Shyam J. Kamath

INDIAN DEVELOPMENT AND POVERTY: MAKING SENSE OF SEN ET AL.

ABSTRACT: *The work of Amartya Sen and his collaborators on Indian economic development compares three Indian states so as to demonstrate the superior performance of interventionist, left-wing governments in West Bengal and Kerala compared to the more typical state of Uttar Pradesh. A careful analysis of the evidence, however, shows that Sen et al. ignore the anti-interventionist implications of their own evidence of corruption in the state of Uttar Pradesh; dramatically overstate the success of leftist governments in West Bengal; and overlook the role of Kerala's culture and its private education system in accounting for its famously high levels of literacy and female independence.*

Amartya Sen, the Indian-born economist, was awarded the 1998 Nobel prize in economics. In the citation for the award, the Royal Swedish Academy of Sciences (1988) stated that the award was given for Professor Sen's contributions to welfare economics in the fields of social choice, welfare distribution, and poverty. The Swedish Academy summarized his contributions in this manner:

> Amartya Sen has made several key contributions to the research in fundamental problems in welfare economics. His contributions range from axiomatic theories of social choice, over definitions of welfare

---

Critical Review 13 (1999), nos. 3–4 . ISSN 0891-3811.

Shyam J. Kamath, Department of Economics, California State University, Hayward, CA 94542, telephone (510) 885-3311, would like to thank Sudha Shenoy of the University of Newcastle, Australia for her suggestions, help and advice. An earlier version of this paper was presented to the Economics Research Workshop at California State University, Hayward. The comments of James Ahiakpor, Charles Baird, Greg Christainsen, and Steve Shmanske, and the research assistance of Neel Kamath of Yale University, are gratefully acknowledged.

> and poverty indexes, to empirical studies of famine. A general interest in distributional issues and a particular interest in the most impoverished members of society tie them closely together. Sen has clarified the conditions which permit aggregation of individual values into collective decisions, and the conditions which permit rules of collective decision making that are consistent with a sphere of rights for the individual. By analyzing the available information about different individuals' welfare when collective decisions are made, he has improved the theoretical foundations for comparing different distributions of society's welfare and defined new and more satisfactory indexes of poverty. In empirical studies, Sen's applications of his theoretical approach have enhanced our understanding of the economic mechanisms underlying famines.

Clearly, Professor Sen's contributions have covered a wide canvas. This paper will limit itself to critically examining Sen's work in the area of development economics pertaining to the Indian experience. Even though such an assessment should ideally cover Sen's seminal contributions to the economic analysis of famines, that would require a separate full-length treatment.

My topic, then, is one specific aspect of Sen's work on Indian economic development, as contained in the volume he edited in collaboration with Jean Drèze: *Indian Development: Selected Regional Perspectives* (Oxford University Press, 1996), hereafter abbreviated as *IDSRP*. An examination of this book raises a number of questions about the work of Sen and his collaborators, and whether it merits all the praise it has received from academics and policy makers. *IDSRP* will be used as a jumping-off point, then, for assessing the contributions of Professor Sen and his collaborators to the economics of poverty and development.

In order to contrast the successes and failures of Indian development policy in the post-independence era, *IDSRP* brings together a series of papers that contrast the developmental records of three major Indian states that have had divergent development paths. These three states are Uttar Pradesh (the "failed" state), West Bengal (the "transforming" state), and Kerala (the "success story" state). Questions of mortality, fertility, and gender bias are taken up in a separate chapter. The authors of these four separate chapters are all development economists or social scientists (Drèze is a coauthor of two of the four regional-perspective chapters); an opening chapter entitled "Radical

Needs and Moderate Reforms" by Sen lays out an agenda of positive government intervention for creating "participatory" growth.

In general, *IDSRP* attempts to demonstrate the effectiveness of government expenditure and involvement in the provision of services such as education, health care, nutrition, and so on. This contrasts with the view of most observers of the Indian development record, who tend to agree that since its independence from Great Britain in 1947, excessive government intervention in the economy has retarded the country's economic development. It is not at all clear, in this view, that the interventionist Indian state could have done a better job with regard to these social sectors.

The perspective on economic development advocated by Sen and his collaborators can be boiled down to the following arguments:

1. Countries such as China, Taiwan, South Korea, Singapore, and Hong Kong focused on the provision of their citizens' basic needs—the prerequisites of their freedom to achieve their goals in life—either as a precursor to, or simultaneously with, the process of economic liberalization and growth.

2. Within India, states such as Kerala and West Bengal were able to achieve significant progress, outstripping (in the former case) even China and some of the Asian Tigers in terms of indicators of equal basic-needs provision.

3. In each case, government played the crucial role providing essential services to their citizens.

The Failure of Politics in Uttar Pradesh

IDSRP begins with an analysis of the Indian state that has been excoriated by many as a development failure. This is the state of Uttar Pradesh (UP), the largest and most populous jurisdiction in India, and also one of the poorest.

Drèze and Haris Gazdar portray Uttar Pradesh as a case study of retarded development. As a methodological device, they benchmark UP against the region of "South India"—consisting of Andhra Pradesh, Karnataka, Kerala, and Tamil Nadu—as well as against the whole of India.

A dismal picture emerges from Drèze and Gazdar's examination of the aggregate secondary data. UP is found to be severely wanting in terms of every "social" variable in which Sen, Drèze, and their collab-

orators are interested—infant mortality and survival, child nutrition, fertility decline, basic education, gender inequality, and related aspects of well-being. However, Drèze and Gazdar take great pains to point out that these dismal achievements are not the result of poverty per se, which is no worse in UP than elsewhere in India. "The causes of Uttar Pradesh's extraordinary backwardness in terms of basic social achievements (such as child survival and elementary education)," they write (48), "have to be sought elsewhere." Similarly, they argue that material poverty could not be the cause of UP's social failures because of the significantly different poverty levels experienced by the western and eastern parts of the state, which have similar social indicators.

