

Kerala Milestones

On the Parliamentary Road to Socialism

Despite the collapse of the Soviet Union and China going the capitalist way, there is a need to study and debate the Kerala experiment in the “peaceful transition to socialism”, in which the communists have played a vital role in the promotion of a democratic society that protects the poor and endows them with a dignity unique in India. This article examines land and labour relations in Kerala since the early 1950s. It also looks closely at the strategic responses of the Left to the changing conditions in agriculture and rural industry and to the “gap” between social development and the growth of the material sectors.

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Kerala’s remarkable progress in education and health under conditions of poor economic performance and low incomes, and the history of “public action” that lies behind that notable pattern of social advancement, are well known. The implementation of several egalitarian measures including land reforms undoubtedly makes the state an exemplar of success in post-independence India. The communists have played a vital role in the promotion of a democratic society in Kerala that protects the poor and endows them with a dignity arising from social and political awareness that is quite unique in India. There is a need, however, to read and review this history in terms of the specific leftist political strategies that have evolved in Kerala since the inauguration of a democratically elected communist government in 1957. This is not so much to draw a balance sheet of left politics from an electoral perspective as to view the Kerala experience in terms of the broader goals of socialism, of transforming property and production relations and liberating people from oppression. The Kerala case as an experiment in the “peaceful transition to communism” deserves study and debate, despite the collapse of the Soviet Union, and China going the capitalist way. What follows is limited in scope: it mainly covers land and labour relations, and the strategic responses of the left to the changing conditions in agriculture and rural industry, but also in brief to the clearly seen “gap” between “social development” on the one hand and the growth of the “material sectors” of the economy, on the other. Finally, there is a short review of the logic and working of the recently implemented “people’s planning”, with special reference to decision-making at the local level.

I Two Models

Social Development

Kerala was a mystery to outsiders even during the early 1970s, conjuring images of graduate bus conductors, “Madrassi” typists in Bombay, Calcutta and Delhi, and above all of rampant

communism riddling parliamentary democracy. The celebrated Dandekar and Rath (1971) statistics of poverty heightened the enigma. They showed that, judged by certain uniform Indian nutritional norms, about 90 per cent of Kerala’s population was undernourished and hence poor. This was puzzling. Open signs of extreme poverty and destitution such as pot-bellied children and those with running noses, the sores of the unwashed, swarms of beggars in public spaces in urban areas, and so on, all too visible in many other parts of the country, were hard to find in the towns in Kerala even in those times. Poverty was perhaps hidden under the greenery. True, poverty in stark terms was a reality in specific pockets along the coast where the fishing communities and coir workers lived. The puzzle was resolved to some extent in a study done at the Centre for Development Studies, Trivandrum [CDS-UN 1977]. That CDS-UN study uncovered a statistical artifact responsible for the exaggeration in the estimated incidence of poverty in the state: a calorie norm inappropriate for the state – as different from norms applicable elsewhere, given differences in population and workforce compositions – combined with a possibly severe underestimation of consumption of home-grown food in Kerala including tapioca, vegetables and fruits.

The CDS-UN study addressed issues relevant to mass poverty and unemployment, and in that context examined the evolution and working of several redistributive policies adopted in the state. It looked at the development process as a complex whole within which both economic and social factors play important roles. An analysis using such a framework required an emphasis on measures meant to reduce inequalities since accumulating evidence from many poor countries was showing that economic growth by itself does not – by the “trickle-down” or some other means – lead to the eradication of poverty, ignorance and disease.

The study showed that the expansion of education through provisions like free schooling and mid-day meals to children had long and firm historical roots; and that public health measures to control and eliminate big killers like small pox had similar beginnings. (Panikar and Soman (1984) have explained later in

detail the processes that have promoted public health in the region.) Free and easy access to medical care, especially among the poor, was not the result of an inspired plan quickly implemented with success; it truly was a product of Kerala's unique development history. Apart from the monarchies that ruled Travancore and Cochin, several social and communal organisations including Christian missions played a significant role in bringing about the underlying social changes. On the material plane, both land reform and the mobilisation of labour by leftist political parties gave a measure of security to the rural poor. A public distribution system with universal coverage, in successful operation for several decades, similarly ensured food supplies to all at reasonable prices.

The CDS-UN study went a long way to demystify the Kerala experience and, inevitably, led to much academic research work later that demonstrated how, apart from leftist parties in power or in opposition, several other agencies led to the advancement of an egalitarian society. The study, capturing important elements of the history of this region, has thus undoubtedly contributed to the elaboration of concepts such as "public action" and "human development" gaining prominence in recent economic literature. However, despite noting the relevance of the Kerala experience to similar societies seeking social and economic advance, the CDS-UN study did not talk of a "Kerala Model".

The Parliamentary Road

The record of Kerala in the advancement of education and health for all, and in the provision of social security of different types within available means, made it a model, but not necessarily a replicable one, particularly in other parts of India with dismal histories in the progress of social and political forces that promote equality.

