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## NEW ECONOMIC AGENDA IN KERALA

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**Abstract:** Social inequalities and exclusions can devastate people's lives, especially when they are far from the centers of power and control. This wreckage can be seen in many different parts of their lives, but particularly in their health. The health of any given country's population is primarily determined by politics, and public policies play a critical role. All over the world, countries with a history of egalitarian ideologies, and corresponding policies aimed at reducing social inequalities, have healthier populations.<sup>1</sup> The Indian state of Kerala, which has a long-running radical political tradition and a history of social-reform movements in the early twentieth century, is acclaimed for its achievements in health and social-sector development, including low levels of mortality and fertility, and high levels of life expectancy and literacy—all despite its low-performing economy. Kerala has become a veritable mecca for other low-income nations in social development and health advancement. Some argue that Kerala is important as a model for third world countries, where centuries of colonialism and decades of Western-sponsored development initiatives have created high levels of inequality and misery for the poor.

The Kerala model of development was a creditable achievement for a Third World society because it ensured First World standards in human development indices like healthcare, education, male-female ratio, mortality rate etc, even though in matters of economic development Kerala was a laggard like any other Third World economy. Amartya Sen, writing on the Kerala experience, points out that Kerala -- despite its low income levels -- has achieved more than even some of the most admired high-growth economies like South Korea and China. But economists remain concerned about the dismal state of affairs in stimulating economic growth. Kerala's performance in this sphere has been poor, even compared with other Indian states, says Sen.

Regional imbalances in social sector indices are another major problem. A study of the Hindu fisher community of [I]dheeravaram [I] in the mid-'90s states that the literacy level in this community was 84%, at a time when the state was celebrating the achievement of total literacy. In higher education, the performance of this fishing community was poor compared with other backward communities. Literacy levels among the other dominant coastal community, the Muslims, were also comparatively low.

Scholars who have conducted studies on social inequalities in Kerala say that artisanal fisherfolk, who constituted about 85% of fishing communities, have been both socially and politically marginalised. While farmers, workers and landless labourers are organised into trade unions and other progressive political formations, this has not happened among coastal communities. JonaHalfdanardottir, a scholar from the Netherlands, in a study on the social mobilisation of fisherfolk in Kerala, has observed that political parties, both left and right, showed no interest in mobilising fishing communities, nor did they even try to address their problems.

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**Introduction:** The southwestern coast of India, consisting mainly of Kerala and south Konkan, is one of the richest in the country in terms of biodiversity, abundance of fish stocks, cultural diversity of fishing communities, and historical traditions. With a recorded history of fishing life and trade relations with far-flung countries like ancient Greece, Rome and the Arabs going back almost 2,000 years, life in this coastal belt has been comparatively friction-free and prosperous. There was abundant trade in spices and other valuables through major ports like Panthalayani and Kodungallur -- known as Fandalini and Muziris in Arab and Roman texts -- and the sea has been bountiful. The life of the coastal people was comfortable and peaceful, as they devised their own traditional methods of sorting out differences, methods that have remained in place for centuries.

But all this has changed. In the past four decades there have been violent clashes that have split the fishing community vertically, along communal lines. Such incidents have become regular in recent years,

making it necessary to understand the socio-economic factors behind them.

Kerala is one of India's nine maritime states, and it is also the largest fish-producing state in the country. It contributes more than 30% of India's total marine fish production and over 36% of marine exports. Kerala enjoys a long and unbroken coastline that extends for 590 km; nine of its 14 districts have the Arabian Sea as their western border.

Kerala has an economic zone of 36,000 sq km of sea that is rich in diversity; over 100 varieties of fish are found here. According to a 1976 estimate, the fishery resource potential of the continental shelf of Kerala is around 8 lakh tonnes a year, of which 4 lakh tonnes is considered to be from the inshore sea area of 0-50 m depth. In 1991, the working group on resources, constituted by the Government of India, estimated Kerala's marine potential at around 5.70 lakh tonnes per annum.

