

GROWTH AND DISTRIBUTION: Understanding Developmental Regimes in Indian States

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Growth and Distribution: Understanding Developmental Regimes in Indian States

*Kalaiyarasan A.**

[Abstract: Economic and political processes differ widely across states in India. Some states have seen rapid economic growth and development while others are facing economic stagnation. The differences in outcomes are thus attributed to policies specific to each Indian state. The state specific policies are shaped by the respective regional histories and politics. The nature of political mobilisation and resultant policy regimes set the path of development for the states. West Bengal and Tamil Nadu have seen distinct political regimes over a half century. In both economic growth and distributive measures, Tamil Nadu has performed better than West Bengal. Tamil Nadu has indeed seen a faster rate of industrialisation. The process of economic development has been facilitated by social infrastructures such as education and health provided by the successive governments in Tamil Nadu. The public provision of basic goods has been sustained and kept intact through diverse political mobilisation from below. In contrast to Tamil Nadu, West Bengal took the route of land reform. Land reform has indeed produced positive outcome in terms of increased productivity and growth in agriculture. The State, however, could not sustain growth and missed the opportunities to development. The political regimes that came into being in West Bengal also did not allow any independent mobilisation from below to press for public provisioning of such basic goods needed for economic development.]

Keywords: Political Regimes, Policy Structures and Economic Development

Introduction

Since the 1980s, many parts of the developing world have seen a protracted process of market-oriented reform. The process has been uneven both in its content and outcome in most countries (Haggard and Kaufman, 1995). This unevenness has led to a change in approach: macro investigations have given way to micro investigations based on specific case studies (Lavigne, 1999). The explanatory framework based on universal policy variables has been strongly questioned. The emerging consensus is that differential economic processes and outcomes cannot be understood without understanding the political and social institutions of the respective countries.

Within large countries like India, economic and political processes differ widely across states. In such case, these subnational units merit focussed attention. Some Indian states have seen rapid economic growth and development while others are facing economic

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stagnation. Such differences in performance are being attributed to the nature of state level political regimes and their role in shaping policies of economic growth and distribution (Harriss, 1999). The extent and mode of implementation of economic reform vary across states in India (Jenkins, 2004). So does the response to economic reform. The resulting opposition or support, as the case may be, is managed by regional political regimes. Political regimes, therefore, play a crucial role in determining public policies and development outcomes. In turn, political regimes are shaped by social institutions/political mobilisation of social groups in the states.

Why Subnational is a Unit of Analysis?

The Indian Constitution divides the legislative power between the centre and the states through three subject lists: the union (central government) list, the state list, and the concurrent list. States can enact legislation through the state list and the concurrent list. Thus, the Constitution confers wide powers on the states to legislate in areas such as agriculture, land and labour markets, electricity distribution, urban development, water supply and sanitation, and, education and health (Panagariya, Chakraborty and Rao, 2014). In addition, the states are also responsible for the implementation of the laws passed and directives issued by the centre. Thus, the states play a significant role in both the formulation and the implementation of economic policies.

Heterogeneity in Political Regimes

The nature of class- and caste-based political mobilisation produces state-specific political regimes in India. These regimes, in turn, determine the path of policy regimes and developmental outcomes (Kohli, 1987). Owing to regional histories and politics, the political regimes vary. This paper intends to examine the interaction between political regimes and economic outcome at the sub-national level in India through a comparative study of two states, namely Tamil Nadu and West Bengal. Both states represent distinct political regimes, shaped by specific class and caste mobilisations in India. According to John Harriss (1999), the political regimes of Tamil Nadu and West Bengal are dominated by lower castes and classes, albeit in different ways.

Tamil Nadu has witnessed anti-caste movements and lower-caste assertiveness for over a century (Pandian, 2007). The Dravida Munnetra Kazhagam (DMK), which came to power in 1967 with a broad social base of lower castes and classes, has had a tremendous impact on Tamil Nadu's policy regime. One legacy of this history is a spate of populist measures—taken in the past three decades—designed to address popular concerns (Wyatt, 2013). Setting aside critiques, these populist policies have made a material difference to the living conditions of the traditionally dispossessed lower castes.

West Bengal has been ruled by the Left Front Government headed by the Communist Party of India—Marxist (CPM)—since 1977. The Left coalition enjoyed uninterrupted electoral triumph for over three decades. The State is credited with having a distinguished record of

implementing agrarian reforms in rural Bengal (Mishra, 2007). Although the State has been aggressively pushing through economic reform, it attracts a very low share of total investment in India and lags behind other states in respect of development indicators (Sinha, 2004).

The paper thus attempts to investigate the micro-level dynamics and assess how local political dynamics shape the economic processes of these two states. It uses the term “political regime,” as Harriss (1999) does, to imply the balance of caste and class power in a particular state. It also examines the individual performance of both states in terms of development indicators including health, education, and poverty reduction, and the potential factors for its relative success.

Data Sources

To understand economic growth across states, the paper uses Gross State Domestic Product (GSDP) data provided by the Central Statistical Organisation (CSO). Various rounds of the National Sample Surveys data are used to understand the variations in development indicators in both the states.

The first section of the paper provides a detailed account of economic growth by sectors and of the contribution of different subsectors to the overall economic growth in both states. It also provides the trend growth rate for both states. The second section analyses the structure of employment and employment growth for both states. The third section maps the distribution of enterprises across social and spatial parameters. The fourth section explores the level and rate of poverty reduction. The fifth section makes a comparison between the level and rate of change in education and healthcare. The last section explores the possible explanations for the better social and economic outcomes in Tamil Nadu.

1. Economic Growth

Since the 1980s, Tamil Nadu has witnessed a consistently high economic growth rate. This has been attributed to the economic reforms initiated in the early 1990s. The State decisively embraced neo-liberal policies and has, since, heavily subsidised the corporate sector through various tax exemptions (Vijayabaskar, 2010). While West Bengal has also witnessed sustained economic growth since the 1990s, the growth rate has been lower than that of Tamil Nadu. Whether the sustained higher economic growth is due to the policies initiated in the 1990s is beyond the purview of this paper. The paper is concerned with explaining the differences in economic growth and developmental outcomes between the two states.

Table 1 gives the sector-wise growth rate and the contribution of each sector to the aggregate growth in both states for the last three decades. The overall GDP (Gross Domestic Product) growth of Tamil Nadu for this period has been 6.7 per cent per annum

and that of West Bengal has been 5.7 per cent per annum. Despite an increase in growth rate in West Bengal in the 1990s, the gap persists.