There is however another aspect of Kerala's history that makes it a true model, presumably thought to be a replicable one. Kerala is the first major region in world history to have elected a communist party to "power" in a multi-party constitutional democracy. The communists won the elections in 1957 to the Kerala assembly and became "rulers" of the state. The manner in which they achieved this victory by the ballot box, and the prospects that it held for a number of countries in the poor world, seemed to confirm Nikita Khrushchev's sanguine prognosis of a peaceful transition to socialism, expounded at the 20th party Congress of the CPSU in 1956. Mohan Ram (1971) and others have described this history of parliamentary optimism and its roots in Stalin's supremacy over communist practice everywhere, times when communist leaders from India and elsewhere made visits to Moscow for advice on strategies.

Before we review the evolution and acceptance of this theory in India, let us look at some basic tenets of Marxism. In the closing paragraphs of the *Communist Manifesto*, Marx and Engels (1969: 98-137) say that "the Communists everywhere support every revolutionary movement against the existing social and political order of things. *In all these movements, they bring to the front, as the leading question in each, the property question, no matter what its degree of development at the time.*" And further, "... Communists disdain to conceal their views and aims. They openly declare that their ends can be attained only by the forcible overthrow of all existing social conditions." (emphasis ours).

In practice Marxists do not see a conflict between the "forcible overthrow" of the existing order and participation in parliaments

and other legal institutions. Indeed, Lenin had written extensively on the conditions dictating such participation. Examples from his writings in 1917 can be found in Lenin (1972: 52-58):

Communist tradition enjoins the parties to combine constitutional (parliamentary) means with confrontational (extra-legal) ones in working out strategies. Powerful mass movements form the key to class struggle, but some of them could be organised within the existing legal framework: for example, by aggressive trade unions. The combinations to be chosen would by logic depend on the objective conditions, the alignment of class forces and the specific issues for struggle.

The Indian communists followed this international tradition. The Tebhaga movement for the protection of interests of poor tenants in Bengal and the Telangana peoples' struggle against the oppressive feudal regime in Hyderabad – both during the 1940s – are outstanding examples of organised militancy in the history of Indian communism. In fact, the successes of the Telangana movement in mass resistance suggested a predominantly militant line for socialist progress in India. However, debates on strategy continued in the Communist Party of India (CPI) during the 1950s, with battle lines clearly drawn between the different factions of the party. It was only in 1958, at the Amritsar Congress of the party, that the radical line was put to final rest. The course adopted then, called the "Amritsar Thesis", had all the elements of a general theory of peaceful transition, and it incorporated the Kerala experience as a model (through a resolution entitled "Kerala Shows the Way"). The constitution of the party adopted then endorsed Khrushchev's theory as valid for India [Fic 1970:113].

The formation of a communist government and its working involves ideological and practical difficulties. The ideological problem arises from the fact that Marxists regard the state and its organs as instruments of oppression in the hands of the ruling classes. The contradiction can, however, be neatly resolved – as it had been done – through the idea that in practice the communists could use the state apparatus to promote class awareness and unity, even as they perform their administrative functions to bring relief to the people to the extent possible, converting the state from an instrument of oppression into one of struggle. This indeed is what the Kerala communist ministry did during their rule in 1957-59, bringing several legislative measures favouring the poor and, at the same time, strengthening their own organisational bases through mass mobilisation. The Kerala communists also experimented with a policy of "neutralisation of the police" to contain the oppressive class character of the organs of the state, but not with much success.

The practical difficulty relates to the fact that the communists in "power" have to work in a region within a federal structure governed by the Indian Constitution that guarantees the protection of private property. This severely limits the scope for any radical transformation of property relations, and thwarts the pursuit of the primary objective of communist work prescribed by Marx and Engels. True, the mandate of the Constitution allows for the imposition of land ceilings by state governments and for a redistribution of land in favour of the poor. Legislation of land reform was therefore feasible and perceived by the leftists as a radical measure that can provide land to the toiling poor. (Whether such laws could ever be successfully implemented is a different matter; and thereby hangs a tale of the abysmal failure of land reforms in independent India, despite unending political rhetoric about "land to the tiller".) On the whole, even as it ruled the

state, the communist party maintained a militant posture during 1957-59; the manner in which the ministry was dismissed by the central government, and the murky politics behind it, testifies to the militancy. It is only much later, with its increasing engagement in electoral and united front politics, that militancy began giving way to compromise. For a detailed study of the period see Fic (1970: 77-122).

I Agrarian Structure

Land Reform

As in the promotion of education and public health, land reform has deep historical roots in parts of Kerala. As early as 1865, tenants in Travancore were put in direct relationship with the state, eliminating a class of big landlords – “chieftains”, who controlled vast tracts of land. The Cochin monarchy adopted similar measures towards the end of the century. This type of reform, while keeping intact certain “lower” forms of tenancy (and thus not wholly eliminating feudal relationships and rental incomes), created peasant proprietorship on a wide scale, and paved the way for agricultural development. We must note however that in Malabar (which was in the Madras Presidency under the British rule, and later, after independence, continued to be in the Madras state) landlords, known as ‘janmis’, controlled most of the land and the tenants were subject to very oppressive conditions. The discussion that follows is based on Krishnaji (1979), Herring (1980) and Raj and Tharakan (1983).