The abundance and diversity of fish resources in Kerala's inshore sea is the result of unique

geographical and oceanographic features. These shores lie 20 degrees north of the equator, with relatively warm and stable climatic conditions round the year. Besides, the Arabian Sea estuaries are nourished by 41 rivers originating in the Western Ghats; in fact, a river joins the sea at every 15 km, on an average, providing fresh water and the right mix of salt and nutrients for all forms of marine life to flourish. Sandy and muddy sub-strata, large coral reefs, rich benthic vegetation and protective coastal plants like mangroves are other important factors that aid biodiversity. The two monsoon cycles, occurring every year, enrich the sea with oxygen and fresh water.

According to recent figures, more than 1.5 million people depend on fisheries for their livelihood. Official figures state that there are around 150,000 active fishermen along the Kerala coast, working both in the traditional artisanal sector as well as in the mechanised sector.

Till 1989-90, fish catches were abundant, reaching almost 6.5 lakh tonnes. Then there was a steady drop. In 1991, catches dropped to 5.64 lakh tonnes, and the next year, 5.61 lakh tonnes. In the past one decade there has been a fall in marine catch, putting a lot of pressure on Kerala's fishing population. This is one of the main reasons behind the growing social strife in coastal regions. As pressure on marine resources mounts, so too have social tensions in Kerala's coastal villages.

Traditionally, fishing communities maintained their social and economic ties on the basis of common property resources. They developed a number of social institutions that effectively oversaw disputes. These institutions, which continued to flourish for generations, have been under increasing pressure in recent times, mainly because of social and economic changes in the post-Independence years.

Two big changes are the advent of mechanised fishing and the pressures of economic liberalisation and globalisation. Traditional skills ruled fishing operations till the late-1960s. These artisans had developed their own skills based on rural technology. Historians say that this traditional knowledge system goes back to early historical times in south India, indicated in the rich Sangam literary texts that belong to the period between the 3rd century BC and the 3rd century AD. According to scholars, the southern region -- known generally as Tamilakam, which included almost the entire region south of the Deccan -- was divided into five geographical segments. The people who inhabited the coasts, known as Neithal, were described as Meenavar or Paravar in Sangam literature. The Sangam texts refer to a variety of fishing operations and also mention fish like *ayala* (salmon) and *sraku* (shark), still popular in the region. They speak of *marakkalam*, a

wooden vessel that floats on the water. Those who operated the *marakkalams* later came to be known as Marakkars, a seafaring community in the south.

Traditional Hindu fisherfolk are divided into 12 sub-castes on the southwestern coast, prominent among them being the Mokayas, Mukkuvas, Valers, Nulayars, Arayas and Mokaveeras. For administrative purposes, the groups were clubbed as one -- the Dheeveras -- through a 1961 government order giving them other backward classes (OBC) status because of their social and educational backwardness. These communities were ruled and controlled by the *sthanis* (seniors) or *kadakkoties* (sea-courts) of the respective area, which obtained *theetturams*, or decrees, from the local rulers; they had *de facto* control over the social and economic life of the people. These systems were in force till the end of the colonial administration that had accepted the *kadakkoties*, or sea-courts, as a legitimate quasi-judicial authority in matters relating to seafaring activities.

Though these communities keep their separate identities and have separate deities, in recent years there has been visible communal consolidation among them as a result of the spread of communal and identity politics along the coastal belt. Sociologists point out that in many places the mother goddess, KurumbaBhagavathy, has been replaced by new deities like Vettekkorumakan, indicating a shift from a matrilinear to a patrilinear society.

The present demographic patterns among fishing communities in the south of India have remained unchanged for years: Muslims and Christians have been part of coastal society since the advent of these religions in the region. The demographic strength of both these communities is almost equal, with 27% of the population being backward caste Hindus, 30% Muslims, and 37% Catholic Christians, mainly Latin Catholics who are confined to southern parts of Kerala. Many Hindu temples owned by the Mokayas had established customs like special *avakasams* or rights for Muslim families. For example, a Mokaya temple in Vatakara observed a tradition in which Muslim families in the vicinity made ceremonial offerings of betel leaves and areca nuts at the annual festival.

Now, all that is history. A communal agenda is taking hold. All social occasions are now observed separately, with society and the public sphere consciously stratified and divided. Why this change towards social mobilisation along communal lines?