Table 1: GSDP Growth Rate by Sectors and their Contribution to Growth

<i>Sector</i>	<i>Tamil Nadu</i>				<i>West Bengal</i>			
	<i>1980– 1990</i>	<i>1990– 2000</i>	<i>2000– 2010</i>	<i>1980– 2010</i>	<i>1980– 1990</i>	<i>1990– 2000</i>	<i>2000– 2010</i>	<i>1980– 2010</i>
Agriculture	4.4 (19)	3.5 (11)	2.1 (3)	3.3 (7)	3.8 (28)	4.5 (21)	2.5 (9)	3.6 (15)
Manufacturing	4.7 (21)	4.6 (16)	8.4 (21)	5.9 (20)	2.9 (8)	6.0 (10)	7.0 (12)	5.3 (11)
Construction	7.6 (7)	7.7 (8)	11.2 (11)	8.8 (10)	5.6 (7)	6.0 (6)	7.3 (7)	6.3 (6)
Industry	5.6 (33)	5.5 (27)	8.0 (30)	6.4 (30)	3.8 (19)	5.8 (19)	6.6 (20)	5.4 (20)
Services	6.3 (48)	8.2 (62)	9.4 (67)	7.9 (63)	4.9 (53)	7.3 (60)	7.9 (71)	6.7 (65)
GSDP	5.6 (100)	6.4 (100)	8.0 (100)	6.7 (100)	4.3 (100)	6.2 (100)	6.5 (100)	5.7 (100)
Per Capita Income	4.1	5.3	6.4	5.3	2.0	4.5	5.1	3.9

Note: GSDP at 1999–00 constant prices. Figures in parenthesis show contribution to GSDP Growth.

Source: Central Statistical Organisation.

When disaggregated, the data shows that in both Tamil Nadu and West Bengal the growth rates of the construction and services sectors have been the highest. For instance, the construction and services sectors in Tamil Nadu have grown at 8.8 and 7.9 per cent per annum respectively. The corresponding figures for West Bengal are 6.3 and 6.7 per cent per annum.

Manufacturing has grown at 5.9 per cent per annum in Tamil Nadu, while the corresponding growth rate for West Bengal is just 5.3 per cent. The industrial sector as a whole has witnessed a growth rate of 6.4 per cent per annum in Tamil Nadu, while the corresponding figure for West Bengal is just 5.4 per annum. Tamil Nadu has consistently outperformed West Bengal in all sectors except agriculture. Agriculture has grown at 3.3 per cent per annum in Tamil Nadu, while the corresponding growth rate for West Bengal is 3.8 per cent per annum.

There is a significant difference between the two states with respect to drivers (contribution of subsectors to aggregate growth) of economic growth. The key drivers of economic growth in Tamil Nadu are the service and manufacturing sectors. In West Bengal, the services sector alone has contributed the largest share. The services sector has contributed approximately 63 per cent of the overall economic growth in Tamil Nadu in the last three decades. The corresponding figure for West Bengal is 65 per cent. Unlike West Bengal, industry continues to be a significant driver of economic growth in Tamil Nadu. Industry has contributed about 30 per cent of the overall economic growth in Tamil Nadu while the corresponding figure for West Bengal is only 20 per cent. Within industry, manufacturing has contributed approximately 20 per cent to the overall economic growth in Tamil Nadu, while the sector has contributed just 11 per cent to growth in West Bengal. However, what is significant between the two states is the contribution of agriculture to the overall economic growth. While agriculture sector accounts for 15 per cent of growth in West

Bengal in the last three decades, Tamil Nadu (seven per cent) has steadily witnessed a decline in the contribution of agriculture to the overall growth.

1.1 Structure of Economy

Table 2 provides insights into the structure of the economy, which has witnessed a significant change in the last three decades in both West Bengal and Tamil Nadu. The services sector contributed 61 per cent to Tamil Nadu's income in 2010–11 followed by industry at nearly 31 per cent. Agriculture contributed just 8.5 per cent to the State's income in 2010–11. The corresponding figures for West Bengal were nearly 62 per cent, 20 per cent and 18 per cent respectively. Also, the change over time has been enormous for Tamil Nadu as well as for West Bengal. The services sector's contribution to state income in Tamil Nadu was about 40 per cent in 1980–81, which increased to 61 per cent in 2010–11. Similarly, the contribution of services sector to West Bengal's GDP has increased from nearly 46 per cent in 1980–81 to about 62 per cent in 2010–11. Among subsectors within the services sector, trade, hotels and restaurants remain prominent in terms of contribution to GDP in both West Bengal and Tamil Nadu across the time period under study. In recent times, real estate related business service has gained prominence within the services sector. Its contribution to GSDP (Gross State Domestic Product) was 5.6 per cent in 1980–81 and it has gone up nearly 13 per cent in 2010–11. The corresponding figures for West Bengal are six per cent and nearly eight per cent respectively. Banking and insurance, too, have become important sectors within the services sector in recent times. The sector's contribution to GSDP in Tamil Nadu was three per cent in 1980–81 and rose to nearly nine per cent in 2010–11. Within services sector, the contribution of modern sectors' to GSDP is higher in Tamil Nadu as compared to West Bengal.

However, industry's contribution to GSDP in Tamil Nadu has fallen from 35 per cent in 1980–81 to 30.6 per cent in 2010–11. The corresponding figures for West Bengal were 21 per cent and 20 per cent respectively. Manufacturing sector's share in GSDP in Tamil Nadu has fallen from 27 per cent in 1980–81 to 20 per cent in 2010–11. The decline in the contribution of industry and manufacturing to GSDP is compensated by a rise in the contribution of the services sector in Tamil Nadu. The decline in the contribution of manufacturing sector need not be seen as a sign of losing out. It could equally be a result of the penetration of service-related activities within manufacturing, a trend known as *servitisation* of manufacturing.¹

However, in comparison to the trend in West Bengal, Tamil Nadu remains better placed in these indicators. For instance, the contribution of manufacturing to GSDP in Tamil Nadu in 2010–11 is 20 per cent as against West Bengal's 11 per cent. Similarly, industry as a whole has contributed 31 per cent to GSDP in Tamil Nadu, while the corresponding figure for

¹ Andy (2007) argues that increasing service intensity in manufacturing enhances the productivity of a manufacturing firm. The emergence of information and communication technologies (ICT) has restructured the manufacturing production process.

West Bengal is 20 per cent. The contribution of agriculture to GDP has fallen for both West Bengal and Tamil Nadu. It has come down from 24 per cent in 1980–81 to 8.5 per cent in 2010–11 for Tamil Nadu, while for West Bengal it has come down from 33 per cent in 1980–81 to 18 per cent in 2010–11.

