

## **HETERODOX ECONOMIC POLICY OUTLOOK: A PROVEN BOON AT THE TIME OF A GLOBAL PANDEMIC**

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### ***Abstract***

The socio-economic scenario caused by the global pandemic COVID-19 has shown that there was an undeniable fault in the way we were carrying out our economy. In this critical situation, a paradigm shift that is less capitalistic and more humane in nature is inevitable, that would be capable to redefine the fundamental way of looking at the world. The new paradigm needs to prioritize the ‘flourishment’ of human society as a whole than on visioning remarkable growth in National Income. In this light, the paper tries to analyze how a poverty eradication program of Indian state Kerala, which was relatively successful in flattening the covid-19 curve, called ‘Kudumbashree’, has an influential hand in helping the state in the face of the Covid-19 fight. Likewise, the paper tries to prove how states which have moved in a more heterodox way of development rather than concentrating only on the accumulative process are safer than their counterparts in the face of this pandemic. As a matter of fact, Kerala saw its policies that focused on improvements of primary health, poverty eradication programs, welfare programs become an added strength during the fight against the Pandemic. Kerala’s biggest poverty eradication program ‘Kudumbashree’, played a very significant role in helping the state through several measures such as mask-sanitizer production, community kitchen services, and more. This study tries to analyze the activities of ‘Kudumbashree’ at the time of the COVID-19 lockdown and how programs like Kudumbashree can be a model. The paper tries to understand the importance of localization and how a heterodox development path would lead to a greater good for human society.

*Keywords: Kerala, COVID-19, Localisation, Kudumbashree*

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## Introduction

On 31 December 2019, China reported a cluster of cases of pneumonia in Wuhan in its Hubei Province which can be marked as the beginning of the change the world was going to witness. A novel Coronavirus was eventually identified, named COVID-19 which started spreading all over the world. On 11 March 2020, the World Health Organisation declared COVID-19 as a Pandemic as the death toll and morbidity were increasing uncontrollably.<sup>1</sup>

Many countries declared lockdown, banned international and domestic travel, students were out of schools, and universities and the economy was stuck. On 24 March 2020 government of India declared its first part of nationwide lockdown limiting the movement of 1.3 billion people which include informal sector workers that constitute more than 80% of the Indian Economy. The lockdown was criticized widely for its unpreparedness as the migrant laborers which is four crores<sup>2</sup> were not provided any mode of transportation to go back to their homes and were forced to walk thousands of kilometers. These migrant labor families including women and children had to walk back homes with limited or no food for days and many lost their lives during this tragic journey. Unemployment in India rose from 6.7% on 15 March to 26% on 19 April that is, within a month of lockdown. According to estimates, 14 crore people lost employment while salaries were cut for many others. More than 45% of Indian households witnessed an income drop compared to the previous year.<sup>3</sup>

Though all these demanded immediate state intervention with extraordinary policy response, what was missing was a sense of realism, and more notably, a sense of responsibility on the part of the Government of India towards its citizens in general and the working poor and their families in particular (Kannan, 2020). On the other hand, few state governments especially few south Indian states were noteworthy responsible towards their citizens and the policy response was timely and benefitting. States like Karnataka, Tamil Nadu, and Kerala have addressed the food security problems during the lockdown and assured every ration cardholder gets what is necessary for surviving the lockdown through the public distribution system. Tamil Nadu government provided free ration including cereals, pulses, sugar, and cooking oil to all ration card-holding households and provided rice, pulses and cooking oil for free to migrant laborers. Through the 'Amma' canteen<sup>4</sup>, cooked food was delivered to elderly and destitute.

Kerala, which has always been celebrated worldwide because of its alternative model of development with remarkable accomplishments in human development which is often

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<sup>1</sup> World Health Organisation

<sup>2</sup> Census 2011 ( Government has no official accounts of the current number of migrant laborers in India, Finance Minister, Nirmala Sitaraman during the announcement of fiscal stimulus package mentioned the number of migrants can be 8 to 11 crore)

<sup>3</sup> Centre for Monitoring Indian Economy (CMIE)

<sup>4</sup> Amma Unavagam is a food subsidization programme run by Government of Kerala. The literal meaning of the name of the scheme is Mother's canteen.