Drèze and Gazdar pinpoint the primary cause of "social" failure in UP as insufficient government provision of public services. By comparing the levels and growth of government provision of health, education, infrastructure, etc., among UP, South India, and Kerala, they conclude that "Uttar Pradesh stands out as a case of resilient government inertia as far as public provisioning is concerned. Here again, the contrast with Kerala is particularly striking, but even the contrast with South India is quite startling" (53). There is, however, a caveat, since the levels and proportions of government expenditure allotted to health and education in UP and South India are found to be similar. The authors therefore blame UP's social failures on "distorted" patterns of social spending as well as on the "defective" functioning of the services in question.

What started out as an argument for inadequate levels of government involvement therefore becomes an argument for socially harmful behavior on the part of government officials. While the authors invoke caste, class, and gender inequalities; the apathy of the state; tradition; and a lack of social awareness as causes of the lack of social change, in the end they focus on perverse incentives of all levels of government to be corrupt, ineffective, or both.

Drèze and Gazdar's fieldwork in UP is provided as evidence of perverse incentives in the provision of the education, health and infrastructure. In education, for example, they document misdirected school building monies, teacher absenteeism, student absenteeism, lack of accountability by school officials, and even the superior performance of the meager private schooling system. Yet they never consider the implications of the latter point. Instead, they assume that

the political system can and must be changed through popular agitation if the needs of the disadvantaged are to be met.

The experience of southeast Asian development, however (see Rabushka 1987; James, Naya, and Meier 1989; Lau 1990; World Bank 1993; and Dorn 1998), indicates that it was largely market-oriented economic policy, such as state action enforcing property rights and market institutions, that produced the economic "miracles" in these hitherto poor and backward nations. Meanwhile, a number of studies suggest the intractability of the political problems in places such as UP. Robert Wade (1982, 1984a, 1984b, 1985) has described corruption in the Indian public sector in terms of a "transfer model" that maximizes the (corruption) revenue that can flow from holding a public-sector position while minimizing the number of complaints. This is accomplished by requiring applicants for state employment to buy "transfers." Wade uses official reports and unofficial sources to show the amounts paid to obtain a variety of posts in institutions that provide irrigation, agriculture, and soil conservation at the state- and central-government levels and in public-sector corporations. Salim Rashid (1981) provides a fascinating account of how telephone operators in India arrange for international calls on a priority basis after receiving regular payoffs. N. Vijay Jagannathan (1986) has further detailed the nature of rent-seeking activities in India and other countries. Kreuger 1974 and Kamath 1992 have estimated that the rents generated by various Indian government policies are very large.

If 50 years of democratic politics in India have led to the domination of government by special interests and if state action has been so sorely wanting, one could argue that more reliance on nonpolitical and market forces would have been more likely to help the disadvantaged. This has been the case in the developed Western economies, the Four Tigers, the NICs, and nations such as Chile and Mauritius that have achieved both significant economic development and political and economic freedom.

Drèze and Gazdar, by contrast, blame the failure of public services, and more generally of development interventions, in UP on the state's low commitment to social equity and development, and the failure of civil society to generate a politics that challenges the status quo and more generally promotes the needs of disadvantaged groups. They indict political factionalism based on caste and class as the reason that public action has not been forthcoming in UP, unlike Kerala,

West Bengal, Karnataka, Maharashtra, Nagaland, and the south Indian states. In UP, the main failures are:

> aborted land reforms, the displacement of health care services by family-planning programmes, the decay of the public schooling system, the wide-spread corruption of poverty alleviation programmes, the suppression of informed women's agency in society, and the fragile basis of local democracy. Underlying these diverse problems is a basic failure of public action—whether of a collaborative or adversarial type—to focus on the promotion of social needs, particularly those of disadvantaged sections of the population. . . . In Uttar Pradesh, extreme inequalities of political power have severely distorted the priorities of state intervention and the implementation of most development programs. The low participation of disadvantaged groups in the political process, in turn, reflects the continuing influence of sharp inequalities relating not only to class but also to caste and gender.

The remainder of *IDSRP* is mainly devoted to showing that the relatively good development record of the Indian states of West Bengal and Kerala can be attributed to class-based politics, leading to concerted state intervention of a sort that, unlike in Uttar Pradesh, produces significant social development.

Democratic Mobilization as a Path to Prosperity

Thus, according to the chapter by Sengupta Sunil and Haris Gazdar on West Bengal, the commitment of successive caste-based left-wing governments since 1977 to improving the position of the rural poor led to a sustained period of agricultural growth and rural transformation between 1983 and 1994. The authors document these claims by using both primary and secondary data. The primary data set is based on World Institute for Development Economics Research (WIDER) socioeconomic surveys of six villages in different agro-climatic zones of West Bengal. The secondary sources are national census and sample survey data, data from the left-wing West Bengal government, data from the private Centre for Monitoring the Indian Economy, and other academic research studies, mostly by left-wing economists.