The reforms in the south led to a rapid commercialisation of agriculture, through crops like coconut and rubber in the midlands, and high-valued plantation crops in the upper ranges, as well as through the extensions of areas suitable for rice cultivation in the lowlands. The resulting agrarian prosperity, supported to some extent by the state, led to an unprecedented strengthening of capitalist relations in agriculture. The class of farmers that led this transition, constituted by those with large holdings and benefiting from the tenancy reforms mentioned above, began, besides, to get increasingly involved in trading and other service activities related to the growing plantation economy. Alongside, there emerged also a class of small and middle farmers with varying degrees of control over land, and dependent on agriculture for subsistence. At the lowest end of the agrarian hierarchy, there remained the agricultural labourers belonging to the “untouchable” castes – the ‘pulayas’ and the ‘parayas’ – traditionally barred from rights to land in any form. The early tenancy reforms under the monarchies left the labour class untouched. However, it is clear from historical evidence that during the first one or two decades of the 20th century, agriculture was still the main occupation in the Travancore and Cochin regions, with the cropping pattern getting diversified and production for markets gaining prominence. The distribution of land and its use in these regions underwent further significant changes with the passage of regulations during the 1920s for the partitioning of ‘tarawad’ (joint family) properties among certain communities (including, notably, Nairs) hitherto governed by impartible inheritance under systems of matriliney. Data suggest that a great majority of the partition deeds created shares of less than an acre each. Over the next few decades a proliferation of very small holdings has continued despite land reforms that altered the distribution of land to some extent.

Amendments to the Kerala Land Reform Act of 1963, passed in 1969 and 1972, are the end result of a series of legislative measures adopted after the formation of the state in 1956. Communists have contributed to these measures not only through the mobilisation of peasants in the north (against oppressive feudal relations) and the agricultural workers in the south (for better wages and work contracts) but also through their parliamentary practice in working out politically feasible solutions. The amendment Acts are basically anti-feudal in thrust (by no means anti-capitalist) and may be regarded as a compromise package to promote productive forces, but they certainly were negotiated from a position of strength commanded by the communists, irrespective of whether they were in power or not so. To assess the overall impact of the reforms on distribution of land, and agrarian relations in general, we consider three important aspects of the legislations and their implementation: (1) abolition of tenancy, (2) provision of hutment land to agricultural labourers, and (3) imposition of land ceilings. Kerala is often cited as an example where land reforms have been enacted and carried out successfully. The success applies to the first two of the above-mentioned features, and not to the third. In respect of the implementation of ceiling laws the record of Kerala is in fact as dismal as it has been elsewhere in India.

The total abolition of tenancy meant that peasants with access to small plots of land under various forms of tenancy – all over Kerala – have now gained full ownership rights to land. The partitioning of land in the big holdings, that we referred to earlier, further helped in generating this class of new owners. As a result, families at the lower end of the caste and economic hierarchy – for example among Ezhavas – have secured a firm foothold in the rural structure. However, some former tenants cultivated fairly big holdings (especially in Malabar) and have now acquired ownership rights to these lands. The gains were thus spread across the agrarian classes. The precise numbers of those who gained or lost ownership, and the areas involved, are hard to assess from available data. The strength of left support for the transfers can, however, be measured by the fact that large numbers of former tenants became owners without actually paying in full the compensation to former owners, which the law required them to do.

The reform acts conferred ownership rights on agricultural labourers to their dwellings and a few cents of adjacent land. The labourers (‘kudikidappukar’) traditionally lived in huts on pieces of the owner’s land close to the fields they worked on. Most of them have obtained de facto rights to such hutment land even without formal deeds of ownership. Again, it is the organised strength of communists, rather than the law, which had brought about this change in the status of agricultural labourers in the state. The rights to land, secured and protected by the left movement, in turn, further strengthen the movement and give it a special character: a worker with land is a better fighter than one wholly dependent on wages, especially in struggles for better working conditions.

Let us now consider the third aspect of land reform, namely, ceilings. Unlike the provisions relating to hutment dwellers and tenancy abolition, those concerned with land ceilings have not yielded substantial gains to the left. During the 1960s, even before the passage of the 1969 Amendment Act, hectic land transfers took place. Landlords anticipated what was on the horizon and had time to make transfers during of the late 1950s and early 1960s. They knew that the communists were emerging as a strong

force; and that the struggle for land would soon be the most prominent aspect of politics in the state. After the ceilings were enacted, evasion of the law continued through bogus transfers. The “loopholes” in the law left sufficient scope for many kinds of evasive transfers of land (to even pet dogs, as the stories go). The final result was that not much surplus land was available for redistribution to the poor. In this respect, the Kerala experience is no different from that of the other parts of the country. This failure can be understood in terms of two sets of interrelated factors: (1) patterns of cropping and labour use; and (2) the application in Kerala of a general communist strategy – formulated in the all-India context – that ignores the special Kerala conditions.