**The economics of impoverishment:** As huge mechanised trawlers began to dominate the coastline from the mid-'60s, traditional fishermen, whose small vessels were unable to compete with the trawlers, were pushed to the sidelines. The seeds of discontent among the coastal people were sown by this shift in

technology, with no proper assessment of the impact of these policies on the poor. A new class of entrepreneur -- the moneylender-cum-boat-owner -- took economic control of the beaches, and tensions began to mount. There were clashes everywhere between the new class of mechanised boat workers and the traditional fish workers. Later, as the miseries of this impoverished class of people became more acute, the area became fertile ground for the spread of communal and divisive ideologies, with communal organisations playing on people's fears.

The economic relationship of various people employed in fishing activities, from boat-owner to worker to vendor, had been based on a system of sharing; all sections were entitled to a definite share in the proceeds, and everyone had a specific role in decision-making. For example, in a 12-man boat that is usually owned jointly by two or three people -- most of them working as part of the crew -- workers had the right to a one-third share in the proceeds.

The 1960s, however, saw the advent of an Indo-Norwegian project that emphasised capital-intensive fishing technology. The project, implemented on the southwestern and southeastern coasts, was a three-party agreement signed by the United Nations, Norway, and the Government of India. It was first implemented along the Travancore-Kochi coast during 1959-63, followed by the Karnataka and Tamil Nadu coasts in 1963-73.

The project was based on a model quite successful in Scandinavian fishing countries like Norway and Sweden. It promoted a western-style industrial fishery development strategy that focused on exports, and led to over-exploitation and speedy depletion of marine resources.

This soon resulted in the first series of physical clashes between the boat-workers and traditional fisherfolk, and organised violence became the norm in fishing villages. A senior activist with the MalsyaThozhilali Federation in Ernakulam recalls that the first clash was reported in the Mandapam-Tuticorin area of Tamil Nadu in the mid-'70s, when as many as 110 trawlers were set on fire and 16 fishermen killed. The violence spread to the Kerala beaches in the late-'70s, when protests were held against the impact of new economic policies being imposed on the fisheries sector. The protests were led by church leaders like Fr Paul Arakkal, who, in the 1980s, became one of the leading figures of the Kerala State SwathanthraMalsyaThozhilali Federation.

The shift in fishery policy was a conscious one: from the mid-'60s the government began emphasising the introduction of new technologies. State support and subsidies were chiefly made available for investment in mechanised boats and the latest fish processing technology, while support for traditional artisanal fisheries was practically withdrawn. The result was a

massive increase in boat fleets operating with modern nets and gear. These fleets were so efficient they quickly monopolised most of the marine wealth, with no regard for species regeneration or environmental protection.

This policy had a number of long-term effects. First, over-exploitation led to a decline in marine wealth. This sharp and sudden drop was noticed as early as the 1970s. Up to the mid-'70s, there was an increase in fish landings; then a steady decline in prawn landings and fluctuations in overall fish catches. Artisanal fisherfolk experienced an almost 50% drop in productivity in the period 1969-70 to 1979-80. Their share in the total catch decreased sharply. In spite of the introduction of a trawling ban, in the mid-'80s, the over-fishing continued with new foreign trawlers entering Indian waters. By the end of 2000, the situation had become serious with a substantial drop in overall catch, indicating that fishing activities had far exceeded the maximum sustainable limit.

One new dimension is that boat-owners and artisanal fisherfolk -- traditional rivals -- have now joined forces to set up joint action councils to fight the entry of foreign operators into the fisheries sector and the import of fishery products envisaged as part of various international agreements. The latest and most important of these agreements is the Indo-ASEAN free trade agreement, signed in August 2009, which envisages the import of various fish items to India; this is expected to have an acute impact on local fisher people.

The second major impact of the new developments was irreparable ecological destruction. Species regeneration was seriously affected, showing a depletion of resources, right from the mid-'70s. The Kerala government decided to introduce a trawling ban during the monsoons -- the reproductive season -- in 1981, but it had to revoke the order within three days under pressure from the mechanised boat lobby. With agitations turning violent, a 45-day fishing ban on trawlers was later introduced; it comes into force on June 15 every year.

