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The Mararikulam Experiment: An International Perspective

by
Richard W. Franke
Professor of Anthropology
Montclair State University

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1. Introduction

The Mararikulam experiment consists of an integrated set of projects designed to make substantial reductions in poverty in the eight villages and two towns of the Aryad and Kanjikuzhy development blocks in the central coastal region of Kerala State, India, over the years of 2002 to 2005. The projects take the well-established approach of job creation through micro-credit – a Kerala variant of the Grameen Bank experiment in Bangladesh that has justifiably attracted international attention and acclaim.

But the Mararikulam experiment contains several innovative features. From an international development perspective, we see that this experiment deepens and extends the earlier innovations in micro-credit. The people of Mararikulam wish perhaps only to make their lives better; but taken as a whole, the set of projects they are embarking on offers to generate a whole new set of experiences and lessons for the international development community. In this paper, I wish to outline the main features of this offer. First, I will give an overview of the rationale, goals, and mechanisms of the project. Then I will briefly summarize what I believe are the innovative features to which we in the outside development community should pay special attention.

2. Rationale and Goals of the Experiment

The main projects are designed to reduce poverty in an area that has some of the highest rates in Kerala. A survey in the year 2000 indicated that 41,119 of the 71,327 households in the area, 59.6%, have incomes below the local poverty line. The combined projects would generate 4,437 medium-skilled industrial jobs, another 580 jobs in agriculture and fishing to supply the increased demand for raw materials for the industries, and large increases in vegetable, fish and fruit production. At least 12.2% of BPL (Below Poverty Line) households would gain incomes to bring them above the poverty line directly from the project interventions, while many more would benefit from multiplier effects. Because the project is designed to be self-sustaining after 2005, further

reductions in poverty should occur without additional outside funding. If these secondary reductions take place, the experiment will have provided important lessons for designing sustainable poverty reduction projects elsewhere.

3. The Major Poverty Reduction Agents – Micro-Enterprises and Self-Help Groups

The project envisions setting up 465 small-scale enterprises (micro-enterprises). The first units to go on line would produce goods using locally available raw materials for sale in local markets. These include ready-made garments, school notebooks, soaps, umbrellas, and semi-processed foods such as jams, coconut creams, vegetable chips, Indian style pickles (achars), and ready-to-cook fish. Some of these products can also be marketed outside the region.

More technically advanced employment will be generated within a second group of micro-enterprises that will manufacture coir (coconut fiber) products suitable to modern needs thereby helping to revive a declining industry in the region. Coir fiber can be used for packaging papers and for geo-textiles that are used in road construction and embankment stabilization. Two computer data entry centers are also envisioned as are some light industrial units.

A central marketing and raw materials purchasing agency will coordinate the smaller local cooperatives, giving the advantages of large scale where needed while maintaining the beneficial aspects of decentralized production to be noted below.

4. Why International Interest?

What makes this set of projects so innovative? I see seven major reasons.

4.1 Building on the People's Campaign

Firstly, the Mararikulam experiment is a logical continuation and extension of Kerala's campaign for democratic decentralization that was the major feature of the state's politics and economics from 1996 to 2001. The Kerala People's Campaign for Democratic Decentralization enlisted the active participation of hundreds of thousands of ordinary citizens in listing their problems, gathering local data for planning, and proposing, implementing, and evaluating projects. Mararikulam's people participated in the People's Campaign at very high levels and created several innovative and successful local projects. They are thus a population with the experience and skills to undertake a further experiment in using democratic local structures and processes to promote sustainable development. The high levels of experience and consciousness at Mararikulam also make it possible to rapidly adapt valuable innovations from other advanced communities such as the Kunnathukal Labor Bank, a labor contracting society that has created mechanisms for stabilizing the relationships between farm laborers and small landowners to the benefit of both (Thomas Isaac and Franke 2002; Krishnakumar 2001).

4.2 Going Immediately to Scale

The experiences of the people's campaign make it possible for the Mararikulam experiment to go immediately to scale. The project is large-scale from the beginning. No

pilot projects are needed and the frustrations of successful mini-projects that do not scale up can be avoided. The Mararikulam experiment is thus a scientific test of the value of large-scale decentralization of the devolution type with democratic participation. Given the possibilities of further decentralization experiments throughout India in the near future, the lessons from Mararikulam could be almost immediately useful in other states.

4.3 Self-Reliance: Resisting the Harmful Aspects of Globalization

The emphasis on local resources and local marketing helps to insulate the jobs created from sudden effects of outside policies over which the local beneficiaries have no control. Mararikulam planners and activists realize that all regions of the world will be brought under some degree of influence from the international market. But insulating a significant portion of the production system by keeping raw materials, production, and marketing local will reduce the effects of sudden world price changes that have harmed Kerala producers in recent years.

The recent addition to the experiment of a decentralized social security safety net strengthens self-reliance even in a globalized economy. Given the weak position of many developing countries in the international globalization process, and given the generally weak position of all local communities, measuring the degree of success at Mararikulam could be of special interest in the developing world.

4.4 Self-Reliance: Participant Co-Financing

A remarkable feature of the experiment is that the individual beneficiaries will supply 6.8% of the financing and their local governments through village assemblies (grama sabhas) and neighborhood associations will contribute another 32.4%. The high degree of self-financing gives the participants and their communities a close identity with the success of the project and should produce greater involvement and commitment to its goals than projects mostly financed and designed from outside. They are creating their own production centers rather than seeking employment at sites owned by outside investors.