Classes and the Communists

To consider the second of these factors first, let us briefly review the plans of action of the Communist Party of India (Marxist) – CPI(M). A statement of the policies of the party, formulated on a countrywide basis, is given in a central committee resolution adopted at its Muzaffarpur meeting in 1973 (CPI-M 1973). The resolution is based on an assessment of the experience of the party with reference to an earlier resolution passed in 1966 and takes into account the differences within the party that arose during the intervening period. The resolution says that the central slogan of the agrarian movement must be: “abolish landlordism, both feudal and capitalist, without compensation and distribution of land of landlords to the agricultural labourers and poor peasants free”. Commenting on the legislative measures of the Congress governments, it says that while the party should extract the “maximum possible concessions from the ruling classes, in the concrete reality of the legislative strength of the democratic opposition as well as the mass movement outside... no legislation, however limited, under the present ruling classes and corrupt bureaucratic set-ups, gets implemented... unless mass movements are developed.” This last statement is a clear indication of the need, in the party’s perception, for militant struggles irrespective of parliamentary successes.

The programme for struggle, laid down in this context, is based on a five-fold classification of the agrarian population: landless agricultural labourers at the bottom, landlords (capitalist and feudal) at the top, with the peasant classes in between comprising poor, middle and rich peasants. The distinction between a rich peasant and a capitalist landlord is that the former or members of his family participate in agricultural operations through manual labour, while the capitalist relies wholly on wage labour. Landlords in general combine in themselves features of both capitalism and feudalism and are (to be operationally) defined in terms of an upper ceiling on the size of land, which can vary from region to region depending on fertility and other agro-climatic conditions. What is important in this formulation is that landlords, so defined, constitute the “target of attack” in the struggles for land. The CC resolution accordingly translates the slogan for abolishing landlordism into a programme of action by defining land ceilings for legislation in such a way that all landlords are caught in the net. In an added note Sundarayya (a party leader at the top) explains: “... for fixing up land ceilings, the only point with which we are concerned is the demarcating line between a landlord and a rich peasant”. Ceilings thus defined may adversely affect individual rich peasants (holding land above the limit defining landlords), but not the rich peasants as a class. Thus

rich peasants are outside the target of attack in the appropriation of land via ceiling laws or otherwise.

There is clearly an equivocation in the stand of the party on rich and middle peasants, howsoever defined. In respect of middle peasantry, it is best illustrated by what the 1966 resolution says: “Working class hegemony over the *kisan* (i.e., the peasant) movement can be ensured only if the proletarian party ... places its principal reliance on the rural labourers and poor peasants who constitute 70 per cent of the peasantry, while of course not forgetting for a moment, neglecting or ignoring the middle and rich peasants but drawing them into the struggle for agrarian revolution”.

The political task of drawing into the struggle middle and rich peasants, who would ultimately lose under radical reforms, is not an easy task. The party recognises that revisionism within the movement springs from the underlying difficulty. The 1966 CC resolution goes on to say: “The struggle against revisionism inside the Indian communist movement will [not] be effective unless alien class orientation [in] work among the peasantry [is] completely discarded. No doubt, this is not an easy task, since it is deep-rooted... and also because *the bulk of our leading kisan activists come from rich and middle peasant origin rather than from agricultural labourers and peasants*. Their class origin [gives them] a reformist, ideological, political orientation which is alien to the proletarian class point...” (emphasis ours). In practice, the concrete programmes for reform appear to be dictated more by the necessity of not alienating the middle and rich peasants than by what compromises with them will inevitably entail.

Let us now turn to the special conditions in Kerala. The proliferation of small holdings from the 1930s in Travancore and Cochin, a process that continued after the formation of Kerala in 1956, meant that for the great majority of poor and middle peasants, cultivation of the small parcels of land could not yield sufficient incomes from agriculture alone. For the poor, this led to work in non-agricultural activities. For peasant households with more substantial means, among the middle and the richer classes in the rural scene, the development of education and employment opportunities in the services, especially after the constitution of the state in 1956, enabled family members to get salaried work in urban areas. Another factor that influenced work patterns was the topography of the region. Paddy (the only cereal crop grown in the region) can be cultivated only in the valley land, while a variety of commercial crops – notably coconut and rubber – can be grown on the slopes. Tea, coffee and other plantation crops can be grown on the highlands. In other parts of the country, mainly big farmers grow commercial crops for the markets. But in Kerala commercial crops are grown in small plots even by the poor and middle peasants. Coconut is the most important one in this context, but there has also been an increasing trend towards cultivation of rubber, pepper and other commercial crops by farmers who by no means can be called capitalist. On the other hand, the smallness of the landholding is a poor indicator of the class status of the owning family, because land is only one form of asset holding for many who derive the major part of income from sources other than agriculture.