termed as “*The Kerala model of development*” has also proved it again with its policy responses to be a model in COVID-19 resilience. India’s first case of COVID-19 was reported in Kerala on 30<sup>th</sup> January 2020 as a student studying in Wuhan returned home, and from there Kerala has been showing exceptional stories of fighting the virus, reducing death tolls and infection rates compared to most of the other states in India. The Government of Kerala has, in contrast with the Government of India (GoI), handled COVID-19 efficiently, balancing equally between health security and welfare of the isolated and the often terrified migratory labor (Roy, 2020). The state made sure, everyone meets their basic requirements of food and shelter including the migrant workers whom they call “guest workers”. Kerala provided its citizens with free rice and food grains and grocery kits of essential items to cope with the lockdown. It ensured an aid of Rs.1000 to below poverty line ration card holders and laborers. Kerala saw its policies that focused on improvements of primary health, poverty eradication, welfare with strong local governments become an added strength during the fight against the Pandemic. And Kerala’s biggest poverty eradication program, ‘Kudumbashree’ proved to be an indispensable resource in the face of the COVID-19 fight of Kerala.

‘Kudumbashree’ was set up in 1997, by the State Poverty eradication Mission (SPEM) of the Government of Kerala. The name ‘Kudumbashree’ literally means ‘prosperity of family’. It is essentially a community network that covers the entire State of Kerala comprising women’s self-help groups (SHGs) under the theme of poverty eradication and women empowerment. In the face of COVID-19 fight as the state was in lockdown, Kudumbashree started 1144 community kitchens that serve 2.8 lakh food packets a day. The grocery kits provided by the state government were distributed in cloth bags produced by Kudumbashree and a lot more of activities like this were carried out which will be analyzed later in this paper. Kudumbashree’s activities also helped Kerala to fight the flood it has faced in 2018. This successful poverty eradication mission is one example of how heterodox economic policies<sup>5</sup> can secure the livelihood of people in the face of any disaster that they face. This paper tries to analyze how Kudumbashree has helped Kerala in the face of the COVID-19 fight. The paper also tries to give a way forward for Kudumbashree that can help the state in its exit strategy in building its economy post-pandemic.

## **Review of Literature**

Kudumbashree has been a subject of study since its introduction and the stories of its success have been a topic of interest for years. A lot of literature studies how Kerala has been successful in alleviating poverty through the Kudumbashree mission and how it has played as a tool for women empowerment. (Nehajon et al., 2017) in his empirical study finds out

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<sup>5</sup> By heterodox it is meant here as people-centric policies opposed to capitalistic policies

that there is a positive impact on Social and Family Empowerment after becoming a part of SHGs(Kudumbashree). This in turn helps to support and build self-employment, income, and volatility and education. When considered within constructs of empowerment, capability poverty, citizenship, and participation in democratic processes, such SHG outcomes, and the community development processes that accompany their work, can be seen to make a modest but noteworthy contribution to larger transformations of oppressive structures. (Anand, 2005) studies the innovative governance of Kerala and points out that through the community participation poverty eradication program and various other people-centered development strategies Kerala among the Indian state has the sharpest poverty reduction.(Ali & George, 2019) says that Kudumbashree has improved the decision-making capacity of Women which is a factor of empowerment. The study by (Agarwal, 2013) observes that a vast proportion of unpaid laborers are on family farms and are women. Kudumbashree has played a vital role in improving the bargaining capacity of women that contributes towards a reduction in gender inequality. She rightly points out that, Feminization of agriculture has its intrinsic importance and could be a boon in tackling the food crisis as well. (Gregory, n.d.) stresses the importance of democratic decentralization with equal participation of women creates an alternative paradigm for sustainable development. (Kannan, 2020) says that the best weapon to fight unbridled neo-liberal capitalist globalization is localization and Kerala's such measure through Kudumbashree has been helping the state effectively tackle one crisis after another, from floods to health emergencies. (Roy, 2020) claims that the Kerala model of COVID-19 relief is built on sound principles of governance that have had historical precedence. The decentralized structure of governance enabled them to harness the strengths of the political system and leverage social institutions. In particular, the approximately 60 lakh SHGs initially created to focus on livelihood generation and also look at concerns of women's empowerment and their participation in development activities were an important part of crisis management. He suggests the importance of people and government coming together which can result in a substantial improvement in welfare. UNDP(United Nations Development Program) studies COVID-19 and human development and indicates that inequalities will tend to increase post COVID-19 and improving the capabilities and focusing of human development has become difficult as well as inevitable. Strategies that create access to income generation, education, etc is might reduce the human development losses caused because of COVID-19. Failing to address basic capabilities in the response to the COVID-19 crisis could even reverse the convergence. (Devika, 2016) acknowledges that Kudumbashree has often been hailed as an accessible gateway to public life for the poorest women. Although she points out with evidence that, it has not been feministic empowerment and suggests that Kudumbashree should witness more feminist mobilization making it more democratic in nature.