Table 2: Structure of Economy

<i>Sector</i>	<i>Tamil Nadu</i>				<i>West Bengal</i>			
	1980–81	1990–91	2000–01	2010–11	1980–81	1990–91	2000–01	2010–11
Agriculture & Allied	24.3	21.6	16.7	8.5	32.9	31.3	26.8	18.3
Industry	35	35.1	30.5	30.6	21.4	20.4	19.7	20.0
Manufacturing	27.2	25	20.1	20.0	12.4	10.8	10.6	11.2
Services	40.7	43.3	52.8	61.0	45.7	48.2	53.6	61.6
Transport, storage & communication	7.2	7.2	9.1	10.6	5.1	7.1	7.7	9.9
Trade, hotels and restaurants	15.4	15.1	15.3	16.7	13.3	13.3	15.6	17.6
Banking & Insurance	3	5.3	6.6	8.6	3.0	3.8	7.0	8.4
Real estate and Business services	5.6	5.9	6.7	12.6	6.1	5.3	6.2	7.7
Public Administration	3.6	4.3	5.5	3.5	4.4	6.6	6.4	5.1
Other services	5.8	5.4	9.6	9.1	13.8	12.1	10.7	12.9
GSDP	100	100	100	100	100	100	100	100

Source: Computed from CSO Database.

In sum, the structure of the economy has changed from agricultural production to services both in West Bengal and Tamil Nadu. However, Tamil Nadu continues to maintain a better score in manufacturing and industry as compared to West Bengal. Within services sector also, as compared to West Bengal, Tamil Nadu is a good example of diversification as is evident in the performance of modern subsectors. Tamil Nadu lags behind in agriculture than West Bengal as its share in state income has declined drastically.

2. Employment Structure

As in other developing countries, the mismatch and disproportionality in the sectoral share of income and employment continue to persist in India. This is visible both in Tamil Nadu and West Bengal. However, what is important is the movement of the workforce and income generation, which shows that such disproportionality continues. For instance, as shown in *Table 3*, agriculture-led primary sector generated about 35 per cent of the employment in Tamil Nadu in 2011–12, while it contributed merely eight per cent of the total income to the State. On the other side, services sector which generates about 60 per cent of the income in the State employs only about 31 per cent of the total workforce. The employment and income share in the secondary sector tends to converge. The structure of the economy of West Bengal also reflects a similar pattern. While there is a sharp increase in the share of industry in total employment in 2011–12, there is no corresponding rise in the share of industry to GSDP in the State. It shows that only low-productivity jobs are

created in the State. Given the extent of mismatch in the share and movement of employment and income, both Tamil Nadu and West Bengal have a long way to go.

Table 3: Sectoral Distribution of Income and Employment

<i>Sector</i>	<i>Tamil Nadu's GDP Share in Percentage</i>			<i>Tamil Nadu's Employment Share in Percentage</i>		
	<i>1993–94</i>	<i>2004–05</i>	<i>2011–12</i>	<i>1993–94</i>	<i>2004–05</i>	<i>2011–12</i>
Primary	24.1	11.1	8.4	53.6	46.4	35.2
Secondary	34.4	31.6	31.3	22.3	26.4	33.8
Tertiary	41.5	57.2	60.3	24.1	27.3	31.0
<i>Sector</i>	<i>West Bengal's GDP Share in Percentage</i>			<i>West Bengal's Employment Share in Percentage</i>		
	<i>1993–94</i>	<i>2004–05</i>	<i>2011–12</i>	<i>1993–94</i>	<i>2004–05</i>	<i>2011–12</i>
Primary	32.6	23.9	17.6	50.1	47.5	39.2
Secondary	19.5	21.7	18.7	23.0	22.3	31.4
Tertiary	47.9	54.4	63.6	27.0	30.3	29.4

Source: Computed from CSO database and Unit level NSSO data of various rounds.

2.1 Employment Growth

Growth in employment has been stagnant in Tamil Nadu for the last two decades, while West Bengal has seen a marginal growth. For instance, from 1993–94 to 2011–12, the aggregate employment growth in Tamil Nadu is 0.8 per cent per annum and the corresponding growth for West Bengal is 1.7 per cent per annum (see *Table 4*). There is no significant difference in the sub-periods as the trend is quite similar to the overall period.

Table 4: Employment Growth by Sectors

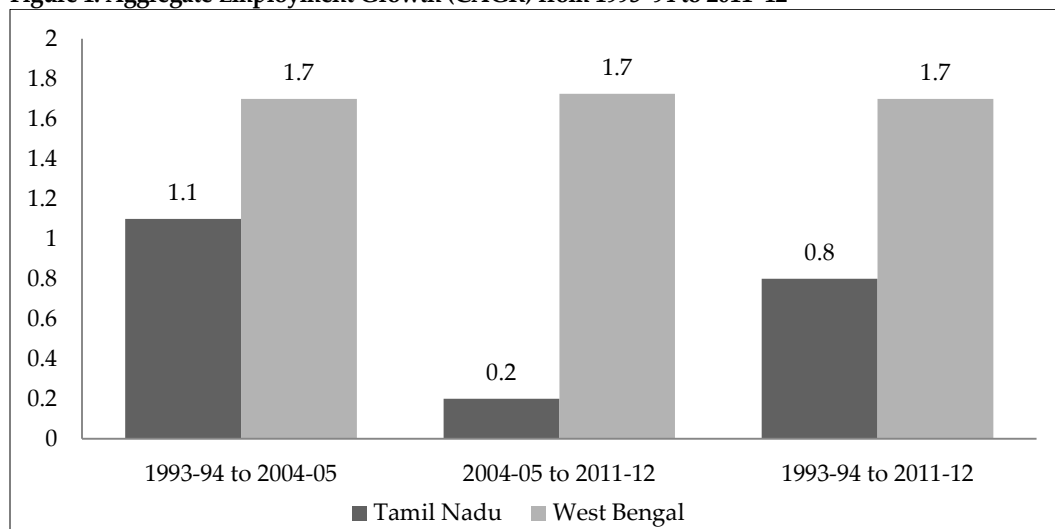
<i>Sector</i>	<i>1993–94 to 2004–05</i>		<i>2004–05 to 2011–12</i>		<i>1993–94 to 2011–12</i>	
	<i>Tamil Nadu</i>	<i>West Bengal</i>	<i>Tamil Nadu</i>	<i>West Bengal</i>	<i>Tamil Nadu</i>	<i>West Bengal</i>
Agriculture	-0.2	1.2	-3.7	-1.0	-1.6	0.4
Manufacturing	2.0	0.6	0.4	6.0	1.4	2.7
Construction	5.0	5.0	11.1	9.5	7.3	6.7
Service	2.2	2.8	2.0	1.4	2.1	2.2
Total	1.1	1.7	0.2	1.7	0.8	1.7

Source: Unit level NSSO data of various rounds.

