Kerala Model: A Study on the Challenges of Its Sustainability

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Abstract: The Indian state of Kerala has procured unique position on the ground of social sector development. The enviable accomplishments obtained on educational and health backgrounds have elevated India’s southern state to the supernal position of high Human Development Index. Kerala Model, even though praised on various educational and health indicators, is not free from criticism on the poor performance on its productive sectors. This study was administered to unveil the impairments and weaknesses of the famed ‘Kerala Model of Development’ which has been praised and blamed on many grounds in tandem. This article examines the dark sides of the most praised socio-economic segments such as land reforms, education especially tertiary level education and health. Secondary sources of data on the achievements, performance and browbeats of various sectors of Kerala such as land reforms, health, education, power, mental strength and old age care were accessed from various governmental and non-governmental agencies. The study found that Kerala Model has been floundering from the disturbances and discredits in both social and economic sectors. While mental strength and social security fields are being questioned in social sectors, poor industrial sector and insufficient power sector pull the state backward and make the ‘Model’ delicate.

Key words: Kerala Model, land reforms, mental strength, health and education sectors, industrial sector, social security

1. Introduction

The discussion on Kerala model, which is highly praised on its accomplishments in social sectors and blamed on its impairments in production sectors in tandem, is still going on among the economic intellectuals all over the world. There are a group of economists especially welfare economists who prefer and back Kerala Model as it is argued that what Kerala economy is obtained is only because of its social sector development. They recommend Kerala’s Model for the development of other states too. High literacy ratio, high female literacy ratio, low dropout ratio, high enrolment ratio, high enrolment of girl students in higher education institutions, high life expectancy, female favoured sex ratio, low birth rate and low fertility rate exalted the glory of the state and ‘model’ all over the globe. At the same time there are another group of economists especially growth oriented economists who blame Kerala Model and back some other models that derive development after growth like Gujarat Model. They use to blame the state on its poor industrial performance.

1.1 Sen-Bhagwathi debate

Amartya Sen, Nobel Laureate in Economics and renowned economist who prefer social sector development to growth and Jagdish Bhagwati, Indian-born American economist who prefer investment in growth sectors to social sector development are the magnates in the discussion on so called ‘Kerala Model’ and ‘Gujarat Model’. None of them refuses both models of development. But the debate is over how development can be appropriated and realised. The fact is that both Sen and Bhagwathi accepted two dissenting approaches to development. While Sen argues that investment should takes place in social sectors like education and health which would surely enable the work force to produce more and bring automatically the development in all other sectors including industries, Bhagwati focused on investment in production sectors that can yield enough resources for investing in social sector schemes. Bhagwati visualized that accomplishments in education and health sectors would be only at the backing of production sectors. At the same time, criticizing Bhagwati’s argument, Sen noted that without the investment in social infrastructure inequality will widen and the growth process itself will falter. At that, Bhagwati argues that growth may raise inequality initially but sustained growth will eventually raise enough resources for the state to redistribute and mitigate the effects of the initial inequality.

1.1.1. On Kerala Model & Gujarat Model

Bhagwati and Panagariya (2012) argued that achievements of so called Kerala Model were due to the growth oriented approach. They believed that it is not because of Sen’s approach but global trade, growth-oriented policies and private-sector participation brought desirable changes in its social sectors. Thus they note that Kerala Model has...
yielded superior outcomes at the blessing of reforms. At that, Sen (2013) argues that many successful examples can be taken from Kerala Model. He blames Gujarat Model on the ground of poor social infrastructure—backward education and health standards and adverse roads. Supporting the Kerala Model, Sen (2013) states that when Kerala went that way, it was one of the poorer states in India, but the basic policy of human capability formation through public efforts facilitated economic growth in Kerala, and so eventually it became one of the richer Indian States. Bhagwati (2013) stated in interview with the Economic times, ‘Kerala simply started at very high levels of social indicators than the rest of the country and it has maintained that lead. In 1951, literacy rate was 47% in Kerala compared with just 18% in India and 22% in Gujarat.’