The third impact was the pauperisation of traditional fishing communities. Fishermen today are not considered important stakeholders; many have been reduced to wage labourers. The common ownership pattern which once was the mainstay of life along the coast, has been replaced by a new class that includes powerful boat-owners-cum-moneylenders, trade unions, community organisations, middlemen and traders, political parties, and communal organisations.

The transformation of the old social order based on common social ownership principles into a class-based exploitative economy in the short span of a few years has had a tremendous impact on the people. They were rendered jobless, their traditional craft

made useless, and the sea, whose wealth was considered a common asset, was turned into raw material for private capitalist enterprise.

Dr K N Ganesh, who did a major study on the social and economic factors leading to communal tensions in Maradu, a coastal village in Kozhikode where a series of violent communal clashes took place, describes it as a state of total helplessness in the fishing villages, caused by intense competition, huge indebtedness and poverty and no effort on the part of the government or any other agency to help fisherfolk survive.

Many have left their homes looking for jobs in the Gulf, and an influx of their remittances soon added a new dimension to the existing social tensions. K V Devadas, who has observed the changing lives of fisher people in Madappally in north Malabar, asserts that while one section continued to live in abject poverty, a new class of new-rich came up among them. A visit to Maradu proves the point: the new houses built along the beach, mainly by Gulf returnees, are made of cement and concrete and have granite and marble flooring. Their neighbours, meanwhile, live in slum-like dwellings. The existence of abject poverty alongside a vulgar exhibition of wealth has been one of the major catalysts of communal tensions in many fishing villages, from Chombala in the north to Thaikal in central Kerala. It's the same story in the south, although the players and their communities differ.

Over the last four decades, the southwestern coast has witnessed a series of violent clashes. They can be divided into two types: those between the traditional fisherfolk and the new class of speedboat fishermen (quite common in the 1970s and 1980s), and those of a communal nature -- between the Hindu fishing communities on one side and Muslims or Christians on the other. In the southern parts, it was between Christians and Muslims. This second type of confrontation became rampant mainly after the 1980s, although some flashpoints like Maradu have a history of occasional communal violence from the early-'60s.

At Naduvattom, near Maradu, incidents of a communal nature led to police firing in 1958; in Madappally, near Vatakara, clashes occurred among the fisherfolk over political disputes between the communists and the Congress Party, in the late-'60s; in Vatanappally, in Trissur, similar incidents were reported two decades ago. In Thaikal, near Cherthala in Alappuzha, clashes occurred between Hindu and Christian fishermen, resulting in five deaths in 2002; Vizhinjam and Poonthura in the south are well-known as sensitive areas with occasional outbursts between the different communities. Maradu witnessed two violent incidents that left over a dozen Hindus and Muslims dead. In Valiyathura, near

Thiruvananthapuram, six people -- all Muslim fisher people -- were shot dead by police in 2009. Minor communal clashes are common throughout the region, resulting in loss of human life and property. According to police sources, there are dozens of sensitive pockets along the coast.

**The seeds of a new social movement:** In the hills, especially in districts like Wayanad, the past few years have witnessed an unprecedented decline in agricultural activities and a spate of farmer suicides. Recent studies by independent scholars as well as the official machinery have concluded that the decline in farm profitability and consequent debt trap posed by the import of cheap agricultural products, rise in input costs, and dependence on global market forces are the root causes of the farmers' misery. Most of the state's major agricultural products like coconut, spices and rubber are prone to international market price fluctuations and are dependent on them. According to the Economic Review of Kerala, 2005, the recent Indo-Sri Lankan Free Trade Agreement, allowing free imports of pepper, and the South Asian Preferential Trade Agreement (SAPTA) among SAARC countries have had a negative impact on the agricultural sector, especially as regards rubber, palm oil, pepper and marine products. The ASEAN Trade Agreement, signed in August 2009, is also feared to have a negative impact on Kerala's economy.

While the serious situation in the farm sector received the full attention of policymakers (thanks to a spate of farmer suicides) and the media, fisher people, who face a similar situation in coastal villages, are largely ignored. While the farmers had their influential political and trade organisations that kept their grievances on the national agenda, the fisherfolk had no such organised lobby and were trapped in the clutches of obscurantist and communal outfits, as seen in the coastal villages of Kerala in the past few decades. Instead of fighting a common enemy, the fisher people fought among themselves, leaving the wealth of the sea to be plundered by local middlemen and the global marine industry.