Another factor that has a bearing on the agrarian structure is the use of hired labour even in small holdings. Agricultural census data for the pre-reform period show that in Kerala peasants relying on family labour alone in cultivating their lands constitute only a small proportion in the farming population. This means that it is difficult to apply the fivefold classification of the peasantry

in the Kerala case. In particular, it is difficult to determine an upper ceiling of land that would eliminate capitalist farmers. Given that the plantations were exempt, the stipulated ceiling of 10 standard acres would have left – even were it to be successfully implemented – many among the capitalist class untouched. A lower ceiling was not possible because of the attitude of the CPI (M) towards small holders: (1) “Lands of small holders owning less than half the ceiling, but eking out their livelihood in factories, small shops, schools, small government jobs or as ordinary soldiers and junior army officers, or in any other profession, even if they are not cultivating their lands, shall not be taken”... and (2) “Landholders, who are owning on the day of legislation less than the proposed ceiling, but who are not cultivating their lands by their physical labour but getting them cultivated by agricultural labour, if they have other professions or means of income, will be allowed to retain only that amount of land that would be enough to make their total income equal to that derived from the land ceiling” (CPI(M) 1973, emphasis ours). The second of the above two clauses is non-operational and did not in practice lead to the appropriation of surplus land of any magnitude. But what is more relevant to the character of the movement is the first clause that lets out of the net numerous non-cultivating owners of highly remunerative pieces of land below the ceiling, owners who derive the part of their income from sources other than agriculture.

The failure of land ceiling laws to yield substantial amounts of surplus land for redistribution to the poor must thus be explained by the primacy accorded by the communists to the unity of the peasant classes. Also, in the pre-reform period it was possible for the left to forge unity of the peasants with agricultural labour since the combined struggles for the abolition of tenancy and those for higher wages had no elements of conflict. The objective basis for this type of worker-peasant alliance has weakened – particularly in the Malabar region – after the tenants became owners of land employing wage labour. The struggle for land ended with the “land grab” movement in 1972 launched by the CPI(M). This was concerned more with unearthing surplus land – above the legal ceiling – and bringing it to the notice of the government than with its militant occupation, that the phrase “grabbing” suggests. Thomas Isaac and Mohana Kumar (1991: 2694) explain how the agrarian movement ground to a halt:

With the implementation of land reforms the land question ceased to be an important issue of mass mobilisation. Surplus lands, though not taken over, have today virtually disappeared through illegal transactions. An important feature of the contemporary agrarian structure of Kerala is the relative absence of large landholders outside the plantation sector. The characteristic feature is the preponderance of small-scale landholders. Nearly 80 per cent of the landholders own less than half a hectare each. The average size of their landholding is only 33 cents. Since it is not possible for these small holders to meet their subsistence from agriculture, most of them are forced to seek outside wage or salary employment. Given the ‘rurban’ character of Kerala and the presence of significant non-agricultural sources of employment even in rural areas, most of them are employed as wage or salaried workers or self-employed outside the agricultural sector. This peculiar situation makes it necessary even for the small holders to employ wage labourers to cultivate the land. Thus we have the preponderance of small holdings with high incidence of wage employment in agriculture. Such a situation renders it difficult to build the unity of rural masses. The traditional Marxian agrarian class concepts lose much of their analytical meaning in the Kerala

countryside. The wage question tends to divide landholders, whether small or large, from the wage labourers...

It may not be an exaggeration to state that the relative strength of the peasant and agricultural labour movements are broadly inversely correlated across regions in Kerala. The electoral reversals of the left in Palakkad, a traditional stronghold of the peasant movement during the 1970s, consequent upon the rapid growth of militant agricultural labourers movement in the post-land reform phase and alienation of the traditional support base, is only a dramatic instance of a much more widespread problem

...We have already noted the non-agricultural employment of small holders. Agriculture ceased to be their primary source, let alone the only source, of income. Therefore, the tendency of the small holders, as well as larger holders with non-agricultural income as the main source of livelihood, has been to increasingly withdraw from agricultural activities when faced with an adverse agrarian situation. However, they would still continue to hold on to their landholdings in expectation of speculative gains from escalation of land prices. The result is the increase in the area of fallow lands and decline in cropping intensity. As a consequence, days of employment and earnings for the agricultural labourers get reduced even if real wages [i.e., wage rates] continue to rise. In recent years even real wages have also begun to stagnate.

The agrarian structure described above, in which the ‘interest’ in land among landowners has been diminishing, refers to the developments in the post-land reform phase, but elements leading to its emergence were present much before and have been gaining importance since then. The economic and political strength of the ‘rurban’ middle class, with substantial resources and incomes from diverse sources, is responsible for the increasing trends in the underutilisation of land, a vital resource in the development process. This class, along with large plantation owners, constitutes a formidable block against any further land reform.