There is, however, a substantial critical literature that examines the veracity of the claims made by the West Bengal government and by sympathetic academic and other commentators. In order to focus on

the specific issues considered by Sengupta and Gazdar, I will limit my examination of their claims to the major critiques and to an examination of secondary data, while footnoting other pertinent literature that questions the validity of the claims that they make.[1]

The most comprehensive critique of West Bengal's development policy since 1977 has been provided by Ross Mallick, a Marxist who questions the claims of the Left Front government and sympathetic commentators such as Sengupta and Gazdar. In a series of books and articles, Mallick (1992, 1993, and 1994) has examined the record of the Left Front government in West Bengal and finds its claimed successes to be seriously wanting. Other authors also question these "successes." Let us compare Sengupta and Gazdar's principal claims with the findings of such critics as Mallick.

One of Sengupta and Gazdar's major conclusions is that post-1977 Left Front coalition governments were successfully able to redistribute almost 2.15 million acres of land to landless and land-poor households, so that "nearly 90 percent of the landless . . . received some land" (143). However, the authors' own data show that the number of households that benefitted from land redistribution from 1977 to 1991 only marginally exceeded the number of households that were beneficiaries between 1947 and 1977. They also present data that show that cultivated land redistributed under the Left Front was less than half that distributed by the previous, non-leftist governments. In addition, land distributed per beneficiary was less than half during 1977–91 as during 1947–77.

According to Mallick (1992 and 1993), agrarian reform under the West Bengali Left Front government has been minimal and similar to reforms in other states during the same period. Thus,

> when compared with the other states the Bengal achievement is average at best and often well below the national average, though a communist government would have been expected to surpass all other states in reform implementation. A visit to the most backward district in Maharashtra confirmed this impression. One Maharashtra government official mentioned that while the West Bengal government publicized all their achievements, in his own state they had achieved better results without the fanfare. (Mallick 1993, 10)

Sengupta and Gazdar argue, however, that the redistributive results before 1977 were due to the critical role of the leftist United Front government of 1967–70. But as Mallick points out, the land redistrib-

ution data used by Sengupta and Gazdar include redistribution figures from the Estates Acquisition Act, which are incorrectly combined with data from the Land Reforms Act. According to Mallick, only the latter can be compared with the land reforms in other states, the former being part of the *zamindari* abolition program adopted nationwide. Mallick (1993) presents comparable data (Table 2.8) that show that West Bengal actually ranked 11th out of 17 states. Even comparing the 17 states on the basis of area distributed as a percentage of cultivable land, West Bengal still ranked seventh, at 0.55 percent, clearly a minuscule amount. Second, Mallick shows that during the 19 months of United Front rule by left-wing parties in 1967 and 1969–70 alluded to by Sengupta and Gazdar, 300,000 of the acres supposedly redistributed were actually lands seized by tenants without waiting for the administration. Even these seizures accounted for a mere 1.8 percent of all cultivable land.

Sengupta and Gazdar also maintain that the Left Front's Operation Barga recorded the tenancy leases of almost 1.44 million sharecroppers. They claim that this has resulted in greater security of tenure as well as higher crop shares going to the tenants (even though the WIDER surveys on this latter score are mixed). The authors admit that based on economic theory and the available evidence, "the efficiency effects" of the Barga system "are not likely to have been unambiguously positive" (155). Nevertheless, they claim that the political impact of the tenancy-rights campaign was extremely significant because it signalled to both supporters and opponents of the Left Front that the government was serious about implementing agrarian reforms.

But Mallick (1993) shows that under Operation Barga, legitimate sharecroppers suffered many injustices while the Left Front's influential sharecropper supporters were rewarded. He points out that less than half the eligible *bargardars* were ever recorded, and that the program was stalled and then ended by Communist politicians in deference to their "elite-base interests" (Mallick 1993, 61). In an exhaustive analysis, he shows that the Left Front government chose not to give priority to the growing class of landless agricultural laborers; that the claimed support for the *bargardars* was grossly overestimated even as their number were in steep decline; that large numbers of *bargardars* were being evicted even as the government claimed success; and that the three-quarters crop share ensured by the operation was shown to be violated in a large number of case studies. He concludes that

> in short, the landed classes have not disappeared, but what has happened is that elite classes have consolidated their position in the Communist movement and prevented further land reform moves, as interviews with government program administrators confirm. Operation Barga was ended not by a lack of deserving *bargardars*, but because the Left Front's influential sharecropper supporters were already recorded and further work would threaten those supporters already in possession of land. (Ibid., 61)

A major achievement of the Left Front agrarian program, according to Sengupta and Gazdar, is the revitalization of the Pachayati Raj Institutions (PRIs). According to them, the efficacy of these institutions can be gauged by the "success" and the "efficient operation" of the Integrated Rural Development Program (IRDP), a subsidized antipoverty credit scheme that is implemented by the various states on behalf of the Indian government. In addition, they claim that the PRIs have been significant participants in the "successful" implementation of the land reforms and Operation Barga. They suggest that the West Bengal experience with PRIs has been made the model for other states by the Indian government because the success of Left Front candidates in the PRI elections has been overwhelming, with their share of the popular vote consistently remaining around 70 percent.

A number of studies have questioned the Left Front claims that PRIs were successful in achieving radical agricultural and economic transformation in West Bengal, especially with regard to the IRDP program. Mallick (1993), in particular, documents how the PRIs became the predominant source of political patronage in rural areas under successive Left Front governments, and how the priorities of the Panchayats were often misconceived or aimed at benefiting the richer sections. His data on the educational and economic characteristics of PRI members show that they were predominantly from well-educated and land-holding backgrounds, contradicting the Left Front government's claims that the majority were impoverished villagers.