2. Objective
The study was administered to expose the impedances to entirety of the Kerala Model on various socio-economic grounds.

3. Research methods
The study has been both analytical and explorative. The paper begins with the accomplishments and impairments brought about by education sector, health sector and distributive policy of the Indian state of Kerala which glorified and scandalized the Kerala model in tandem. The study also examines the dullness of industrial, power and social security sectors to unearth the flaws of the illustrious ‘development experience’. Most data were compared with India’s national average in order to understand the status of Kerala among other states in case of performance in some strategic sectors. Crowning sources of secondary data like reports and web resources of government agencies were widely accessed.

4. Land reforms: Perfections & Imperfections
Land reforms can be considered as the deciding factor for the noted development experience of Kerala. It raised the standard of living of the Keralite. It offered land to the landless and means to the outcasts. Jayadev and Ha (2015, p. 21) observed that ‘aftermath of land reform was not only for the landless and the poor to have a new piece of land to cultivate or an increase in their family income but also to acquire the ownership right of the farmstead where they have been living on for a long time. This, to a great extent, provided some relief to the poor peasants. Furthermore it was aimed at minimizing the caste inequality. Subramanian (2013) states that at the national level, some key objectives of land reform in India are to (1) improve the productive capacity of land by improving the working and socio-economic conditions of farmers, who either are land owners or land leasers, so that they are more interested in investing in and improving agriculture, (2) ensure distributive justice regarding land use and ownership and create an classless society by eliminating all forms of discrimination and exploitation, (3) create a system of land ownership for all respective stakeholders and (4) redistribute income from the minority ‘high-income’ earners to the majority ‘low-income’ earners in order to stimulate the demand for consumer goods.

Although the reforms have caused for the social emancipation of the state, it was not free from discredits. Jayadev et al. (2015, p. 22) argued that ‘land which has been appropriated could not be distributed to the landless. The distributed land remains fallow and is not adding the agricultural productivity of the state since agricultural practices have become disincentive to the farmers.’ Even though the reform was introduced to ensure equity and equality, a great majority of the agricultural land was occupied by a small minority. Thus it has a reverse effect on equity and inequality. Jayadev et al. (2015) fears that whether there is a reverse tenancy is happening in the state. Another blockade of the reform was the excessive occupation of land by national and international companies for agricultural and non-agricultural purposes for long term. Though land reforms were implemented in Kerala in the manner in which not implemented elsewhere in the country, it failed to bring plantations and private forests in the limit of reforms. This exemption has created a large marginalized section ‘plantation workers’. Khanna (2008) states that such exemptions would only lead to concentration of land in the hands of a few.

5. Kerala’s Social Sector Development: A Bubble?
Kerala Model is being highly praised on its accomplishments in social sectors such as in the fields of education and health. Though the accomplishments are exemplary, serious concerns were on the air over its sustainability. Similar to the issues related to welfare of women, children and older persons, surged status of mental stress and suicide are not being subjected to discussions with Kerala Model.

5.1. Education: Prospects and Challenges
Kerala model was really underpinned by the accomplishments in primary and secondary levels of education. The role played by literacy in flourishing the school education with high enrolment and low dropout ratios. Kerala has become the first Indian state to achieving the status of total literacy. Not even a Union Territory having low population was able to reach this paradise. This accomplishment can be attributed to the lowest poverty rate in Kerala among Indian states. The vision and mission of Kerala State Literacy Mission (KSLM) were laudable and exemplary. As the state of Kerala already attained 100 per cent literacy, KSLM is presently focusing its attention on the Equivalency
5.2. Health: Achievements & Emerging Challenges

Kerala’s achievement in health sector is world class and brought the Kerala model to the international attention. Kerala is unquestionably the top performing state in India in health care with highest sex ratio (1084/1000), highest life expectancy (71.4 years for men and 76.30 for women), and lowest infant mortality rate (12/1000 live births), lowest maternal mortality rate (66/1 lakh), lowest birth rate (14.7%) and lowest fertility rate (1.70). (KSPB, 2016). Kerala has outrun all the states and national average in performance of all these health indicators and even comparable to the advanced Western countries.