III Struggles and Stalemate

Crisis

The CDS-UN study suggested in 1975 that the gains in equity and of a balanced social development could easily be lost, given the magnitudes of unemployment in agriculture and the traditional industries, unless a rapid industrialisation got under way to provide extra jobs in required numbers. It went on to say that a large part of the additional employment would have to come from the growth of “industries in which the region has a comparative advantage (electronics, fishing and printing)”. This prognosis was put in a different way later in an influential and much-debated study by K K George (1993), which looked at the “sustainability” of the so-called Kerala model in terms of the large public expenditures involved in supporting education, health and so on. With the passage of time, the problem was seen not merely as that of raising resources for social sector support, but also, essentially, as the related one of securing growth of the “material sectors” of the economy. This was acquiring some urgency even during the 1970s, but the virtual stagnation in the traditional industries and agriculture that continued ever since led to a crisis, clearly perceived by all. Fortunately, the growing cash remittances from Kerala’s migrants to the Gulf region buttressed the sagging economy and gave breathing space to the Left to work out strategies to meet the crisis. The nature of the crisis and the responses to it need elaboration.

In a mixed economy like ours, public and private investments play complementary roles. Indeed, the Indian experience shows how public investment in irrigation, heavy industry and so on, led to the initial successes of a planned regime, to agricultural expansion and industrial growth during the 1950s and the 1960s; further, how the massive state support in various forms boosted private investment in agriculture and paved the way to technological change under the green revolution. However, the catalytic role of public support promoting private investment is neither autonomous nor automatic. Where, as in Kerala, private investment is not forthcoming, there is a clear need to understand the barriers to such investment by its own logic of returns to capital. The second aspect of public expenditure – one that in a sense may override the sustainability issue – relates to the distributional implications of growth. As noted earlier, the traditional industries (coir, cashew-processing, etc) have been moribund for a long time and agriculture remains stagnant. But these sectors of the economy continue to provide employment and means of livelihood to the majority in rural areas because modern industry has not expanded enough to absorb the growing and redundant labour. Therefore, neglecting traditional industries and agriculture and seeking higher productivities and wages in modern industry is tantamount to promoting inequalities, putting a vital aspect of Kerala's progress in reverse gear.

Coir industry: Consider the coir industry in this context. The industry, employing lakhs of workers, mostly poorly paid women, is characterised by very low levels of productivity, low wages and poor product quality. Indeed, the coastal belts where the industry is located continue to be regions of endemic and chronic poverty. Trade unionism among coir workers has had a long history, dating back to the 1920s, but it was only during the late 1960s, following the formation of a Left United Front government that militant struggles led to substantial gains in wages, particularly in the coir-spinning sector. However, increasing wages “began to erode the cheap labour base of industry slowly but steadily”. (See Thomas Isaac et al (1992: 39) and references cited therein for details of the class struggles in the industry. The discussion that follows draws from these studies.) Coir capitalists responded to the trade union militancy by decentralising the production structure, a process that began much earlier, farming out work to small, scattered units, and to households even. Manufacturers converted themselves gradually into traders and shippers, finding routes to maximum possible gains under the existing rules. Despite the declining fortunes and an uncertain future of the industry, the unions managed, however, to shore up minimum wages and other benefits to the workers, amply demonstrating what organised militancy could promise to labour.

The main issue that has emerged out of the struggles, and determined the course of leftist activity in the industry, relates to mechanisation of some of the processes that would reduce costs by saving on labour, and improve profits. The introduction of machinery by some large-scale producers during the early 1970s led, inevitably, to displacement of workers, to violence and the breaking up of machines – perhaps a rare Luddite instance in Indian economic history. The question of mechanisation has loomed large ever since, with no solution in sight. Industry experts sympathetic to the cause of labour and communist leaders suggest the gradual introduction of intermediate technologies that would not wholly displace labour at one go but contain the redundancy “within socially acceptable limits”. But such suggestions remain on paper. A very detailed

description of this history of the coir industry is given in Thomas Isaac et al (1992).

Another approach to the problems was through the organisation of cooperatives. The producer cooperatives launched during the 1960s with state support, however, failed to yield the desired results, mainly because the big private producers and husk merchants managed to wrest control over the cooperatives. Indeed, the workers derived no benefits from this type organisational change. In the wake of this failure, and with pressure from the trade unions, there came into existence during the 1970s an alternative form of cooperatives, namely those constituted by the workers themselves. This type of organisation, created in Alleppy by the take over of some large establishments (closed down by the owners), looked eminently suited to promote the interests of the workers, who now in full control of their own units could enhance production and earnings through cooperation and state support. However, the movement ground to halt because the workers cooperatives could not compete with the private sector in the procurement of husk (the raw material for the industry) from private traders. Attempts in the sequel by the government to regulate the husk market have also failed to be effective. The stories of the cashew industry, its decline and migration to other states, not related here, have similar elements of left failures. *Agriculture:* The integration of the Indian economy into the world markets under “globalisation” has created serious adverse conditions for Kerala's rural development. Agriculture in Kerala is characterised mainly by commercial crops such as coconut, rubber, spices of different kinds, and so on. The prices of these commodities respond now to decisive signals in the international scene (such as large shortages or surpluses in other countries, and specific policies by countries that dominate these markets). Despite their importance, we do not pursue here questions related to globalisation and its impact on the Kerala economy. Our focus is on the internal structure of land and labour relations.