Among sectors, only construction has witnessed any significant growth in employment in the last two decades in Tamil Nadu. For instance, from 1993–94 to 2011–12, employment in agriculture has grown negatively by 1.6 per cent per annum, while manufacturing has seen 1.4 per cent growth in employment per annum. Construction and services in Tamil Nadu witnessed significant growth in employment, i.e., 7.3 and 2.1 per cent respectively, during this period. As compared to Tamil Nadu, including agriculture, all other sectors have seen positive growth in employment in West Bengal as a whole. Manufacturing, too, has seen 2.7 per cent employment growth per annum in West Bengal (See *Figure 1 & 2*). In sum, the

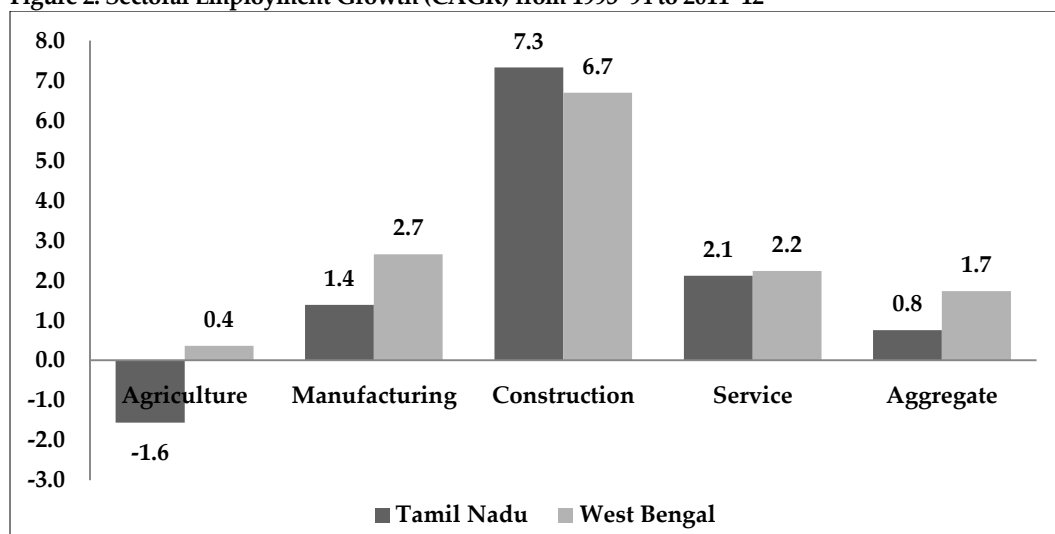
aggregate employment growth has been stagnant in Tamil Nadu as compared to West Bengal.²

Figure 1: Aggregate Employment Growth (CAGR) from 1993–94 to 2011–12



Source: Unit level NSSO data of various rounds.

Figure 2: Sectoral Employment Growth (CAGR) from 1993–94 to 2011–12



Source: Unit level NSSO data of various rounds.

² However, it is argued that stagnant growth in employment need not be considered a sign of retrogression if accompanied by changes in employment structure from low productive/remunerative to high productive jobs.

3. Distribution of Enterprises

Table 5 gives the distribution of enterprises based on Economic Census (2005) and Ministry of Micro, Small and Medium Enterprises (MSME) Census (2007–08) for Tamil Nadu and West Bengal. The Economic Census shows that the number of enterprises in Tamil Nadu is three times that in West Bengal. This has been confirmed by the MSME census as well. As per the MSME census, the number of enterprises in Tamil Nadu in 2007–2008 was about twenty four thousand as compared to six thousand in West Bengal. The data also shows that the social base of entrepreneurship in Tamil Nadu is more diverse than in West Bengal. Certain traditional non-business castes have an appreciable share in entrepreneurial category in Tamil Nadu.³

Table 5: Distribution of Enterprises (More than 10 workers) Owned by Socio-Religious Groups

	<i>Economic Census (2005)</i>		<i>MSME Census (2007–08)</i>	
	<i>Tamil Nadu</i>	<i>West Bengal</i>	<i>Tamil Nadu</i>	<i>West Bengal</i>
SC/ST	1174 (4.1)	968 (9.4)	1240 (5.0)	287 (4.7)
OBC	22980 (77.5)	622 (6.0)	16151 (65.6)	162 (2.6)
General*	5490 (18.5)	8705 (84.6)	4347 (17.7)	4665 (76.0)
Muslim	....		1193 (4.8)	695 (11.3)
Other Minorities	....		1622 (6.6)	333 (5.4)
Total	29644 (100)	10295 (100)	24627 (100)	6142 (100)

* General category in Economic Census is referred to as the upper castes, while they are Hindu upper castes in MSME census.

Source: Unit level records from Economic Census (2005) and MSME Census (2007–08).

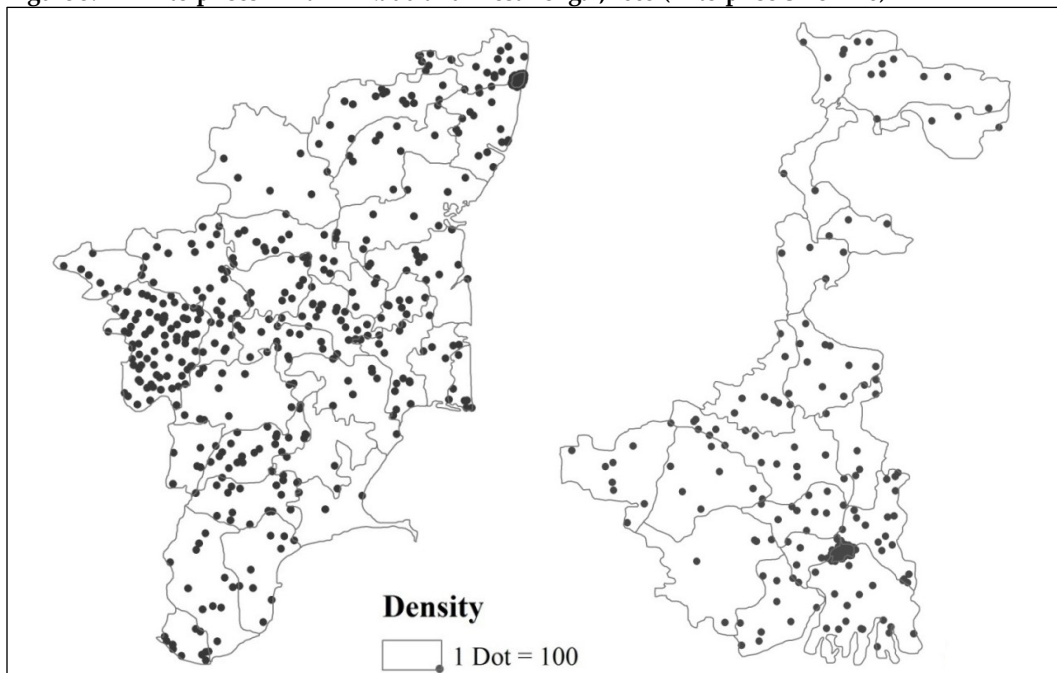
According to the MSME census, the SC/STs, OBCs and Muslims—who constitute about 65 per cent of West Bengal’s population⁴—own just 19 per cent of the enterprises. The corresponding figures for Tamil Nadu are 95 per cent and 75 per cent respectively. While the general population (upper castes) constitutes only 35 per cent of the population, they own as much as 76 per cent of the total enterprises in West Bengal. In Tamil Nadu, they form five per cent of the population and own 18 per cent of the total enterprises. The Economic Census of 2005 also provides similar evidence.