However, coastal social relations are now undergoing a transformation mainly due to the impact of globalisation policies. The age-old enmity between traditional fisherfolk and mechanised boat crews, which has been a major source of conflict in coastal regions since the late-'60s, is giving way to new contradictions. Mechanised boat crews and traditional artisans are now coming together to fight the new forces entering the fray.

The changes in economic and social relations within the fisheries sector were evident from the early days of globalisation, as the mechanised boat lobby and traditional fisherfolk began holding joint agitations to protect their rights. Take, for instance, the trawling ban. It was first enforced in Kerala and other

southern states in 1988 when studies proved the depletion of fish resources owing to trawling by mechanised boats. Although there was stiff resistance from the mechanised boat segment in the initial days, in the past decade, a ban varying from 30 to 62 days has been imposed on them. Traditional fisherfolk in their small vessels are allowed to venture out to sea. State government figures show that the trawling ban did augment fish stocks. At the peak of heavy trawling through the years, from 1977 to 1986, annual average fish landings in Kerala declined to around 3.49 lakh tonnes. The ban was imposed in 1988; the figures for the period 1988 to 1997 show that fish landings increased to 4.58 lakh tonnes, and from 1998 to 2005 to 5.75 lakh tonnes.

But the gains from the increased fish wealth did not benefit the ordinary fisherfolk. Today, the fishing sector is dominated by huge vessels operated by Indian and foreign owners as part of new international agreements. The annual Economic Review of the Kerala government for 2005 notes: "Subsidy reform in the fishery sub-sector forms part of the multilateral trade negotiations agreed at the fourth ministerial conference (of the WTO) at Doha. Significant work on the relationship between fishery subsidies and overfishing has been done by various international organisations in recent years... Most of them focused on marine capture fisheries rather than aquaculture."

Fishing bans and rich-country subsidies in the fisheries sector are having a severe impact on the fisheries sector. Many small and medium export-processing firms in Kerala have been badly affected. This is the backdrop to the emerging unity among mechanised boat fishermen and traditional fisherfolk. In fact, the traditional sector is now almost extinct; its negligible catch caters exclusively to the local market. The mechanised segment provides fish products for the export-processing firms that operate in various parts of the state.

According to recent figures, there are roughly 4,300 mechanised fishing boats in Kerala while the number of inboard-engine-fitted canoes is only around 400. A recent report in *The Hindu* claimed that many boat-owners are in deep debt as catches in the past year have been lean. The Kerala State Fishing Boat Operators Association estimates that each operator has to spend Rs 2.5-3 lakh on annual maintenance. Painting alone costs between Rs 75,000-90,000. With new trade agreements covering marine resources, the financial stability of the local fisher people is under strain.

Then there is the investment needed to compete in the international market, according to agreements on sanitary and phyto-sanitary (SPS) conditions. SPS conditions have been harsh for small and medium exporters, with bans being imposed by rich countries

like the European Union, Japan and the United States. The ban on shrimp from Bangladesh, Nile perch from Uganda and some shipments from India are recent examples, pointed out by the Kerala government's Economic Review.

According to a 2001 estimate, global subsidies in the fishing sector are as high as US\$ 15 billion, most of which goes to fishermen in rich countries. In order to achieve safety standards in conformity with European Union norms, exporters will have to set up their own capital-intensive Hazard Analysis and Critical Control Points (HACCP) plants. The *Economic Review* points out that the installation cost of HACCP plants in India varies between Rs 10-25 million. The annual maintenance cost itself would be around Rs 2 million, increasing pre-export handling charges by an additional Rs 7-10 per kg of fish products. The government document says that the state will have to move towards international standards for product hygiene in order to retain its existing market share in the overseas market. Exporters involved in the marine sector claim that the cost of such factories is much higher; a number of exporting firms have faced ruin in recent years owing to rejection of shipments because of the strict standards set by importing countries.

The present situation calls for huge investments, even as the fisheries sector faces a major setback with falling prices, cost escalations, intense competition, and other problems. All this explains the high levels of anger.