Similarly, there are lots of literature that has studied Kudumbashree and its activities in depth. This paper tries to discuss the potential model Kudumbashree could be in the COVID-19 resilience.

## **Kudumbashree**

Kudumbashree which was set in the context of people's plan movement<sup>6</sup>, is a result of bottom-up planning and decentralization to eradicate poverty and empower women in the state of Kerala. The Mission Statement of Kudumbashree is:

*"To eradicate absolute poverty in ten years through concerted community action under the leadership of Local Self Governments, by facilitating organization of the poor combining self-help with demand led convergence of available services and resources to tackle the multiple dimensions and manifestations of poverty, holistically."* (State Poverty Eradication Mission, 1996)

After two decades, it has been proved to be a great success in achieving its aim and beyond. Kudumbashree is connected to the development activities of the local government, and it has been acting as an effective tool to execute various development goals of social and economic development. These activities are done through three levels of community-based organizations of women that is, in neighbourhood level: Neighbourhood groups (NHG's), Area level: Area Development Societies (ADS), and at Panchayat/municipality level: Community Development Societies (CDS). Any women irrespective of social or economic status are welcome to join the group which ensures wide participation. It has various projects under several names that aim at different strategies, such as destitute rehabilitation, capability development, thrift and micro credit, financial inclusion, crisis management, tribal development, urban and rural development, and promoting gender equality and social visibility. The program has 44.91 lakh members and covers more than 50% of the households in Kerala.

## **Kudumbashree in COVID-19 Resilience**

Kudumbashree has been an inevitable part of Kerala's strong COVID-19 resilience. The relief and rehabilitation activities of Kudumbashree in the Kerala flood in 2018, is worth mentioning here. It impressively contributed towards rebuilding Kerala after the devastating floods it faced in 2018. In these extraordinary times of a pandemic and lockdown, when Kerala and its resilience is a celebrated model, Kudumbashree has played a significant role that has to be equally celebrated. The activities of Kudumbashree can be put under six categories:

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<sup>6</sup> People's Plan Campaign, held in 1996 in Kerala was an experiment in decentralization of powers to local governments with focus on local planning.

## ***1. Converging***

During the lockdown, Kerala ensured that nobody should go hungry or pushed towards starvation in the state. Along with the free ration and essential supplies through the public distribution system, Community kitchens were open all over the state. 1144 community kitchens were started with the help of local self government which was worked out by Kudumbashree. Out of these, 379 have been started as budget hotels called 'Janakeeya hotels' (meaning people's hotels) of Kudumbashree. It has also established take away counters in 13 places to meet the needs of drivers. As the government decided to distribute grocery kits to its citizens, Kudumbashree volunteers prepared 87 lakh grocery kits in 54 warehouses that were distributed to the people. Kudumbashree has a project of women farmers through joint liability groups. Though COVID-19 lockdown had affected the joint liability groups (JLG), more than 16,268 JLGs across the state have stood together and donated around 115.94 metric tonnes of agricultural commodities for the community kitchens. Kerala being a consumer state is concerned about its food sustainability at this time of a pandemic, and so the government has introduced a scheme called 'Subhiksha Keralam' scheme aims at large scale production of paddy, fruits, vegetables, tubers, grains, and legumes as part of achieving self-sufficiency. This has also been taken as a short term activity plan for Kudumbashree members.

## ***2. Connecting***

The lockdown disconnects people, and communication is an important key to ensure an effective response from people to contain the pandemic. Kudumbashree through their NHGs made it possible to spread the message of 'breaking the chain'<sup>7</sup> of the COVID-19 spread. Kudumbashree has formed 1.9 lakh social media groups with 22 lakh NGH members to educate them and their families about government instructions regarding protocols to stay safe and reduce community spreading. Kudumbashree also conducted various programs for the elderly and children to keep them engaged during the lockdown respecting the guidelines of lockdown protocols.