In the social context, the enterprises are concentrated in a few districts of West Bengal as compared to Tamil Nadu. Nearly 45 per cent of the enterprises are concentrated in Kolkata, Howrah and Hooghly. In Tamil Nadu, the enterprises are distributed more evenly across regions (see Figure 3 & 4). In terms of both the total number of and the spatial distribution of enterprises, Tamil Nadu has done better than West Bengal.

³ Certain agricultural castes such as the Gounder and the Nadar have indeed become successful entrepreneurial communities in Tamil Nadu. This transition took place by social mobilisation in the form of caste and kinship through a system of networks. Such a transition did not take place in West Bengal. Business in West Bengal continues to be dominated by cultural outsiders such as the Marwaris and the Gujaratis. For further details see Mahadevan (2012) and Damodaran (2008).

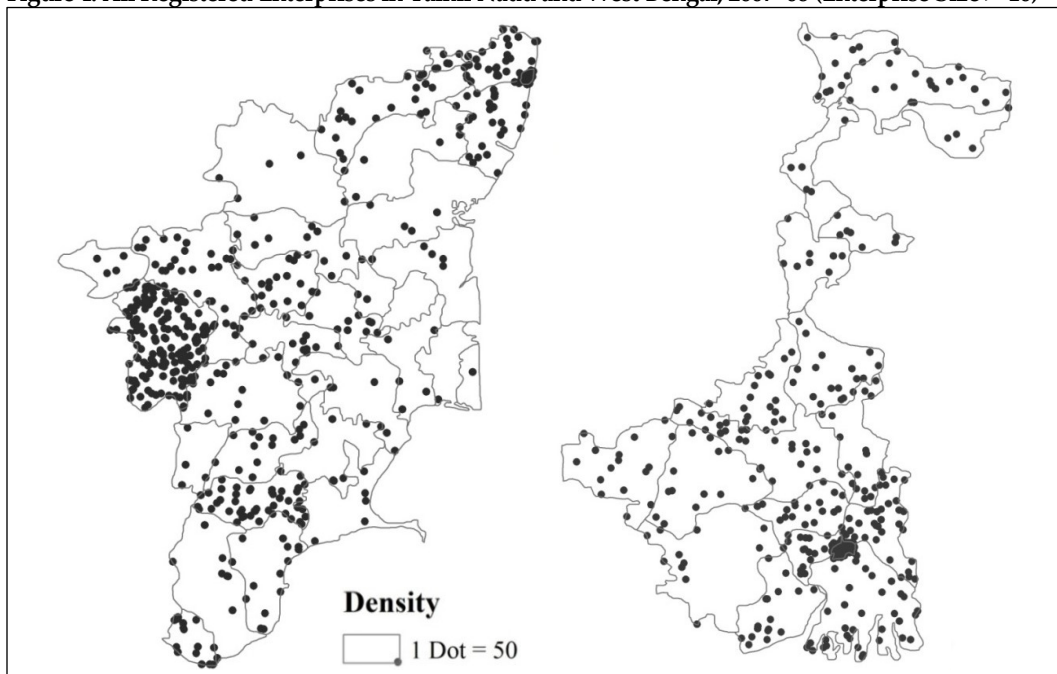
⁴ As per Population Census 2001, the percentages of SC, ST and Muslims in West Bengal are 24, six and 25 respectively. The corresponding percentages for Tamil Nadu are 19, one and six respectively.

Figure 3: All Enterprises in Tamil Nadu and West Bengal, 2005 (Enterprise Size ≥ 10)



Data Source: Economic Census of India, 2005. Map Note to Scale.

Figure 4: All Registered Enterprises in Tamil Nadu and West Bengal, 2007–08 (Enterprise Size ≥ 10)



Data Source: Economic Census of India (4th), 2007–08. Map Note to Scale.

4. Poverty Incidence 1994–2012

The incidence of poverty and inequality has been estimated using unit record data from three quinquennial rounds of Consumption Expenditure Surveys (CES) conducted by the National Sample Survey Office (NSSO). These surveys were conducted in 1993–94, 2004–05 and 2011–12. This paper uses the methodology recommended by Suresh Tendulkar Committee and the corresponding poverty lines provided by the Planning Commission.⁵

4.1 Rural Poverty

Table 6 gives the estimate of poverty based on Head Count Ratio (HCR) at aggregate level for social and religious groups in rural Tamil Nadu and West Bengal. Tamil Nadu has seen a drastic reduction in rural poverty in the period under consideration. Whereas in 1993–94 the proportion of poor people in rural Tamil Nadu was 51.2 per cent, the figure for 2011–12 is considerably lower—15.8 per cent. The corresponding figures for West Bengal are 42.5 per cent and 22.5 per cent respectively. Though West Bengal was better placed in the 1990s, it compares unfavourably with Tamil Nadu in 2011–2012. Tamil Nadu has gained 34 percentage points in poverty reduction in rural areas in the last two decades, while West Bengal has gained just 20 percentage points—a difference of 14 percentage points.

In the period between 1993–94 and 2011–12, rural poverty in Tamil Nadu declined at a rate of two percentage points per annum. The rate of decline of rural poverty in West Bengal in the same period is 1.1 percentage points per annum, considerably lower than Tamil Nadu. On this count, Tamil Nadu fares better in the sub-periods as well. In the first sub-period, from 1993–94 to 2004–05, the rate of decline in poverty in Tamil Nadu was about 1.2 percentage points per annum while the corresponding figure for West Bengal was just 0.4 per cent point per annum. In the second sub-period between 2004–05 and 2011–12 also, Tamil Nadu has outperformed West Bengal in poverty reduction. The rate of decline in rural poverty for Tamil Nadu is 3.1 percentage points per annum, while it is just 2.2 percentage points per annum in West Bengal.

4.1.1 Poverty Reduction across Social and Religious Groups in the Countryside

In respect of poverty reduction across social and religious groups in rural areas, Tamil Nadu has done better than West Bengal. The incidence of poverty among SC/STs in rural

As per NSSO 2011–12, the OBCs constitute 75 per cent of the total population in Tamil Nadu and 9 per cent in West Bengal. The Hindu upper castes constitute four per cent in Tamil Nadu and about 36 per cent in West Bengal.