The new scenario offers some hope for the future. Unlike in the past when a divisive and obscurantist ideology took control of the masses in fishing villages, the new situation has forced people to recognise external economic aggression and the need for a united front to face it. This united front transcends caste and communal divisions, based on a rational and realistic agenda. It could be the basis for a secular political movement in the coastal regions.

**Kerala's Development:** In the current debates on Developmental state a neo-liberal intellectual mantra is continuously peddled around by the advocates of neo-liberalism for the citizens to consume, it is that for countries to develop they must draw lessons from East Asian Newly Industrialized Countries (NICs) eg South Korea and Malaysia. In this piece we contend that this is a lie.

We argue that there are alternatives. The Kerala Development model is one among many of these alternatives.

Kerala is a small state in India, it has a population of more than 37 million. In 1957 Kerala democratically elected a Communist-led coalition into power.

The victory of Communists over parties of the right shook the world. Our concern is not the Communist Party Coalition that got elected but what the

Communist Coalition delivered together with the poor working, and oppressed sections of Kerala when it assumed political power.

What are the lessons that the South African working class movement can draw from Kerala? Our concern is that in the lead up to Polokwane, everything seems to be shelved under the so-called succession debate.

Key strategic questions of theory, strategy, tactics and policy are relegated to the backburner its succession debate tops the fashion stakes. Whither the succession debate!

Challenges that faced communist-led Kerala Before going to the key features of the Kerala model it is important that we take a detour to Michael Lebowitz when he says: Any country that would challenge neo-liberalism by seriously attempting to foster endogenous development will face the assorted weapons of international capital.

These are of course, formidable foes. Since no government based simply on its own resources can hope to succeed in this struggle against such internal and external enemies, the central question will be whether the government is willing to mobilise its people of the policies that meet the needs of the people.

But Lebowitz warns: If a model of endogenous development is to be successful, it must base itself upon a theory that places the goal of human development first.

This means not only investments in human beings that come from the direction of expenditure and human activity to the critical areas of education and health, but also from the real development of human potential which occurs as a result of human activity.

This is the essence of the revolutionary practice that Marx described, the simultaneous changing of circumstances and human activity or self-change.

In contrast to populism that merely promises new consumption, this alternative model focuses upon new production – the transformation of people through their own activity, the building of human capacities.

Lebowitz' observations reflect the Kerala project, a project that is built on the logic of human development, which is a result of human activity.

What then are the key achievements and features of the Kerala Development project?

Key achievements of the Kerala Development project writing about the Kerala project, Govindan Parayil argues that Kerala has in fact proved the development experts wrong.

Over the past fifty years or more, Kerala has been transforming itself from an extremely poor state, ridden with caste and class conflict and burdened by high birth rates, infant mortality, and population growth rates, into a social democratic state with low

birth rates, (reduced) infant mortality and population growth rates and high levels of literacy.

Kerala indicators of social development are comparable to many so-called developed nations, although its per-capita income is a mere fraction of theirs.

He further says this transformation occurred without the rapid economic growth characteristic of the East and South East Asian NICs.

Another scholar on Kerala, Kannan says Kerala's development record should not be perceived, in common with most analysts, as merely the achievement of a high quality of social life despite low economic growth. Instead enhanced social conditions, including alleviation of poverty, have been attained along with a reduction in both spatial (between rural and urban areas) and gender gaps (between males and females) – two regressive trends that characterize most developing societies.

He further says that economic and social transformation took place without outside help Ramachandran refuting the myths of neo-liberals, argues that states with per-capita income higher than that of Kerala, fared very poorly in terms of social indicators of development, which clearly show the inadequacy of economic growth as the measure of development.

Alternative indicators of development such as the physical quality of life index, human development index, and gender development index, measure development more usefully than do economic growth indicators like GDP per capita

#### **Fisherfolk and the fisheries sector in Kerala:**

Kerala is situated on the southwest coast of the Indian sub-continent with an area of about 38,863 square kilometres, which makes about 1.27% of the Indian territory. The state is separated from the rest of India by the Western Ghats in the east and the Arabian Sea in the west. The territory of Kerala can be divided into three regions, the highlands, midlands and the lowlands. The lowland lies close to the sea.