## ***3. Creating***

There was a huge demand for masks, sanitizers, etc at the time of lockdown, and instead of depending on other sources, Kerala found the solution in Kudumbashree. Kudumbashree has prepared and sold more than 47.75 lakh cotton masks through around 306 tailoring units

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<sup>7</sup> 'Break the chain' is a campaign launched by the ministry of health, Kerala to fend off COVID-19 spread, making people aware of safety measures to be taken to reduce the spread of virus

and has prepared more 6.3 thousand liters of sanitizers with 21 micro enterprises. Also, they have started to make face shields and protective gears that can be used for medical staff. Likewise, Kudumbashree has found the scarcity of necessary products and turns that into an opportunity that benefits economically with serving the needs of the state.

#### ***4. Caring***

When the world is going through unusual times, that affects the mental and physical well being of everyone that has to go through this. There are 1.54 lakh destitute families in Kerala with 1.14 lakh elderly members (above 60 who are under vulnerable population). To reach out to them, Kudumbashree has entitled 2176 resource persons where they contact them every five days and enquire about their health, needs, etc and ensure they get food and health care (This is done in convergence with UNICEF). Kudumbashree, through its 360 community counsellors also provide counselling and mental support to those who are suffering because of various issues in lockdown. It also conducts a campaign to reduce the mental strain of persons who had to suffer domestic abuse during lockdown to send a message to them saying they are not alone in this. They are also providing food and related services to people who are under observations in Corona Care centers.

#### ***5. Capability enhancing***

The most important in an exit strategy is to ensure economic empowerment to the people, as many had lost jobs, and have come back from foreign countries losing their jobs. The Government has declared many loan schemes to solve the economic and employment problems of these people. Since there is already a network created by Kudumbashree, the scheme has become easy to execute. Kudumbashree NHGs will be given interest-free loans according to each one's demand. This would improve access to credit for people who are in need of it.

#### ***6. Continuing***

Any resilience will not be complete if the negative effects of the disaster on existing programs are not properly taken care of. Kudumbashree is active in skill training programs that come under *Deen dayal Upadhyay Yojana* under the ministry of rural development, Government of India, in which there are 6999 students undergoing training in 167 courses, Kudumbashree has successfully ensured the continuation of the courses through online. Similarly, Kudumbashree is striving to continue other ongoing schemes.

Kerala is a state which has swiftly and decisively kept their death rates and infection rate down. The state successfully flattened the COVID-19 curve in two waves it had to face. We

have seen that Kudumbashree with its extensive activities have played a major role in this. Kerala could do this not because it sprung into action immediately, but because of the path of the development process of years leading up to it. Decades of investment in universal health care along with devolution of government which give power and responsibility to the local government which has proved to be a powerful tool in the resilience of COVID-19 pandemic. Kerala's relief package of 2 billion was direct to the activities of local government as well. Kudumbashree has proven to be the backbone of effective local governance in the state at the time of the pandemic

### Comparing the states

As Kudumbashree is also based on sustainable development goals, it has been a tool for Kerala for achieving them to a larger extent. Kerala ranked first among other states of India in the Sustainable development index of 2019. A composite score of sustainable development goal was computed in the range of 0-100 for each state based on its level of performance in achieving the goals. The scores were divided into four as Aspirant, Performer, Front runner and, Achiever for 0 to 49, 50-64 to 99, and 100 respectively. Kerala had scored 70 which make it a front runner. To compare different states in COVID-19 resilience, their respective SDG scores and the average of doubling days of the number of cases) of COVID-19 is taken (as a proxy for COVID-19 resilience). Twelve states are taken for this comparison, six states with the highest number of cases and six with the lowest number of case as on April 27 2020.

Table 1: Comparison between Average doubling days of Covid-19 Cases and SDG index

STATES	AVG DOUBLING DAYS	SDG Index Score
West Bengal	7.13	60
Maharashtra	8.23	64
Gujarat	8.92	64
Andhra Pradesh	9.37	53
Delhi	10.75	61
Uttar Pradesh	11.06	55
Madhya Pradesh	11.23	58
Jammu and Kashmir	11.89	59
Rajasthan	18.95	57
Tamil Nadu	20.43	67
Kerala	37.17	70
Telangana	58	67