The cultivation of labour-intensive crops such as paddy is unprofitable in Kerala; it has been so for a long time now. Under a regime of free flow of commodities, there is a fair degree of uniformity across states in input and output prices; it is only the central government that can influence these prices. However, the wage rates in Kerala are, for example, almost double those in the neighbouring states [Chavan and Bedamatta 2006]. At existing levels of productivity and wages, cultivation of rice and other crops that depend on intensive use of labour has clearly no future in the state. The “rurban” middle class of landowners, referred to earlier, simply leave the fertile paddy land fallow, for they can afford to do so given their incomes from non-agricultural activities. On the other hand, middle peasants, in sufficient numerical strength and wholly dependent on agriculture could – hypothetically – rely on family labour for cultivation, irrespective of wage levels, and arrest the trend in the underutilisation of land. However, such a class of middle peasants hardly exists in the state.

Even for those who find ways to continue with paddy cultivation, there is an additional hurdle, namely the non-availability of labour for time-bound operations such as harvesting and other types of mass work specific to regions like Kuttanad. Labour in Kerala has been withdrawing from manual work. This needs an explanation, for it is not the manifestation of a backward-bending supply curve as in textbook economics. The withdrawal, especially among the younger members of labour families, arises out of a strong preference for non-manual, ‘white-collar’ jobs,

which is a product of the spread of education. Free schooling enables all to reach the limits of secondary education; and although only a small fraction among the poor manage to go beyond that stage, it nevertheless gives the young a consciousness to see that manual labour is at the heart of caste and class oppression. Apart from the “non-availability” of labour in agriculture, the rejection of manual work is reflected in many other ways: for example, in the swelling of the registers in employment exchanges by those who reached the final schooling stage but not completing it with success, and having no special skills for the preferred jobs; in the reported lack of enthusiasm for the national rural labour employment assurance scheme [Jacob and Verghese 2006]; in the preference for work as shop-assistants with a salary much lower than the wage a manual worker earns. What shows it in clearer terms is the increasing use in Kerala of migrant labour – from Bihar, Bengal, Orissa and other states – in both the public and the private domains, in the construction and other sectors of the economy, in factories and farms. These labourers, recruited by contractors and subcontractors, are paid a pittance in comparison to the wages that local workers command, with political and state support. The minimum wage laws apparently do not cover them. There is no evidence to show that the communists in Kerala are concerned about the migrant labourers.

Apart from land being left uncultivated, there has been a tendency among owners to use paddy land for coconut plantation that is less labour-dependent, despite the law prohibiting the conversion of paddy land to other uses. This leads to occasional clashes between landowners and communist workers. At any rate, given the economics of rice cultivation, it is difficult to understand the rationale behind this law; if paddy cultivation implies losses – as in fact it does – the only legal alternative for the owner is to leave the land fallow. More significant for our discussion here is the re-emergence of leasing of land for the cultivation of highly profitable crops such as vegetables, betel vines, ginger, pineapples and so on. For details see Nair and Menon (2005). While agricultural labourers and poor peasants are involved to a limited extent in these lease operations, it is only families with means to meet large expenditures and risks (associated with price and yield uncertainties), which derive substantial profits from leasing in land. The lease contracts, of one-year duration, presumably constitute a socially accepted development that nevertheless goes against the spirit of tenancy abolition. But it does support land utilisation. Thus, just as tenancy reforms essentially meant the transfer of ownership rights from one set of non-peasants to another similar one, their antithesis, the coming back of land leasing, also involves transactions among similar classes, covering, however, not ownership but land use rights.

Another Left initiative was an attempt to strike local compromises between landowners and agricultural labourers through “group farming”. Under this scheme, while workers would be assured the going high wages, the owners could exploit economies of scale with the use of machinery to the extent possible, saving on labour costs. In the event, such economies did not materialise, and rice cultivation under the plan continued to be based on hired labour in large doses, making it unprofitable to the non-cultivating owners [Jose 1991]. If peasants relying largely on family labour do group farming, it would of course be a different story. It is interesting to contrast this experience with that of the lower-stage agricultural cooperatives – LAPCs – in

China during the early 1950s, before large-scale communes came into existence. The members of such simple cooperatives were small peasants who acquired rights to land through the radical redistributive reform that was an essential part of the Chinese revolution. The peasants simply pooled their own labour to cultivate the collective land and even make land improvements to raise productivity. For a fuller discussion see Riskin (1987: 68).