Kerala has a coastline of 589.5 kilometres, which forms 10% of India's total coastline and this has facilitated trade with other countries since a very long time. The density of population is very high all along the coastline as compared to the midlands and the highlands (Asia Development Bank, 2003). A very rich marine wealth with a large variety of fish and a highly skilled population of fishermen have made Kerala a leading producer and consumer of fish (Aerthayil, 2000).

The high rainfall and a large number of rivers makes the Kerala coast especially fertile for fish. One speciality of the Kerala coast is the mudbanks, known in Malayalam as *chakara*. It is the formation of clay and organic matters on the coast that occurs after

monsoon with the sea remaining calm, thus resulting in good harvest of fish. Fish is a source of livelihood and of rich protein for the fishworkers as well as the people of Kerala and fishing plays an important part in the economy of the state (Kurien, 2001).

The average fishlanding in Kerala accounts for about 20% of the total landing of the country (Department of Fisheries, 2005). The average share of fish exports of fish products from Kerala was 10.24% in 2000-2001, while it has increased to 15.97% in 2002 and 19% in 2005-2006 (Department of Fisheries, 2005) of the total marine export of India in the same period. The average fishing area in Kerala is the lowest as compared to this output. This shows that the fishing pressure on the coastal areas is very high in Kerala (Dietrich and Nayak, 2002; Aerthayil, 2000).

Apart from fishing, the fisheries sector also includes allied activities such as working on the beach, fish distribution on a small scale, fish curing, work in peeling sheds and fish processing work in the plants.

**People's Planning in Kerala:** People's Plan Campaign, held in 1996 in Kerala State, was a remarkable experiment in decentralisation of powers to local governments with focus on local planning. Kerala State lying in the south-west part of India, is considered a fertile land for decentralization. In India's Ninth Five-Year Plan, each state within the national federation was expected to draw up its own annual plan and the Peoples Plan was an offshoot of it.

In the beginning of the ninth plan, the Government of Kerala took a bold decision to devolve 35% of the state development budget down from a centralized bureaucracy to local governments where local people could determine and implement their own development priorities under the People's Plan Campaign (PPC).

Decentralization is, basically, the process of devolving the functions and resources of the State from the centre to the elected governments at the lower levels so as to facilitate greater direct participation by the citizens in governance. Peoples Planning is an attempt in this direction

*Stages in People's Planning:* Need identification, situation analysis, strategy setting, projectisation, plan finalisation, plan vetting and plan approval were the stages in peoples planning.

In the first phase, Gram Sabhas (village constituencies) were convened and people at the local level were mobilised to assess felt needs.

In the second phase, development seminars were held in every village panchayat, followed by formation of 'task forces' for the preparation of development projects. 12,000 task forces were formed that worked out to around 12 task forces per village panchayat. Close to 120,000 people participated in these task forces.

In the third phase, development projects were prepared according to a format suggested by the Kerala State Planning Board, giving details such as the nature of activities envisaged and financial and organisational aspects. Despite such quantitative achievements, a review by the state planning board showed that 'the task forces' did not function as effectively as was expected. The main weakness was that adequate number of experts could not be attracted to the task forces. The participation of officials was also far from satisfactory. The training given to the task force members was also inadequate. An interim review of the projects prepared revealed numerous weaknesses, particularly with respect to technical details and financial analysis. Accordingly, a number of rectification measures like project clinics, reorientation conferences, etc. were organised. All these created unforeseen delays in the final plan preparation'

By the time the fourth phase started, the financial year 1996-97 was over. This phase, from March to May 1997, was expected to prepare five year plans for the panchayats based on their development projects. This was no easy task since it involved prioritising projects, assessing resources and institutional capacity, weaving the plan into the development strategy of the state, coordinating it with other village panchayats within the block (intermediary tier) and district level developmental framework and spelling out mechanisms for supervision and monitoring.

The fifth and final phase was meant for the preparation of annual plans for block and district panchayats by integrating the lower level plans and, presumably, to developing their own plans that would be complementary to the village panchayat plans. Due to the delays and inadequacies in the preparation of village panchayat plans, this exercise could not be undertaken. To quote the Kerala State Planning Board, the lead agency: 'As a result, there were many instances of duplication of planning activities and also critical gaps between the various tiers'. Even when projects and plans were available, it was realised that most of them had to be examined closely for their 'technical soundness and viability.' This led to another phase leading to the formation of expert committees and project appraisal teams to scrutinise and approve the projects and plans.