Mallick (1993, 145–49) also cites extensive evidence to show that the West Bengal administration of IRDP was unexceptional. A World-Bank commissioned study, for example, severely criticized the implementation of IRDP in the state and noted that, for a number of reasons, there was "poor performance of the state in IRDP" (Institute for Financial Management and Research 1984). The study compared

the implementation of the IRDP in four states, including West Bengal, and concluded that in West Bengal the achievement rate was the lowest. Other Indian-government commissioned studies reached similar findings.

Sengupta and Gazdar contend that the election of the Left Front broke the trend of stagnation in agricultural growth between 1969 and 1982. However, the authors concede that the "agricultural take-off" during 1983–94 was similar to that experienced by other states (such as Bihar and Orissa) that did not have leftist governments and "radical" agrarian programs. Therefore they can only arrive at the underwhelming conclusion that "the recent growth record of West Bengal dispels any possible apprehensions that redistributive reforms might have had *negative* effects on efficiency" (169).

Other observers agree. Hanumantha Rao (1993) presents data that show that while West Bengal's 4.53 percent annual increase in grain output from 1977–78 to 1988–89 was much higher than the 2.6 percent growth rate from 1967–68 to 1977–78, the higher rate was matched or exceeded by other Indian states with none of the institutional changes that were introduced in West Bengal. Grain output grew by 5.16 percent annually in Uttar Pradesh from 1977–78 to 1988–89, by 4.57 percent in Punjab, and by 4.36 percent in Madhya Pradesh. Comparing triennial average grain production over three periods, Utsa Patnaik (1993) shows that the share of the Eastern region, including West Bengal, actually declined in the 1980s compared to the Northern and West-Central regions.

Sengupta and Gazdar also claim that there was a significant decline in the West Bengali Head-Count Ratio (HCR), which measures the proportion of the population with incomes (or expenditures) below the poverty line. After examining NSS data compiled by Suresh Tendulkar, K. Sundaram and L. R. Jain (1993), they conclude that even though West Bengal had the highest HCR of all Indian states when the Left Front government came to office in 1977, it experienced the highest proportional rate of decline of all the major states between 1983 and 1987, enabling it to leave the two other poorest states, Bihar and Orissa, behind. However, their analysis of consumption studies shows that there was only "marginal improvement" in overall consumption levels, though they contend that there might have been some significant distributional improvement.

Mallick's and others' criticisms of the Left Front governments' poverty-alleviation and redistribution programs brings into serious

question the success alleged in these areas. They show that Left Front efforts to desegregate untouchables, improve literacy, reform education, improve employment, redistribute consumption, reduce poverty, and reform public health and taxation were either unsuccessful or woefully inadequate. According to Mallick (1992, 738):

> In fact, neither the West Bengal health or literacy programs have been particularly impressive when compared with other states. Though both programs have provided rural employment for party supporters, standards have often been poor. An interstate comparison of health expenditure indicates West Bengal is not exceptional in its outlay. . . . As for education, enrollment under the Left Front increased at the same rate as under the previous Congress government, although as one of nine "educationally backward" states it has a lot of catching up to do. With little growth in Untouchable and Tribal enrollment, however, the gap between the education of lower and higher castes has widened.

According to another commentator, Myron Weiner (1991, 186), "the Communist government of West Bengal is no more committed to the enforcement of child-labor laws or compulsory-education laws than the Congress-dominated conservative state of Bihar next door." According to the Government of India's Ministry of Education and Culture, West Bengal was one of the nine states "educationally backward in elementary education which together comprise[d] three quarters of the non-enrolled children" in India (Planning Commission of India 1985, 92). Similarly, Mallick (1993) shows that the Left Front government has been deficient in the provision of nonformal and adult education. Indeed, he shows that, under the Left Front, expenditure on secondary education has exceeded primary-level education.

Mallick (1993, 57) and others, such as Bruno Jobert (1985, 15) have shown that the Left Front government in West Bengal has not made health financing a priority when health expenditure is compared with the national average; and, in fact, that, just as in education, these programs have been used predominantly for distributing political patronage. Similarly, with regard to agricultural taxation, Mallick (1993, 103–16) shows that the West Bengal state government was unwilling and unable to implement a progressive taxation system, due to the influence of its landed agricultural interest base.

Mallick (1993, 61–79) also shows that the Left Front government's program for rural credit and input provision, which it touted as an

important component of its agrarian reforms, was quite arguably the least successful of its agrarian reform programs. He shows empirically that the Left Front's minimum-wage and other policies were statistically no different than those of other non-Communist regimes. In fact, he argues that the performance of the Left Front governments was worse than that under previous Congress regimes.

Mallick's criticisms are backed by a substantial body of evidence, as reflected in the work of Ashok Rudra (1985), Roy Chaudhury (1985), Bikram Sarkar (1989), and Avrild Ruud (1994). Ruud, for example, using primary data from the Communist stronghold of Burdwan, shows that the United Front's achievements in all the areas discussed above were limited, if not nonexistent, and that the Communists and their Left Front partners were able to obtain the moral and electoral support of voters in this district because of political patronage similar to that of previous noncommunist regimes.

What about Sengupta and Gazdar's claim that there was a substantial improvement in the distribution of consumption, in that the consumption of the poor rose proportionately more than that of the nonpoor after 1977? They base this conclusion on the increase in the daily wage rates of male agricultural laborers in the six villages that WIDER surveyed. In addition, they claim that in West Bengal the growth of wages outstripped the growth in output compared to the neighboring states of Bihar and Orissa, leading to a significant improvement in the distribution of consumption in West Bengal relative to the other states. Yet the authors themselves note that this uptick was hardly unique: after 1977, neighboring states—and the rest of India—experienced similar improvement.