⁵ Tendulkar methodology needs Mixed Reference Period (MRP) series of expenditure to calculate incidence of poverty. Since the 1993–94 data sets do not have MRP (Mixed Reference Period) series, the author constructed an MRP series. The method used to construct the MRP series is the following: $MRP = 30 \text{ days reference period data for all other items} + 365 \text{ days reference period for low frequency items (cloth, footwear, durable goods, education and medical)} - 30 \text{ days reference period for low frequency items}$.

Tamil Nadu has come down from 66 per cent in 1993–94 to 24 per cent in 2011–12 (see *Table 6*). The corresponding figures for SC/STs in West Bengal are 51.6 and 27.2 per cent respectively. The SC/STs gained about 42 percentage points in poverty reduction in Tamil Nadu during this period. The corresponding gain for SC/STs in terms of poverty reduction in West Bengal is just 24.4 percentage points. This is only about half of what Tamil Nadu has achieved. If we look at the rate of decline in poverty among SC/STs in rural areas between 1993–94 and 2011–12, it is about 2.3 percentage points per annum in Tamil Nadu. This is higher than Tamil Nadu's state average of two percentage points per annum for the same period. The comparative figure for West Bengal is just 1.4 percentage points per annum. Clearly, poverty reduction among SC/STs in rural Tamil Nadu has been greater than in West Bengal.

Table 6: The Incidence of Poverty (HCR) and Rate of Poverty Reduction (Per Annum) for Socio-Religious Groups (Rural)

<i>Social Group</i>	<i>1993–94</i>		<i>2004–05</i>		<i>2011–12</i>		<i>1993–94 to 2004–05</i>		<i>2004–05 to 2011–12</i>		<i>1993–94 to 2011–12</i>	
	<i>TN</i>	<i>WB</i>	<i>TN</i>	<i>WB</i>	<i>TN</i>	<i>WB</i>	<i>TN</i>	<i>WB</i>	<i>TN</i>	<i>WB</i>	<i>TN</i>	<i>WB</i>
SC/ST	65.8	51.6	51.2	40.9	24	27.2	1.3	1	3.9	2	2.3	1.4
OBC	--	--	32.6	28.1	13	17.1	--	--	2.8	1.6	--	--
General*	45.6	25.8	22.2	24.3	1.0	15.8	2.1	0.1	3	1.2	2.5	0.6
Hindu	51.3	39.6	38	33.2	16.2	21.9	1.2	0.6	3.1	1.6	1.9	1.0
Muslim	37.3	50.5	18	49.1	1.6	23.9	1.8	0.1	2.3	3.6	2.0	1.5
Other	57.0	65.3	36.1	50.0	13.9	19.0	1.9	1.4	3.2	4.4	2.4	2.6
Minorities												
All	51.2	42.5	37.5	38.2	15.8	22.5	1.2	0.4	3.1	2.2	2.0	1.1

* General includes OBC population in 1993–94 as the OBC was not counted then, thus cannot be compared across time.; Tn- Tamil Nadu; WB- West Bengal.

Source: Calculated by the author using NSS CES unit record data for the respective years.

In the sub-periods, too, SC/STs have been better off in rural Tamil Nadu than in rural West Bengal. The rate of decline in poverty among SC/STs in Tamil Nadu between 1993–94 and 2004–05 was 1.3 percentage points per annum; and the rate increased to 3.9 percentage points between 2004–05 and 2011–12. In rural West Bengal, the rate of decline in poverty was 1.0 percentage points per annum among SC/STs in the first period, while the second period witnessed a decline at a rate of 2.0 percentage points per annum. This is much lower than that of Tamil Nadu. Though we do not have comparable figures over time for the OBCs, the incidence of poverty among OBCs in 2011–12 is 13 per cent in Tamil Nadu and the corresponding figure for OBCs in West Bengal is 17.1 per cent.

Poverty reduction among religious minorities such as Muslims has also been higher in rural Tamil Nadu than in rural West Bengal. The incidence of poverty among Muslims in rural Tamil Nadu decreased from 37.3 per cent in 1993–94 to 1.6 per cent in 2011–12. The corresponding figures for Muslims in rural West Bengal are 50.5 per cent and 23.9 per cent respectively. For Muslims, the gains in poverty reduction in this period is about 35 percentage points in rural Tamil Nadu and only 26.6 percentage points in rural West

Bengal. The rate of decline in poverty among Muslims in rural Tamil Nadu was two percentage points per annum between 1993–94 and 2011–12, while the corresponding figure for Muslims in West Bengal was 1.5 percentage points per annum. In the first sub-period between 1993–94 and 2004–05, the rate of decline of poverty among Muslims was 1.8 percentage points per annum in rural Tamil Nadu and the corresponding rate in West Bengal was a mere 0.1 percentage point. However, Muslims in West Bengal fared better in the second period, i.e. from 2004–05 to 2011–12. The rate of decline of poverty among Muslims in West Bengal is 3.6 percentage points per annum, and the corresponding figure for in Tamil Nadu is about 2.3 percentage points per annum. Overall, poverty reduction among the historically disadvantaged and marginalised in rural areas is much higher in Tamil Nadu than in West Bengal.

4.2 Incidence of Urban Poverty, 1994–2012

The data on incidence of urban poverty and its rate of decline is given in *Table 4*. Tamil Nadu has done better than West Bengal on both counts. During the period from 1993–94 to 2011–12, the incidence of urban poverty came down from 33.8 per cent to 6.6 per cent in Tamil Nadu. The corresponding figures for West Bengal are 31.2 per cent and 14.7 per cent respectively. The gain that Tamil Nadu made in poverty reduction in urban areas during the period 1993–94 to 2011–12 was about 27 percentage points, while West Bengal gained just about 16.5 percentage points. While West Bengal was in a better position at the beginning of the period mentioned, it has clearly lost to Tamil Nadu.

The rate of decline of urban poverty has been higher in Tamil Nadu than in West Bengal. The rate of decline in urban poverty in Tamil Nadu during 1993–94 to 2011–12 is about 1.5 percentage points per annum and the corresponding rate for West Bengal is just 0.9 percentage points per annum. In the sub-periods, too, Tamil Nadu has consistently performed better than West Bengal. In the first sub-period of 1993–94 to 2004–05, the rate of decline in urban poverty in Tamil Nadu was 1.3 percentage points per annum. During the sub-period 2004–05 to 2011–12, this increased to 1.9 percentage points per annum. The corresponding figures for West Bengal are 0.6 and 1.4 percentage points per annum respectively.