4.5 Empowering Women Through Community Participation

Kerala's famous development model did little directly to emancipate women. The substantial gains women made in Kerala in education, low birth rates, equal treatment in health care, and nutrition, all came as by-products of the Kerala Model that placed its emphasis on other groups. Only with the People's Campaign in 1996 did women's empowerment and participation become a major focus of development action.

In Mararikulam, creating jobs for women through women's self-help groups will increase women's agency in the public sphere and promote the general movement towards women's equality. In addition, the drinking water component of the parallel health project promises to reduce women's work burden in the household in procuring water. This is widely recognized in the development literature as one of the major obstacles to greater women's participation in development (Weaver et al. 1997:202). In Kerala, as throughout the developing world, fetching water and fuel wood are two of the most time-consuming household activities that drain women's energy and keep them

from engaging in public activities. Kerala has previously reduced fuel gathering time through electrification and the installation of high-efficiency wood stoves.

Moreover, empowering women through women's self-help groups that create new income sources for the households promises to frame women's empowerment positively in the eyes of men rather than as a setting for conflict and confrontation as sometimes occurs.

4.6 Sustainable Development: Community Over Competition

The local communities or the workers will own the production facilities. Profits from the first generation of micro-enterprises will be used to set up the next. Business enterprises within the experiment will be seen primarily as instruments of community advancement through job creation rather than as devices to return dividends to individual investors. In this way they will attempt to generate a Mararikulam version of the successful example in Kannur of the Kerala Dinesh Beedi Workers Cooperative (Thomas Isaac, Franke, and Raghavan 1998).

4.7 Sustainable Development: Enhancing the Resource Base

One of the most significant features of the Mararikulam experiment is the high degree of integration of environmental maintenance and improvement within the project design. One of the most important recent lessons in international development experience is that protecting and/or enhancing the resource base is essential to long-term sustainability and that therefore environmental issues should not appear as tag-ons to projects emphasizing other goals.

The Mararikulam project design has already absorbed this lesson. Ocean fish populations will be revived through the construction of artificial reefs based on practices developed in earlier Kerala experiments. Pond fishing will be developed in over 5,000 project area ponds along with a program to better manage fresh water resources and to clean up and revive local canals that have fallen into disuse or have deteriorated.

The increased agricultural production to be stimulated by the industries that will purchase the raw materials will utilize recently developed organic manure and organic pesticides produced from local materials such as coir pith manure.

The main job-creating industries will be set up in planned clusters, sharing common road access and other services. This design will facilitate the lightest possible load on the environment from an industrial complex. Many buildings will be equipped with rainwater harvesting facilities to lessen the costs of bringing in piped water and to make the units as self-sufficient as possible. Local water tables and water quality may improve. The water harvesting units will be adapted from those developed at Olavanna Panchayat during the 1996–2001 People's Campaign.

The rainwater harvesting technology alone is of considerable international significance. Development experts estimate that worldwide 1.1 billion people lack access to adequate clean water, more than twice the number who currently use computers (Flavin 2002:xx). Water-related diseases are now identified as the major cause of 14,000 to 30,000 deaths per day (Gardner 2002:7). A successful integration of rainwater

harvesting with a micro-enterprise-based rural industry project would constitute a major breakthrough in development practice, and would offer significant lessons for planners and activists everywhere.

5. Legacy of the People's Campaign

Throughout this overview of the Mararikulam experiment, we have seen the influence of the People's Campaign of 1996–2001 ? Kerala's radical experiment in democratic decentralization. While decentralization has been a key procedure in the campaign, it is the strengthening of democracy that makes the campaign so significant internationally. Perhaps in English we could better reverse the terms to describe the campaign as "decentralized democracy." Democracy functioning at the local levels combined with high degrees of participation, mutual trust among individuals, optimism towards the future, and a willingness to deliberate, compromise, and work together – these elements of the People's Campaign effectively extend into the Mararikulam experiment. They are the key to its success or failure.

6. Overcoming Poverty

Finally, I believe a few words are in order concerning poverty alleviation, the central theme of the Mararikulam experiment. Kerala has already achieved more than most other states of India and the developing world more generally in overcoming the basic concomitants of poverty: illiteracy, high infant mortality, high birth rates, and the like. In this sense Kerala as a whole is already an experiment that has drawn considerable attention from the development community. In recent years, Kerala has further reduced poverty through a combination of renewed economic growth and the influx of remittances from overseas workers.

The Mararikulam experiment takes on a special significance when viewed in the context of the international struggle to overcome poverty, however. In recent decades free trade, structural adjustment, and even economic growth have shown little promise in improving the lot of poor people in the developing countries. The vast bank loan avalanche of the 1970s and the structural adjustment policies of the 1980s were associated with *increased* poverty in many areas. During the 1980s, per capita incomes in Africa decreased by 12.5% and in Latin America by 9.1% (Pinstrup-Anderson 1993:87). The number of underweight children in Africa increased from 22 million to 38 million (Gardner and Halweil 2000:62). In Brazil, 60,000 "extra" child deaths occurred and in the Third World generally more than 500,000 deaths were attributed by experts to recessions and structural adjustment programs, not including war deaths (Grant 1989:1).

Why am I bringing up these grim statistics from the 1980s? Worldwatch Institute President Christopher Flavin (2002:xxi) has the answer when he writes that the 1990s, "a decade of unprecedented economic growth? adding over $10 trillion a year to the global economy? has left the number of people living in poverty nearly unchanged at more than 1 billion." If adding $100 trillion to the world economy over a decade has no impact on the number of people living in poverty, then should we continue to advocate economic growth alone as the answer to poverty? Or should we look for alternative, integrated experiments, such as Mararikulam?

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