Even though Kerala’s accomplishments on the above indicators are commendable, the state is currently facing many serious challenges. Although life expectancy is highest in Kerala, most people are living with illness. Morbidity is the most serious issue in Kerala’s health sector. The people are in the misery of spending a giant share of their income for the treatment and health care. Sprouting private for profit hospitals and increasing hustle in the government hospitals are actually the decidable earmarks of such a situation. ‘The State is facing difficulty to further improve upon these achievements and to sustain the gains made. Further, the State is facing problems of life style diseases like diabetes, coronary heart disease, renal disease, cancer and geriatric problems. Communicable diseases like chikungunya, dengue, leptospirosis, swine flu etc. are also major concerns. Other than these, there are new threats to the health scenario of the State, like mental health problems, suicide, substance abuse and alcoholism, adolescent health issues and rising number of road traffic accidents which have emerged as major problems’. (KSPB, 2016).

6. Old-age Care: Apprehension Rouses by Old Age Homes

The elderly population and dependency ratio are surging in Kerala as its life expectancy is highest and birth rate is lowest. ‘Among Indian states, Kerala has the largest proportion of senior citizens (people aged 60 years and above) in its population. Currently it is assessed as 12.6 percent (11.3 percent among males and 13.3 per cent among females) compared to National average of about 8 per cent’ (KSPB, 2016). Ageing of population is a major, emerging, demographic issue and is an inevitable consequence of the demographic transition experienced by most countries including India. Care, welfare and protection of the aged would be a major challenge before the government and responsibility of the society and concerned individuals.

6.1. Flowering old age homes in Kerala: Increasing number of old age homes and inhabitants have to be treated as debauched mind of Kerala society and dark side of famed social development rather than benevolence of the society. It is not banishing here that old age homes dispense great relief for the outcast aged. At that, inhabitants of the old age homes are not only from families without any course. The issue here is not that the various economic and health needs of the aged population are not met. The economic inability to meet own needs and encumbrance of dependence may be corrected through old age homes and health issues may be treated there. Wherein, the psychological pressure or mental stress feel by the inhabitants remain uncorrected. It needs backing from the biological relatives. Shettar (2013) notes that ‘the common psychological problems that most of the older person experience are: feeling of powerlessness, feeling of inferiority, depression, uselessness, isolation and reduced competence. These problems along with social disabilities like widowhood, societal prejudice and segregation aggravate the frustration of elderly people. Studies report that conditions of poverty, childlessness, disability, in-law conflicts and changing values were some of the major causes for elder abuse.’
7. Welfare of women and children: Amplitude of crimes

Kerala Model not only lacks economic advancements compared to many other states but also the social security to the enfeebled sections of women and children besides the aged category. Even though literacy, school enrolment ratio and Human Development Index (HDI) are highest, Kerala was dropped behind in giving security to its dependent population or weaker sections. It raises concern over the quality of human development that Kerala is said to be achieved. Statistics disclosed by National Crime Records Bureau (NCRB), India are horrifying. As furnished in table 1, Kerala’s position among Indian states in terms of crime rate against women and children was higher and worrying. Kerala happened to be one of the top ten states in this regard over the years. The state, against the need, has overrun the national average over the period of time. The recent years data furnished in table 1 shows that Kerala is behind in ensuring security to women and children in the state although it has obtained enviable outcomes in education. At that, four years data shows that the gap between national and Kerala’s rates of crime against women has steadily declined. From around 20 in 2012, it came closer in 2015. Although standing higher, Kerala’s rate of crime against women declined significantly in 2015. The rate of crime against children also stands higher in Kerala compared to all India average. From 13.84 in 2012, it reached 25.6 and 25.5 in 2014 and 2015 respectively. It was worrisome that Kerala has been a regular entrant in the lists of states with high rates of crime against weaker sections of the society. No better education standards, high literacy, high social consciousness have helped the state bring down the crime rates.