4.2.1 Poverty Reduction across Urban Social and Religious Groups

Tamil Nadu has outperformed West Bengal in reducing urban poverty among the marginalised and disadvantaged social groups. The incidence of poverty among SC/STs in urban Tamil Nadu has come down from 54 per cent in 1993–94 to nine per cent in 2011–12 (see *Table 7*). The corresponding figures for West Bengal are 48.5 per cent and 18.9 per cent respectively. In the period from 1993–94 to 2011–12, SC/STs in urban Tamil Nadu have gained about 45 percentage points in terms of poverty reduction, while their counterparts in West Bengal gained just 29.6 percentage points. The rate of decline of urban poverty among SC/STs for this period is about 2.5 percentage points per annum in Tamil Nadu and just 1.6 percentage points per annum in West Bengal.

In the first sub-period (1993–94 to 2004–05), SC/STs did better in Tamil Nadu than in West Bengal. The rate of poverty decline among SC/STs in urban Tamil Nadu was 1.2 percentage points per annum while the corresponding figure for urban West Bengal was just 0.6 percentage points. In the second sub-period (2004–05 to 2011–12) also, SC/STs did better in Tamil Nadu than in West Bengal. The rate of decline of poverty among SC/STs between 2004–05 and 2011–12 in urban Tamil Nadu was about 4.5 percentage points per annum and that in urban West Bengal was 3.3 percentage points.

Table 7: The Incidence of Poverty (HCR) and Rate of Poverty Reduction (Per Annum) for Socio-Religious Groups (Urban)

Social Group	1993–94		2004–05		2011–12		1993–94 to 2004–05		2004–05 to 2011–12		1993–94 to 2011–12	
	TN	WB	TN	WB	TN	WB	TN	WB	TN	WB	TN	WB
SC/ST	54	48.5	40.5	41.7	9	18.9	1.2	0.6	4.5	3.3	2.5	1.6
OBC	-	.....	17.3	23.6	6.4	17.1	-		1.6	0.9	-	
General*	30	22	6.5	13.2	1.8	7.2	2.1	0.8	0.7	0.9	1.6	0.8
Hindu	33.6	27.5	20.1	20.9	7.0	10.9	1.2	0.6	1.9	1.4	1.5	0.9
Muslim	35.4	56.4	19.1	45.7	3.7	35.5	1.5	1	2.2	1.5	1.8	1.2
Other	32.9	29.5	16.0	21.4	5.9	1.2	1.5	0.7	1.4	2.9	1.5	1.6
Minorities												
All	33.8	31.2	19.7	24.4	6.6	14.7	1.3	0.6	1.9	1.4	1.5	0.9

Source: As in Table 3.

The incidence of poverty among Muslims in urban Tamil Nadu has reduced dramatically from 35.3 per cent in 1993–94 to 3.7 per cent in 2011–12. The corresponding figures for Muslims in Urban West Bengal are 56.4 and 35.5 per cent respectively. Poverty reduction among Muslims between 1993–94 and 2011–12 amounts to 31 percentage points in urban Tamil Nadu while the corresponding figure for urban West Bengal is 20.9 percentage points. The rate of poverty decline among Muslims in urban areas in this period was 1.8 percentage points per annum in Tamil Nadu 1.2 percentage points per annum in West Bengal. By both measures, Muslims in Tamil Nadu are far better off than their counterparts in West Bengal.

Muslims have fared better in Tamil Nadu in the sub-periods as well. The rate of decline in poverty among Muslims in Tamil Nadu in the period between 1993–94 and 2004–05, was 1.5 percentage points per annum. The rate increased to 2.2 percentage points in the period between 2004–05 and 2011–12. The corresponding figures for West Bengal are 1.0 and 1.5 percentage points per annum respectively. Muslims in Tamil Nadu outperformed Muslims in West Bengal on both measures of poverty. However, it needs to be noted that Muslims constitute a substantial segment of the population in West Bengal as compared to Tamil Nadu.

5. Education and Health Indicators

5.1 Literacy Rate

Literacy rate (measured for those in the age of 6 years and above) is a key indicator of educational outcomes. As is clear from *Table 8*, Tamil Nadu has performed better than West Bengal on this count. The literacy rate in Tamil Nadu is 81 per cent for 2011–12 and 76 per cent in West Bengal. The male literacy rate in Tamil Nadu is 87.5 per cent and about 82 per cent in West Bengal. Female literacy rate is also higher in Tamil Nadu than in West Bengal. Female literacy rate stands at nearly 75 per cent in Tamil Nadu and about 70 per cent in West Bengal.

Table 8: Literacy Rate by Caste and Gender (Six years and above)

Caste / Gender	2011–12	
	Tamil Nadu	West Bengal
Male	87.5	81.9
Female	74.8	70.4
SC/ST	74.8	74.3
OBC	82.4	82.1
GEN	94.2	94.1
Hindu	80.3	79.4
Muslim	86.7	67.0
Other Minorities	86.8	87.3
All	81.1	76.3

Source: Calculated by the author using NSS Employment and Unemployment unit record data.

In *table 9*, the literacy rate among SC/STs and OBCs is nearly the same in both the states'. In Tamil Nadu, the literacy rate is 74.8 per cent among SC/STs and 82.4 per cent among OBCs. The corresponding figures for West Bengal are 74.3 per cent and 82.1 per cent respectively. On this count, Muslims in Tamil Nadu are better off than in West Bengal. The literacy rate among Muslims in Tamil Nadu for 2011–12 is about 87 per cent as compared to 67 per cent in West Bengal. Tamil Nadu is better placed in literacy rate as compared to West Bengal.

Table 9: Percentage Distribution of Usual Status Workers (Principle + Subsidiary) by Level of Education across Social Groups (15 to 59 age group)

Socio-Religious Group	Tamil Nadu				West Bengal			
	Illiterate	Up to Primary	Secondary & Higher Secondary	Graduate and Above	Illiterate	Up to Primary	Secondary & Higher Secondary	Graduate and Above
SC/ST	29.5	29.6	33.6	7.3	33.1	38.6	24.5	3.8
OBC	18.2	27.4	39.0	15.4	15.0	37.2	39.6	8.3
General	3.2	12.2	34.4	50.3	11.0	27.0	42.2	19.8
Hindu	21.3	27.5	37.7	13.4	21.7	33.4	33.6	11.3
Muslim	12.3	32.9	38.3	16.6	39.0	39.7	18.3	2.9
Other Minorities	13.4	23.4	36.2	27.0	12.6	27.0	46.8	13.5
All	20.5	27.6	37.7	14.3	26.2	35	29.7	9.1

Source: As in Table 5.