**Conclusion:** When a prominent leader of Kerala's Communists once was asked how he felt about industrialization his response was very frank: he was keen only for labor-intensive production. "It was good luck that the Communists were genuine Gandhian. That is, they were genuinely interested in the poorest people," states an American Academic. Kerala features a quality of life matching Western Standards in literacy, life expectancy and other benchmarks. An extraordinary achievement for an

economy clearly dominated by agriculture. The Co-operative movement played a significant role in financing, marketing products and housing. Land Reform achieved that 90% of people live on their own land.

But things become more difficult in The Global World. Remittances from the more than 2 million Keralites working abroad in recent years have been the most important stimulant for the economy. Investing their savings they will help to build a base for the future.

Kerala was stated to be one of the 50 Top Tourist Destinations of the World by National Geographic Magazine.

There are tremendous opportunities in Kerala's economy - barely touched by the global business community. The state's infrastructure may be less than ideal but is reasonably well developed. So the route to future is wide open!

Kerala has a long tradition providing its people with good education. A century ago some of the Grand-Grand-fathers of today's generations got in touch with the ideals of communism. They were successful in confronting caste discrimination and autocratic powers. Organizing themselves they brought land reforms, good governance and distribution of wealth. Public protest to hold public officials accountable is a vital part of Keralan life. Like their forefathers did the right things by emphasizing social values, today's generations discover "The Spirit of Free Enterprise"! Migration has been the single-most dynamic factor in the otherwise dreary development scenario of Kerala in the last quarter of the twentieth century. Kerala is approaching the end of the millennium with a little cheer in many people's homes, a major contributing factor for which has been migration. Migration has contributed more to poverty alleviation in Kerala than any other factor, including agrarian reforms, trade union activities and social welfare legislation. The study shows that nearly 1.5 million Keralites now live outside India. They send home more than Rs.4,000 million a year by way of remittances. Three-quarters of a million former emigrants have come back. They live mostly on savings, work experience, and skills brought with them from abroad. More than a million families depend on internal migrants' earnings for subsistence, children's education and other economic requirements. Whereas the educationally backward Muslims from the Thrissur-Malappuram region provide the backbone of emigration, it is the educationally forward Ezhawas,

Nairs and Syrian Christians from the former Travancore-Cochin State who form the core of internal migration. The paper also analyses the determinants and consequences of internal and external migration. It offers suggestions for policy formulation for the optimum utilization of remittances sent home by the emigrants and the expertise brought back by the return migrants. Migration in Kerala began with demographic expansion, but it won't end with demographic contraction. Kerala has still time to develop itself into an internally self-sustaining economy. The prevailing cultural milieu of Kerala in which its people believe that anything can be achieved through agitation and any rule can be circumvented with proper political connections, must change and be replaced by a liberalised open economy with strict and definite rules of the game.

The return of many illegal migrants in Saudi Arabia will adversely affect Kerala's economy, which is heavily dependent on money coming in from the Gulf countries.

The state is still to recover from the effect of more than 30,000 being deported from the United Arab Emirates last year and the huge influx of Indians from Kuwait during the Gulf war in 1990.

More than half of those who returned from the Gulf still have not found jobs in a state where unemployment is already high.

This has also reduced business activity in pockets of the state where more people had gone to the Gulf. Real estate prices, which show up during the boom period in the late seventies, have slid dramatically. But despite the fall in prices, there has been little transaction in real estate during the last two years. Demand for consumer items has also declined drastically after people returned from the UAE.

While the state government had promised a rehabilitation package, nothing tangible has been done so far. And due to a lack of funds and jobs, the state can do little. So it passed the buck on to the central government, claiming the Centre ought to take care of the migrants, who contributed so much to India's foreign exchange reserves. The central government has not reacted positively to any of the rehabilitation schemes suggested by the Kerala government.

The Union finance ministry did not even approve of the state government's proposal to set up a growth fund using money coming in from non-resident Indians.

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