Table 1 India’s and Kerala’s rates of crime against women and children

<table>
<thead>
<tr>
<th>Year</th>
<th>Crime against women</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kerala</td>
<td>13.84 (6)</td>
<td>61.21 (5)</td>
<td>62.43 (8)</td>
<td>63.9</td>
<td>53.4 (12)</td>
</tr>
<tr>
<td>All India</td>
<td>41.74</td>
<td>50.86</td>
<td>56.3</td>
<td>52</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Crime against children</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kerala</td>
<td>8.89</td>
<td>20.22 (5)</td>
<td>25.6 (11)</td>
<td>25.5 (8)</td>
</tr>
<tr>
<td>All India</td>
<td>11.69</td>
<td>20.1</td>
<td>19.2</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: ‘Crimes in India’, National Crime Records Bureau (various issues) and author’s calculation

Note: Figures in brackets show the ranking of Kerala among Indian states in terms of crime rate
* Crime rate (against women)= Number of crimes/Women population x 100,000
* Crime rate (against children)= Number of crimes/child population x 100,000

8. Ascended suicide rate: Accruing spasm and enervative mindedness

The ascended rate of suicide in Kerala has been a big backlash to the educational attainment of the state that has never helped strengthen mind and face ticklers. Kerala Model is well known all over the world on its top class health standards also. Wherein, the state has failed to ensure the mental health of its people. It is unusual that enfeebled mindedness is higher in the state having good educational standards. It is revealed from the table 2 that Kerala’s suicide rate is very high and the state was occupied in top five states/UTs in the list of states/UTs on the basis of suicide rates for decades. Kerala’s suicide rate which has been two-three times the national average is literally staggering. Although Kerala’s suicide rate is fluctuating little bit over the years, it lies far above the national average. The suicide rate of Kerala, which was 27.05 in 1990, subsided slightly and steadily to 21.9 in 2015. While the national average was standing at around mere 8-10, suicide rate of Kerala remained well above the national average though a slight decline was registered recently. (See Table 2). At the same time, the state of Bihar that has poor health and educational standards is at the bottom of the list of states/UTs on the basis of suicide rate for years (NCRB, 2014). Notwithstanding, a delicate ray of hope is there in Kerala’s suicide rate though not satisfactory should not be unnoticed. Up to 2005, Kerala’s suicide rate was about three times the national average. The suicide rate, thereafter, is coming closer to two times the national average. It was reported by NCRB (2015) that 52 per cent of the suicides in Kerala were due to family problems and 20 per cent due to illness in 2013 while it is 57.5 per cent and 27.8 per cent respectively in Puducherry, topper of the list of states/UTs on the basis of suicide rate.

Table 2. Suicide rate in Kerala and India

<table>
<thead>
<tr>
<th>Year</th>
<th>Suicide rate in Kerala</th>
<th>Suicide rate in India</th>
<th>Rank among states/UTs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>27.05</td>
<td>8.81</td>
<td>-</td>
</tr>
<tr>
<td>1995</td>
<td>25.9</td>
<td>9.74</td>
<td>1</td>
</tr>
<tr>
<td>2000</td>
<td>28.8</td>
<td>10.8</td>
<td>3</td>
</tr>
<tr>
<td>2005</td>
<td>27.7</td>
<td>10.3</td>
<td>4</td>
</tr>
<tr>
<td>2010</td>
<td>24.6</td>
<td>11.4</td>
<td>5</td>
</tr>
</tbody>
</table>

Note: Figures in brackets show the ranking of Kerala among Indian states in terms of suicide rate
9. Economic sectors: Apparent and elongated backwardness

Kerala Model has been subjected to severe criticism on its backwardness in economic sectors. Low income attributed to poor industrial sector, debility of infrastructural sector which was needed for development and acute power shortage which troubled the functioning of industries have been detailed below.

9.1. Languishing industrial sector

Very high standard of living of the state, comparable to some developed countries co-exists with very low per capita income as compared to these countries. Main reason for resulting this contempt is the poor performance of the commodity producing sectors like industry and agriculture. (Rajesh, 2004). The status of Kerala’s industrial sector may be clearly understood from the three issues discussed below.