Response

Democratic decentralisation: The failures of the 1970s and the 1980s in the post-land-reform phase signalled to the Left the need for a new agenda for action. In response to the challenge, the CPI(M) set about with a number of activities and experiments during the early 1990s, a time when the Left Democratic Front (LDF) was sitting in opposition to the United Democratic Front (UDF) then ruling Kerala. The efforts culminated in a massive “people’s campaign for decentralised planning”, and later to the implementation of the plan itself, following an LDF victory in 1996. The basic concepts of “Democratic Decentralisation” (DD) evolved out of the writings of E M S Namboodiripad (EMS) on panchayati raj over a long period, dating back to the 1950s. EMS repeatedly emphasised his faith in decentralisation as a means for helping the poor in their day-to-day struggles against oppression and exploitation. He also talked and wrote about amicable solutions to be found through collective bargaining and discussions. The ideology formulated now during the 1990s had thus elements of pragmatic compromise, tinged by voluntarism: hopes about whole communities participating in a planned economic betterment of the poor. The implementation of the scheme in 1996, with the devolution of a substantial part of plan funds to the local village bodies, was an act of rare political daring. Thomas Isaac (a main architect of the plan) and Franke (2000) have described in detail how this ambitious programme was conceived and put in place.

The basic thrust of the scheme was on building democratic institutions at the local level: village bodies that can carry out the task of identifying the “felt needs” of the people, formulating the relevant concrete plans and implementing them. In these tasks, the village organisations will be supported by the state and its agencies; also, more importantly, by experts with scientific knowledge about resources and their optimal social use. This may appear to be grandiose at first sight, but the underlying concepts and hopes evolved out of much field study and experimentation. For example, the People’s Resource Mapping Programme (PRMP) grew out of an intensive interaction between activists of the Kerala Sastra Sahitya Parishad (KSSP) and scientists at the Centre for Earth Science Studies (CESS). It envisaged not only a detailed mapping of village level resources (physical as well as human), but also the training of local volunteers in the processes of planning. The PRMP was implemented in 25 panchayats on an experimental basis, but it had to be discontinued later under the teeth of opposition by the UDF government then in power. Even more impressive, as a demonstration of the feasibility of combining local enthusiasm with expert knowledge, was the Kalliasseri experiment in which, after three years of hard work, the KSSP in collaboration with the local panchayat led by the CPI(M) succeeded in producing by 1995 a people’s plan for the village. The making of this plan, according to Thomas Isaac and Franke (2000: 55), “illustrated the utility of resource mapping and the

importance of comprehensive village plans even if their immediate operational potential was low. The potential for voluntary action, the importance of creating new institutions for development, the problems of integrating the institutions of civil society with those of the government and the relation between politics and local development were also made evident". Another initiative towards the development of a new agenda was the holding of an "International Congress on Kerala Studies" in 1995, in which hundreds of academics and political activists of different hues participated to discuss the Kerala Model, to find broadly acceptable ways to improve material production and narrow the gap between social and economic development. For a retrospective of the Congress, see Thomas Isaac and Michael Tharakan (1995).

The formation of local elected bodies, with adequate provisions for the representation of the Dalits, the women and the poor, is certainly a long-term gain resulting from the plan. With experience, they would work less lackadaisically than they did in the initial stages, and go on to strengthen local democracy giving the poor a hand in decision-making in the development process. But it is difficult to see such lasting benefits emerging from the organs based on outside volunteer support and the administrative machinery put in place for the execution of the plan. More importantly, the hopes of "developing a broad-based people's unity cutting across sectarian divisions to solve development problems in the state" [Thomas Isaac and Franke 2000: 211] appear in retrospect to be exaggerated. Indeed, when the scheme was implemented during the LDF rule in 1996-2001, the rival UDF, made an ample demonstration of their opposition to all aspects of the working of the plan, and went on to dismantle the plan structures after they won back the 2001 elections.

At the conceptual level, the main defect of the experiment relates, however, to hopes about resource use by elected bodies. Social consensus, as we know well from the general Indian experience, produces much rhetoric, but no results of significance to the poor. For example, land, the most vital rural resource, is controlled in the main by sections of the middle and upper classes. It is not clear then how the representatives of the oppressed classes and the women, can influence decisions on improvements in agriculture, especially those that can substantially improve their own living conditions. True, plan allocations do cover schemes that support the poor peasants through minor water works; similarly, the provisions of some assets, including livestock, go some way to improve the lot of the poor better than do outright subsidies, while at the same time contributing, howsoever marginally, to the social product. In the main, however, given the unaltered property and power structures, public expenditure by consensual democracy can only support measures like poverty reduction, high on all political agendas. The results of the Kerala democratic decentralisation experience show in fact that a major part of the planned funds had gone in support of the so-called social sector, through the construction and improvement of roads, more tangibly for the provisions of public toilets and houses for the poor, and so on. The gap between social advancement and economic growth remains.

In conclusion, it is possible to identify three phases of Kerala's journey towards socialism. The first of them is of the communists engaging exclusively in class struggles along "orthodox" lines on behalf of workers and peasants, marked by much violence, before the Kerala state was formed in 1956. The second period,

from 1957 to the early 1970s was one in which the communists experimented with ways of both ruling the state under the Indian democracy and transforming property relations to the extent possible – not giving up militancy. The third phase from the 1970s is characterised by the total absorption of the communists in electoral politics. This road does not lead to socialism. [EPW](#)

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