However, Mallick (1993, 92 and 116–23) shows that due to the failure of the Left Front government's employment, wage, and food-pricing policies, the consumption of the poorest sections of society could not have been improved. He argues that the Communists' demand for higher procurement prices for agricultural output during these years should be seen as an attempt to gain patronage with the landlords and rich and middle-income peasants who controlled the land.

Similarly, a substantial body of evidence shows that the public-choice incentives facing the Left Front governments of West Bengal were no different from those that corrupted earlier noncommunist regimes. Robert Wade (1982, 1984a, 1984b, and 1985) has extensively documented the payoffs and patronage that permeate governmental

administration in India, mainly in the southern states but also in West Bengal, due to these incentives. And N. Vijay Jagannathan (1986 and 1987) documents the nature of corruption and delivery systems in West Bengal and other Indian states under various regimes, including the communists.

Sengupta and Gazdar (198) verge on recognizing the tendency of the Left Front toward not only corruption but demagoguery when they explain why West Bengal's performance on key socioeconomic indicators, such as infant-mortality reduction and improvement in child nutrition and literacy, are not very impressive—worse, in fact, than in a number of other Indian states:

> The overriding concern with the agrarian-reform agenda, however, has also been, at least partially, responsible for the almost complete neglect of claims which might arise from other sources of social and economic equity. . . . Indeed, the near exclusive concern of the Left Front organizations with agrarian politics, and the establishment and redistribution of property rights in land, is an important factor in their neglect of individual rights to a minimal level of education and health care. (198)

This assessment is consistent with the following summary of the evidence regarding the failure of radical democratic politics in West Bengal. First of all, the Left Front government succumbed to interest-group politics and political-patronage incentives—as well as the need to mobilize support through high-minded but unfounded claims of redistributive success—that were no different from those demonstrated by other non-communist governments in West Bengal and other Indian states. This is to be expected in an economy dominated by extensive government regulation and intervention and limited recourse to markets. And second, given the entrenchment of the caste system and other social institutions such as untouchability, the controls and dependence on administrative fiat and regulations perversely strengthened the privileges of politicians, bureaucrats, and the wealthy, and created even greater scope for rent seeking and patronage.[2]

Sengupta and Gazdar admit many caveats to their claims, the net effect of which (along with the claims contradicted by other evidence) is to render the West Bengal experience with "radical grassroots" change more illusion than reality, failing to provide much sup-

port for Sen and Drèze's hypothesis that broad-based "participatory development" is conducive to individual well-being.

A Requiem for the "Kerala Model"

V. K. Ramachandran's essay in *IDSRP* examines the "Kerala Model" of development, which, he contends, "shows that the well-being of the people can be improved, and social, political and cultural conditions transformed, even at low levels of income, when there is appropriate public action" (207). Ramachandran attempts to demonstrate that Kerala's substantial improvements in life expectancy, infant mortality, literacy, education, public health, women's "agency," and living standards in general have been due to concerted public action by nineteenth- and twentieth-century governments in Kerala, especially by the Communist-led governments since the 1950s. Kerala, then, is presented as another case study in the efficacy of participatory democratic politics in achieving well-being for the poor.

Ramachandran first chronicles the dismal performance (absolutely and relatively) of Kerala in the post-independence period with regard to production, productivity, employment, agriculture, proportion of population below the poverty line (i.e., the head-count ratio), capital investment, net value-added, entrepreneurship, and other "conventional" indicators of economic performance. In suggesting that future advancement in these areas can be achieved only by "public intervention . . . of governments and intervention by political parties and mass organizations" (224), he neglects the possibility that such intervention—which he takes to be the source of Kerala's substantial gains in less conventional measures of well-being—might be responsible for the state's utter failure to alleviate poverty as conventionally understood. It is as if a contemporary economist argued that the alleged achievements of the Soviet Union in literacy, education, public health, and so forth were the results of government intervention, while the USSR's dismal economic performance was due to some extraneous cause—not the very same intervention.

But is it even true that responsibility for Kerala's famous achievements in nutrition, literacy and education, public distribution, women's agency, and agricultural and land reform are due to left-wing political participation?[3]

Ramachandran acknowledges the achievements of private efforts

and pre-independence governments in these areas, but insists that these improvements must be mainly attributed to the efforts of the communists and their governments:

> Kerala is one part of India where the Communist party assimilated the most progressive features of diverse socio-political movements and gave them a new philosophical and political direction. . . . Communists were among the early organizers of mass political organization of women in the state. Communists played a leading part in the literacy movement and in the cultural movement (including the theater movement) in Kerala. Schoolteachers were key activists and mass organizers of the national movement and the Communist party; they were the first organizers of the *granthashala* (library) movement and the movement for literacy in Malabar. In the nineteen-seventies and eighties, Communists were the main activists . . . in the Total Literacy Campaign. . . . The first government of (post-independence) Kerala was a Communist government, and the major features of its agenda and of later communist ministries in the state were, among other things, land reform, health, education, and strengthening the system of public distribution of food and other essential commodities. (314–15)

Ramachandran identifies government policy as playing a key role in land reform, health, education, public distribution, and demographic change. He concludes that "in the conditions of contemporary India, it is worth remembering that public action, and not policies of globalization and liberalization, was the locomotive of Kerala's progress" (328).

Let us examine Ramachandran's claims with regard to literacy and education first. Ramachandran treats the work of Robin Jeffrey (1976 and 1992) as supporting the primacy of state activism in the development of literacy and education in Kerala. However, a careful reading of Jeffrey's work provides a very different picture from that painted by Ramachandran. Jeffrey (1976) shows that there was a substantial system of indigenous schools before schools were established by government policy. While he (like Ramachandran) contests Kathleen Gough's (1968) estimate that as many as 50 percent of men and 25 percent of women were literate during the late nineteenth century, he does point out that there are good reasons for presuming that literacy was more widespread in Kerala than anywhere else in India.