9.1.1 Unstable growth of industrial sector

The income from manufacturing sector of Kerala which registered 12.47 per cent growth in 2012-13 witnessed a decline during 2013-14 (1.97 per cent) and recorded a moderate growth of 8.92 per cent during 2014-15. (KSPB, 2017).

9.1.2 Hardness for enterprises

In a report published by World Bank in 2015, Kerala’s rank among the investor friendly states of India was at bottom in the list of states headed by Gujarat and followed by Andhra Pradesh and Jharkhand (The Hindu, 2015). Kerala was at 18th with only 22 per cent of reforms were implemented while Gujarat implemented 70 per cent.

Similarly, the state of public sector undertakings in Kerala were miserable as 30 out of 44 State Level Public Enterprises (SLPEs) were loss making in 2013-14 and 2014-15 (68.18%), and 33 were loss making in 2015-16 (75%). Consequently, the net loss of total SLPEs of Kerala was Rs 66.49 crores in 2013-14, Rs. 179.61 crores in 2014-15 and Rs 109.8 crores in 2015-16. (KSPB, 2015-17). Even though the SLPEs of Kerala had made profit in some years before 2013-14, profit margin never crossed Rs 240 crores.

9.1.3 Stagnant industrial sector

It is shown in the table 3 that Kerala’s industrial sector registered only a slow growth over a period of more than five decades. In 1960-61 industrial sector contributed mere 15.2 per cent of Kerala’s Gross State Domestic Product (GSDP) at constant price slowly increased to 16.3 per cent in 1970-71 and 24.37 in 1980-81 and 25.12 in 1990-91. But thereafter there had been big backlash to the industrial sector of Kerala. Contribution of secondary sector subsided to one-fifth of GSDP from one-fourth for years. Notwithstanding giving a slight hope secondary sector’s contribution slightly increased to 25.11 per cent in 2014-15. However, the share of secondary sector to Kerala’s GSDP at constant prices was 15-25 per cent over the period of six decades. Thus the performance of industrial sector is undesirable and highly unstable unlike tertiary sector.

<table>
<thead>
<tr>
<th>Year</th>
<th>Contribution of Secondary Sector to Kerala’s GSDP at constant prices (in Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960-61</td>
<td>15.2</td>
</tr>
<tr>
<td>1970-71</td>
<td>16.3</td>
</tr>
<tr>
<td>1980-81</td>
<td>24.37</td>
</tr>
<tr>
<td>1990-91</td>
<td>25.12</td>
</tr>
<tr>
<td>2000-01</td>
<td>19.50</td>
</tr>
<tr>
<td>2010-11</td>
<td>20.13</td>
</tr>
<tr>
<td>2014-15</td>
<td>25.11</td>
</tr>
</tbody>
</table>

Source: Kerala State Planning Board (various years)

Table 3 Contribution of secondary sector to Kerala’s GSDP at constant prices (in Percentage)

It has been found that the reason for the backwardness of Kerala in entrepreneurship and industrial development are historical, sociological and cultural. Kerala never had a trading community as unlike some of the north Indian states where capital accumulated through trading were invested in industrial sectors. Risk aversion/preference to secure employment, copycatism/lack of confidence to innovate, child rearing practices, poor self-image of entrepreneurs in the state, lack of business culture, unsympathetic attitude of bureaucracy, narrow entrepreneurial base, strict labour laws and labour protests have altogether contributed for the poor performance of the secondary sector. (Understanding Kerala’s Backwardness in Entrepreneurship and Industrial Development, n.d.).

