 361; Centre for

Development Studies, Thiruvananthapuram, August. (Paper presented in a National Conference on 'Poverty as Violation of Human Rights' organised by UNESCO in New Delhi on 10 September 2003).

Kannan KP and Pillai, N. Vijayamohan (2005) 'Public Action as Participatory Development: Kerala Experience Reinterpreted' in Arjun K. Sengupta, *et al.* (Ed.), *Reflections on the Right to Development*, Centre for Development and Human Rights, New Delhi, Sage Publications, New Delhi

Kannan, K.P. and Vijayamohan Pillai N. (2007), 'Conceptualizing Social Security in a Human Development and Rights Perspective', *Indian Journal of Human Development* Vol. 1, No. 1; January 2007; pp. 31 – 51.

Panda, Pradeep Kumar (2003) *Rights-Based Strategies in the Prevention of Domestic Violence*, March, Working Paper No. 344, Centre for Development Studies, Thiruvananthapuram.

Pillai, N. Vijayamohan (2003) *Development as a 'Norms-Rights Transition Process' Through Public Action*, Centre for Development Studies, Trivandrum, March (Processed).

Rakhe PB (2003) *Estimation of Tax Leakage and its Impact on Fiscal Health in Kerala*, July, Working Paper No. 347, Centre for Development Studies, Thiruvananthapuram.

Ravi Raman K (2004) *The Asian Development Bank Loan for Kerala (India): The Adverse Implications and Search for Alternatives*, March, Working Paper No. 357, Centre for Development Studies, Thiruvananthapuram.

Seema, TN (2001) Performance of Anganwadi Centres in Kerala: An Evaluation and Experiment to Develop A Model Centre with Community Participation, Discussion Paper No. 28, Kerala Research Programme on Local Level Development, Centre for Development Studies, Thiruvananthapuram.

Suryanarayana, MH (1996) *Food Security and PDS in Kerala: Form and Scope for Reform*, Paper presented at the International Conference on Kerala's Development Experience: National and Global Dimensions, 9 – 11 December, New Delhi.

United Nations UN/CDS (1975) *Poverty, Unemployment and Development Policy: A Case Study of Selected Issues with Special Reference to Kerala*, New York.