Jeffrey (1992) points out that from the first censuses of the 1890s, Cochin, Travancore, and Malabar (the three constituent areas of mod-

ern Kerala) showed higher literacy rates than India as a whole. He also demonstrates that by 1911, Travancore and Cochin were the most literate areas in India—three times more literate than all of India, with laggard Malabar twice as literate as the rest of the country. "The remarkably high early rates of literacy," according to Jeffrey (1992, 56), "resulted from the complex interaction of old Kerala's culture with an expanding cash economy and princely governments intent on 'improvement.' "

Contrary to Ramachandran's interpretation, Jeffrey (1987, 1992) argues that Kerala's culture—particularly its attitudes toward women, and women's attitudes about themselves—explain Keralites' eagerness to become literate. He argues that governments and their policies affected at most the timing at which particular groups became literate. Indeed, he shows that government involvement and regulation often caused literacy to drop, as in the case of Cochin between 1891 and 1901. During this period, government abruptly intervened in the largely private school system, leading to a drop in enrollment of the majority "respectable poor" but an increase in the enrollment of the minority children of affluent families. He goes on to document the role of private education in promoting literacy in Kerala even in the modern period.

> The way in which education spread rallied people around organisations and propagated attitudes about demands and competition. Private management, receiving government grants, conducted most schools, and by far the largest categories of recipients were the various Christian sects. By the 1950s, however, the Nair Service Society and other private managements were also large and powerful. Education was thus inextricably linked with 'ethnic politics', both in the organisation it fostered and the way in which reading, writing and schoolgoing formalised perceptions about the identities of groups. (Jeffrey 1992, 55)

Terrence Nossiter (1982, 33) notes that even in 1978–79, the private sector managed 59 percent of lower primary schools, 68 percent of upper primary schools, and 65 percent of high schools, with more than half the school children in the state attending either government-aided private schools or private independent schools.[4] These schools are run by the Nair Service Society, the Muslim Educational Society, the Catholic Church, various Protestant organizations, and private businessmen.

Jeffrey (1987, 469) concludes that

> The example of literacy in Kerala also suggests the need to modify the emphasis sometimes placed on governments and institutions in explaining social and political events in modern India. The notion that governments initiate and people respond—often, to be sure, in unpredictable ways—is too tidy and simple. The acceleration of literacy in Kerala resulted first from the exploitation of existing cultural strengths: the relative freedom of women and the popular, old style schools. Malayalis were culturally attuned to schooling of a particular, local kind in which girls participated. . . . Governments, to be sure, influenced their subjects, but rarely, I suspect, directed them down paths they were not already inclined to go.

Similarly, Ramachandran's arguments about women's agency in the post-independence period need to be tempered by Jeffrey's work (1976, 1987, 1992). It shows that the roots of women's substantial advancement, compared to other Indian states, lay in the matrilineal system of Nayar society, which generated attitudes that were transferred to other caste groups in Kerala society. The breakup of the matrilineal system by legislation did not diminish the special roles and freedoms accorded to women in Kerala. Jeffrey also traces the emphasis on education and health to the critical role of women in Kerala.

In concluding his rather comprehensive and well-argued book, *Politics, Women, and Well-Being*, Jeffrey (1992, 217) makes the following startling claim contra Ramachandran:

> There is no Kerala model—neither in the sense of coherent policies that have produced specific results, nor a desirable goal that other parts of India or the world might wish to achieve. The remarkable social statistics that have intrigued scholars since the 1970s stem from the way in which public politics and the role of women took shape between the 1920s and 1950s amid the dissolution of old Kerala. The outcome in the 1990s is a society in which most people have skills (notably literacy) and some resources (perhaps a patch of ground) to prolong life and bandage the jagged edges of poverty.

Meanwhile, the experience of Kerala regarding land reform has been very similar to that of West Bengal detailed above. Ronald Herring (1983), Mallick (1993), and particularly Brian Morrison (1997) all conclude that the land reform program in Kerala has failed in achieving its stated objectives. According to them, the half-measures that

have been implemented as part of the land reforms have resulted in the *embourgeoisement* of the Kerala farmer, with a consequent accentuation of wealth and income disparities and greater opposition to more substantial reforms. This has had the consequence of maintaining the status quo in favor of the rich.

Thus, the real (as well as the merely apparent) advantages of Kerala in terms of non-economic measures of well-being cannot be attributed to democratic politics and state action; but it is plausible, at least hypothetically, that on the contrary, politicization and interventionism do explain the poor economic performance of Kerala. As Jeffrey (1992, 222) puts it, "Keralans regard the risks in their own state as too great: knowledge of the possibilities for dispute and loss make it more attractive to work and invest elsewhere."

Women's Agency and Socioeconomic Development

In an earlier volume, Drèze and Sen (1996) prefigure the chapter in *IDSRP* arguing that gender equality and women's "agency" is critical for socioeconomic development. Both pieces attempt to show that extraordinary levels of female deprivation and gender inequality are among India's most serious social development failures; that gender inequality and female deprivation do not automatically decline with economic development; that even when economic growth has a positive influence on the status of women, its influence is slow and indirect; that gender inequality is not only a social failure in itself, but also can lead to other kinds of social failure, such as illiteracy, greater child mortality, and in fertility; and that the relationship between gender inequality and economic development may be nonlinear, with the relative position of women first declining and then improving as the level of per-capita income or some other suitable economic indicator increases.