10. Power sector: Outfacing crisis

The dark side of Kerala model largely in terms of weak industrial sector can be attributed to power shortage. Adequacy of power is the most important requirement of industries. The Kerala State Planning Board (2016) in its Economic Review 2014-15 states that shortage of power is the prime obstacle in starting new industrial units in Kerala. The Kerala power sector is being congested presently by some serious hurdles such as inadequate production, over dependence on hydro power and less dependence on renewable resources. The main challenges faced by the energy sector in the State are i) Inadequate capacity addition over the years leading to massive in
house demand supply gap ii) Hydel power dominated supply scenario iii) Negligible share of renewable energy in the energy mix iv) Gap between energy conservation potential and its realization v) Limited presence of Independent Power Producers (IPP) and Co-Generating Stations (CGS) and vi) Limited penetration of star labelled products’ (KSPB, 2016. p. 269).

Although Kerala has been a role model for all the states in many respects, all India performance in power sector is actually dispensing Kerala the better way to follow. While thermal power constitutes a major share with 69.6 per cent of total power production capacity in India, Kerala’s capacity is mere 25.35 per cent. At the same time, largest source of electricity of Kerala still is hydel with 73.41 per cent while the nation’s dependence is 15.2 per cent of the total power generation capacity. It evinces the over dependence of the state on hydel resources which heavily depends on monsoon and significantly damages environment. Thus there is no doubt that climate change and drought will really pull the state to a power crisis. Wherein, the state has not yet learned to use renewable resources like wind energy and tidal energy. It comes only 1.24 per cent of the total capacity while the nation has 13.1 per cent. (See Table 4).

Table-4: Total installed electricity capacity in India and Kerala as on 31.03.2015 (In percentage)

<table>
<thead>
<tr>
<th>Energy source</th>
<th>Kerala (2836 MW)</th>
<th>India (278734 MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thermal</td>
<td>25.35</td>
<td>69.6</td>
</tr>
<tr>
<td>Hydro</td>
<td>73.41</td>
<td>15.2</td>
</tr>
<tr>
<td>Nuclear</td>
<td>0</td>
<td>2.1</td>
</tr>
<tr>
<td>Renewable resources</td>
<td>1.24</td>
<td>13.1</td>
</tr>
<tr>
<td>Total</td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Kerala State Planning Board 2016

Note: Figures in brackets show total production capacity in mega watt

11. Concluding remarks
Kerala Model has been praised and blamed on many grounds by the economists all over the world in tandem. While welfare economists like Sen backed the Kerala Model and detracted the Gujarat Model, some growth oriented economists like Bhagwathi rejected Sen’s approach and argued that noted social sector standards of Kerala are at the blessing of its growth oriented policies, global trade and private sector participation. From this discussion itself, the faults in the noted Model can be traced even though it has some enviable examples to be followed as suggested by Sen.

This study argues that the famed Kerala Model has numerous serious flaws on social and economic grounds besides the limitations of so called land reforms initiated in early 1960s. Land reforms failed to fulfill its dream of ensuring distributive justice in land ownership. Even after five decades of its implementation in the state, thousands of persons remained landless especially tribes. Land protests by the tribes in the state have become common in recent times.

Similar to land reforms, there were some social sector development schemes which ennobled the social infrastructure and elevated the state with Western countries. However, it was found that education and health sectors have some chronic and emerging challenges to be corrected. While higher education sector of Kerala is lacking quality and employability than many other states, health sector has been facing serious emerging challenges such as up surging life style and communicable diseases. Furthermore, Kerala finds it difficult to sustain its accomplishments in its health standards in the changed scenario. Mental health and old age care are the sectors that bestowed Kerala only the impairments. Poor mental health revealed by higher suicide rate and wretched social security shown by higher rates of crime against women and children in Kerala over a period of time front amidst the serious browbeats to the Kerala Model. Ageing, which is an emerging challenge in Kerala blessed by the highest life expectancy and lowest birth rate, compels the government and society to pay special attention.

Backwardness and debility of the economic sectors such as industries and power bumped Kerala among other Indian states. Thus the Kerala Model lack the resource base. Kerala’s achievements’ in social infrastructure were not significantly contributed by its economic sectors but by the welfare policies of the government. Notwithstanding, Kerala Model has numerous serious challenges and browbeats to its sustainability over the social and economic sectors.

References