Data extracted from mohfw.goi.in and niti.gov.in

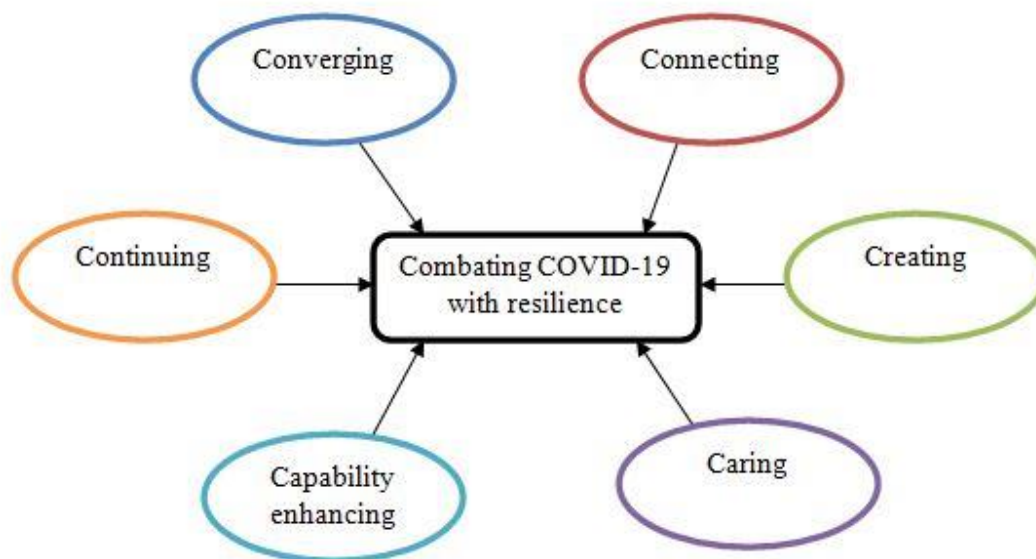


From the table, we could infer that there is a positive correlation between average doubling days of COVID-19 cases and the SDG score of the states with a correlation coefficient of 0.59. From this we could understand that states which have been trying to move in a heterodox people-centric development path have been safer in covid-19 fight, if we take the average doubling days as the proxy for resilience.

### **Kudumbashree as a model in crisis and resilience**

The results of activities of Kudumbashree in Kerala during the COVID-19 lockdown proves that community participation, localization, and cooperation is the key to fight any crisis. The heterodox path of development leads to a stronger resilient state in the face of any crisis. An active and powerful local government, with community participation engaging in social action, have made the COVID-19 fight of Kerala more confident. This intervention of Kudumbashree is very significant globally as the pandemic has showed the significance of people's participation in governance. The model that can be derived from the activities of Kudumbashree can be illustrated as following:

Figure 1: Combating COVID-19 with resilience



The fast and wide reach of the policies by the government has made possible by the six Cs Kudumbashree which can be claimed as a powerful model of people-centric crisis management. Kudumbashree's fight of COVID-19 through the above-mentioned ways of

converging, connecting, creating, caring, capability enhancing, and continuing can be adopted as a model for crisis management. Converging means bringing together community and working to meet the immediate needs of the society in crisis. Connecting means to reach everyone to create awareness. Creating means creating economic opportunities from the crisis and improving entrepreneurship. Caring means, giving support to the vulnerable population. Capability enhancing means, economic empowerment of people by providing credit support. Continuing means focusing on already existing schemes overcoming the challenges. As mentioned before, it was years of systematic governance which have made this possible now, this Kudumbashree model of resilience is a potential developmental model towards a humanitarian development path.

### **Way forward**

Any crisis is an opportunity to improve. Kudumbashree has proved that the feminization of the development process has been the backbone of crisis management and poverty eradication in the state of Kerala. Kerala as a consumer state would go into a food crisis, but if the rightful measure is taken to improve farming and food production and attain self sufficiency through an expansion of JLG based group farming. Kudumbashree which has a vast reach and community strength can work as micro-enterprises understanding the demand of the global market. It could improve the scope as units of production of various products that have high demand in the market. This can add towards the exit strategy of the state. Inspiring from Kudumbashree, its model can be applied in other states as a model of crisis management as well as for attaining sustainable development goals, which is to be prioritised for better and egalitarian development.

### **Conclusion**

Localization, community participation and, feminization of the development process are proven boon in fighting the challenges caused by the pandemic. Kudumbashree have proven to be one of the biggest strength of Kerala model development. Though there are challenges, its commitment and competence have given an example for other states. With the activities that can be sorted into a model with six Cs namely Converging, Connecting, Caring, Creating, Capability enhancing and, Continuing Kudumbashree have shown that an alternative path is not implausible. It has also been seen that there is a positive correlation between the level of SGD index and COVID-19 resilience. The more you were focusing on attaining the sustainable development goals, the more you are capable of combating the pandemic with resilience. Instead of focusing on accumulative development path, moving towards a heterodox path of development can only promise a safe, secure and decent life at the time of any crisis.

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