Using cross-sectional data based on India's 1981 census, *IDSRP* establishes that rates of female literacy and labor-force participation (variables that directly relate to female agency) have a strong and statistically significant negative effect on female disadvantage. While there are significant methodological and statistical problems (as discussed by the authors) with such a regression analysis-based approach, nevertheless the overall causal linkage is broadly plausible and is supported by other studies.

Accepting the validity of the empirical evidence, however, all that can be claimed is that female labor-force participation and female literacy have a positive relationship with the reduction of female disadvantage. The evidence and the development experience of the rest of the world cannot support the inference that such disadvantage has been reduced only by rapid and radical social change through public action.

Clearly, as the example of Kerala shows, women's agency can be facilitated by cultural factors rather than by concerted public action or political agitation. The development of women's agency in the developed world can hardly be claimed to have been the result solely of concerted public action or political agitation. Many countries that have resorted to such means (for example, the Soviet Union and Communist China) did not demonstrate the improvements in social agency claimed by their advocates (see Eberstadt 1990). In addition, as Drèze and Sen themselves point out (366), economic development can itself lead to a reduction in gender bias through the expansion of female literacy. And with economic development and increased economic opportunity, female labor-force participation can lead to reduced gender bias.

* * *

Amartya Sen is one of the most important political philosophers of our time. I have not even touched on his vast and influential work in this area. However, his theses about the sources of economic development in the Third World may be even more influential. And, on the basis of *IDSRP*, one has to conclude that these theses are questionable, at the very least.

NOTES

1. Other prominent critiques of the Left Front government's development record may be found in Rudra 1977 and 1985; Roy Choudhury 1980, 1985; Sarkar 1989; and Ruud 1994. Studies endorsing the development reforms and record of the Left Front Government include Kohli 1987, Rudolph and Rudolph 1987, and Nossiter 1988.
2. While certainly not the interpretation drawn by Marxists such as Mallick and Rudra, this conclusion is supported by the evidence that they and others present and is explicitly pointed out by Shenoy 1971; Krueger 1974; Rashid 1981; Mohammed and Whalley 1984; Roy 1984; Wade 1984a, 1984b, and 1985; Jagannathan 1986 and 1987; and Kamath 1992 and 1995.

3. Even here, Ramachandran dismisses the higher prevalence of disease and morbidity and the lower caloric intake and lower food consumption of Keralites extensively documented in the development literature on the basis of alleged shortcomings of the data.
4. Drèze and Sen's contention that literacy and mass education are primarily the result of the activities of the modern state are also brought into question by West 1970 and 1975, in the case of England, and Seybolt 1969 and 1971; Kaestle 1973 and 1978; High 1985; and High and Ellig 1988, in the case of America.

REFERENCES

Byers, Terence J., ed. 1993. *The State and Development Planning in India*. New Delhi: Oxford University Press.

Dorn, James A., ed. 1998. *China in the New Millennium: Market Reforms and Social Development*. Washington, D.C.: Cato Institute.

Drèze, Jean P., and Amartya K. Sen. 1989. *Hunger and Public Action*. New Delhi: Oxford University Press.

Drèze, Jean P., and Amartya K. Sen. 1995. *India: Economic Development and Social Opportunity*. New Delhi: Oxford University Press.

Drèze, Jean P., and Amartya K. Sen, eds. 1996/1998. *Indian Development: Selected Regional Perspectives.* New Delhi: Oxford University Press.

Eberstadt, Nicholas. 1990. *The Poverty of Communism*. New Brunswick, N. J.: Transaction.

Government of India. 1988. *Concurrent Evaluation of IRDP: The Main Findings of the Survey for January 1987–December 1987*. New Delhi: Department of Rural Development.

Herring, Ronald J. 1983. *Land to the Tiller: The Political Economy of Land Reform in South Asia*. New Haven: Yale University Press.

High, Jack. 1985. "State Education: Have Economists Made a Case?" *Cato Journal* 5.

High, Jack, and Jerome Ellig. 1988. "The Private Supply of Education: Some Historical Evidence." In *The Theory of Market Failure: A Critical Examination*, ed. Tyler Cowen. Fairfax, Va.: George Mason University Press.

Institute for Financial Management and Research. 1984. *An Economic Assessment of Poverty Eradication and Rural Unemployment Alleviation Programmes and Their Prospects—Parts I and III.* Madras: IFMR.

Jagannathan, N. Vijay. 1986. "Corruption, Delivery Systems and Property Rights." *World Development* 14.

Jagannathan, N. Vijay. 1987. *The Logic of Unorganized Markets in Developing Countries.* New York: Oxford University Press.

Jalan, Bimal. 1992. *The Indian Economy: Problems and Prospects.* New Delhi: Penguin Books.

James, William E., Seiji Naya, and Gerald M. Meier. 1989. *Asian Development: Economic Success and Policy Lessons.* Madison: University of Wisconsin Press.

Jeffrey, Robin. 1976. *The Decline of Nayar Dominance.* London: Sussex University Press.

Jeffrey, Robin. 1987. "Governments and Culture: How Women Made Kerala Literate." *Pacific Affairs* 21.

Jeffrey, Robin. 1992. *Politics, Women and Well-Being: How Kerala Became a Model.* London: Macmillan.

Jobert, Bruno. 1985. "Populism and Health Policy: The Case of Community Health Volunteers in India." *Social Science and Medicine* 20.

Kaestle, Carl F. 1973. *The Evolution of an Urban School System: New York City 1750–1850.* Cambridge, Mass.: Harvard University Press.

Kaestle, Carl F. 1978. "Social Reforms and the Urban School: An Essay Review." In *History, Education and Public Policy,* ed. D. Warren. Berkeley: McCutchan.

Kamath, Shyam J. 1992. *The Political Economy of Suppressed Markets: Controls, Rent Seeking and Interest-Group Behaviour in the Indian Sugar and Cement Industries.* New Delhi: Oxford University Press.

Kamath, Shyam J. 1994. "The Failure of Indian Development Planning." In *The Collapse of Development Planning*, ed. Peter J. Boettke. New York: New York University Press.

Kohli, Atul. 1987. *The State and Poverty in India.* Cambridge: Cambridge University Press.

Kreuger, Anne O. 1974. "The Political Economy of the Rent-Seeking Society." *American Economic Review* 64.

Lau, Lawrence J., ed. 1990. *Models of Development: A Comparative Study of Economic Growth in South Korea and Taiwan.* San Francisco: ICS.

Mallick, Ross. 1992. "Agrarian Reform in West Bengal: The End of an Illusion." *World Development* 20.

Mallick, Ross. 1993. *Development Policy of a Communist Government: West Bengal since 1977.* Cambridge: Cambridge University Press.

Mallick, Ross. 1994. *Indian Communism: Opposition, Collaboration and Institutionalization.* New Delhi: Oxford University Press.

Mohammed, Sharif, and John Whalley. 1984. "Rent Seeking in India: Its Costs and Policy Significance." *Kyklos* 37.

Morrison, Brian M. 1997. "The Embourgeisement of the Kerala Farmer." *Modern Asian Studies* 31.

Nossiter, Terence J. 1982. *Communism in Kerala.* Berkeley: University of California Press.

Nossiter, Terence J. 1988. *Marxist State Governments in India.* London: Pinter.

Patnaik, Utsa. 1993. "India's Agricultural Development in the Light of Historical Experience." In *The State and Development Planning*, ed. Terence Byers. New Delhi: Oxford University Press.

Planning Commission of India. 1985. *Evaluation Report on the Integrated Rural Development Programme.* New Delhi: Government of India.

Rabushka, Alvin. 1979. *Hong Kong: A Study in Economic Freedom.* Chicago: University of Chicago Press.

Rabushka, Alvin. 1987. *The New China: Comaprative Economic Development in Mainland China, Taiwan and Hong Kong*. Boulder: Westview.

Rao, C. H. Hanumantha. 1993. "Agriculture: Policy and Performance." In *The Indian Economy: Problems and Prospects*, ed. Bimal Jalan. New Delhi: Penguin.

Rashid, Salim. 1981. "Public Utilities in Egalitarian LDCs." *Kyklos* 34.

Royal Swedish Academy of Sciences. 1998. *Press Release*. Information Department, Box 50005, SE-104 05 Stockholm, Sweden, from website http://www.kva.se

Roy, Subroto. 1984. *Pricing, Planning and Politics: A Study of Economic Distortions in India*. London: Institute of Economic Affairs.

Roy Choudhury, Profulla. 1980. "Land Reforms: Promise and Fulfillment." *Economic and Political Weekly* 27.

Roy Choudhury, Profulla. 1985. *Left Experiment in West Bengal*. New Delhi: Patriot Publishers.

Rudolph, Lloyd I., and Susanne H. Rudolph. 1987. *In Pursuit of Lakshmi: The Political Economy of the Indian State*. Chicago: University of Chicago Press.

Rudra, Ashok. 1977. "The Left Front Government." *Economic and Political Weekly* 13 (September 3).

Rudra, Ashok. 1985. "Agrarian Policies of the Left Front Government in West Bengal." *Economic and Political Weekly* 20 (June 8).

Ruud, Arild E. 1994. "Land and Power: The Marxist Conquest of Rural Bengal." *Modern Asian Studies* 28.

Sarkar, Bikram. 1989. *Land Reforms in India*. New Delhi: Ashish Publishing.

Seybolt, Robert F. 1969. *The Private Schools of Colonial Boston*. New York: Arno Press.

Seybolt, Robert F. 1971. *Source Studies in American Colonial Education: The Private School*. New York: Arno Press.

Shenoy, Sudha. 1971. *India: Progress or Poverty—A Review of the Outcome of Central Planning in India*. London: Institute of Economic Affairs.

Swaminathan, Madhura. 1990. "Village Implementation of IRDP: Comparison of West Bengal and Tamil Nadu." *Economic and Political Weekly* 25.

Tendulkar, Suresh D., K. Sundaram, and L. R. Jain. 1993. "Poverty in India, 1970–71 to 1988–89." Working Paper. New Delhi: ILO-ARTEP.

Wade, Robert. 1982. "Group Action for Irrigation." *Economic and Political Weekly—Review of Agriculture* 18.

Wade, Robert. 1984a. "The System of Administrative and Political Corruption: Canal Irrigation in South India." *Journal of Development Studies* 18.

Wade, Robert. 1984b. "Irrigation Reform in Conditions of Populist Anarchy: An Indian Case." *Journal of Development Studies* 18.

Wade, Robert. 1985. "The Market for Public Office: Why Is the Indian State Not Better at Development?" *World Development* 13.

Weiner, Myron. 1991. *The Child and the State in India: Child Labor and Education Policy in Comparative Perspective*. Princeton: Princeton University Press.

West, Edwin G. 1970. *Education and the State*. London: Institute of Economic Affairs.

West, Edwin G. 1975. *Education and the Industrial Revolution*. New York: Barnes and Noble.

World Bank. 1993. *The East Asian Miracle: Economic Growth and Public Policy*. Oxford: Oxford University Press.