5.2 Educational Status of the Workforce

An educated workforce is a key factor for productivity in any economy. In this respect, Tamil Nadu has performed better than West Bengal. The percentage of illiterate workforce in Tamil Nadu is about 20 per cent for 2011–12 (see *Table 6*). The corresponding figure for West Bengal is 26 per cent. The percentage of graduate or above workforce in Tamil Nadu is about 14 per cent. The corresponding figure for West Bengal is nine per cent. The percentage of the workforce with secondary and higher secondary education is also comparatively higher in Tamil Nadu. The figure for Tamil Nadu is nearly 38 per cent as compared to about 30 per cent in West Bengal. Clearly, the workforce in Tamil Nadu is more educated than in West Bengal.

Table 9 provides the distribution of workforce by education across caste groups. For the deprived castes, gains in education have been greater in Tamil Nadu than in West Bengal. In 2011–12, about 29 per cent of SC/ST workers in Tamil Nadu were illiterate as compared to 33 per cent in West Bengal. The percentage of the graduate and above SC/ST workforce is 7.3 per cent in Tamil Nadu and only 3.8 per cent in West Bengal. The percentage of SC/STs workers with secondary and higher secondary education is also higher in Tamil Nadu as compared to West Bengal.

The level of education of the workforce among OBCs is also much higher in Tamil Nadu than in West Bengal. Among OBCs, the percentage of graduate and above workforce in Tamil Nadu in 2011–12 is 15.4 per cent as compared to 8.3 per cent in West Bengal. Religious minorities, too, performed better in Tamil Nadu than in West Bengal. Among Muslims, the percentage of illiterate workforce is 12.3 per cent in Tamil Nadu as compared to 39 per cent in West Bengal.⁶ The percentage of Muslim workforce in the category graduate and above is about 17 per cent. This is about five times higher than the percentage of Muslim graduates in West Bengal. Overall, the level of education of the workforce belonging to the deprived castes and religious minority groups is much higher in Tamil Nadu than in West Bengal.

5.3 Health Indicators

Table 10 provides details of basic health indicators including health infrastructure for Tamil Nadu and West Bengal for 2005–06. Tamil Nadu has outperformed West Bengal in respect of key health indicators. Infant Mortality Ratio (IMR) for Tamil Nadu stands at 22 as against 32 for West Bengal. The Maternal Mortality Ratio (MMR) and under 5 mortality

⁶ The Sachar Committee (2006) report, too, has depicted the precarious conditions of Muslims in West Bengal. The report places the State in the worst performing category of states in the country in terms of representation of Muslims in employment and education. Another report, *Status of the Muslims in Bengal 2014*, prepared by Social Network for Assistance to People (SNAP) and Guidance Guild also shows that there is no improvement in the status of the Muslims in the State despite the Sachar Committee recommendations; they are still caught in a whirlpool of petty, low-income livelihood options in West Bengal.

ratios (U5MR) for Tamil Nadu are comparatively more favourable. The MMR in Tamil Nadu stands at 97 as compared to 145 in West Bengal. The U5MR is 25 in Tamil Nadu against 38 of West Bengal. Life expectancy rates are comparable for both states—67 for male and 71 for female in 2005–06.

Table 10: Performance of Tamil Nadu and West Bengal in Key RCH Indicators

<i>State</i>	<i>Unmet Need (%)</i>	<i>Any Antenatal Check Up (%)</i>	<i>Safe Delivery (%)</i>	<i>% of children age 12- 35 months received Full Immunisation</i>
Andhra Pradesh	12.0	94.0	69.0	63.0
Assam	23.0	61.0	33.0	19.0
Bihar	37.0	38.0	29.0	24.0
Gujarat	16.0	88.0	62.0	58.0
Haryana	15.0	88.0	43.0	63.0
Himachal Pradesh	12.0	91.0	51.0	79.0
Karnataka	15.0	91.0	67.0	74.0
Kerala	15.0	100.0	98.0	81.0
Madhya Pradesh	21.0	74.0	36.0	33.0
Maharashtra	13.0	93.0	63.0	74.0
Orissa	24.0	76.0	44.0	55.0
Punjab	10.0	89.0	64.0	75.0
Rajasthan	22.0	68.0	44.0	25.0
Tamil Nadu	18.0	99.0	89.0	92.0
Uttar Pradesh	34.0	58.0	29.0	28.0
West Bengal	11.0	91.0	54.0	54.0
India	21.1	73.4	47.6	47.6

Source: NFHS 3 (2005–06)

Tamil Nadu has performed better in reducing the percentage of undernourished children. Thirty-one per cent of the children were undernourished in Tamil Nadu in 2005–06 as compared to about 45 per cent in West Bengal. In terms of key Reproductive and Child health (RCH) indicators as well Tamil Nadu has performed better. The following are considered as topmost priorities of a reproductive and child health programme in India: (i) ensuring safe motherhood and improved child health and (ii) raising contraceptive prevalence rates. A number of studies (Drèze and Sen, 2013) have shown that Tamil Nadu has performed better on both counts. *Table 10* provides some details on the status of RCH indicators for Tamil Nadu and West Bengal. In Tamil Nadu, antenatal check-up is done in 99 per cent cases as compared to 91 per cent in West Bengal. The rate of safe delivery in Tamil Nadu is about 89 per cent, while the corresponding figure for West Bengal stands at a lowly 54 per cent. The rate of institutional delivery in Tamil Nadu is 88 per cent; much higher than the 42 per cent in West Bengal. Child immunisation coverage for Tamil Nadu stands at 80.9 per cent whereas it is a meagre 64.3 per cent for West Bengal.

Table 11: Basic Health Indicators (2005–06)

<i>Indicators</i>	<i>Tamil Nadu</i>	<i>West Bengal</i>	<i>All India</i>
IMR (2011)	22	32	44
U5MR (2011)	25	38	55
MMR (2011)	97	145	212
Life Expectancy-Male	67	67	64
Life Expectancy-Female	71	71	67
TFR (2011)	1.7	1.7	2.4
Weight for Age	29.8	38.7	42.5
Height for Age	30.9	44.6	48
<i>Health Infrastructure</i>			
Population for PHC (000)	32.1	37.9	49
PHC with Medical Officer	85.3	80.3	75.8
PHC with Pharmacist	93.9	76.9	69.2
PHC with Functional OT	90.1	25.2	61.3
PHC with Essential Drugs	97.9	43.1	69.6
% of villages with any health facility	61.8	40.1	46.2

Source: Select Socio Indicators, NFHS-3, (2005–06), IIPS and Sample Registration System (SRS), Population Census.

In the provision of health infrastructure, too, Tamil Nadu is in a much better position than West Bengal. Population per Primary Health Centre (PHC) is 32,000 in Tamil Nadu as compared to 38,000 in West Bengal. The facilities in PHCs are also better in Tamil Nadu than in West Bengal. For instance, the percentages of PHCs with medical officer and pharmacist in Tamil Nadu are 85 and 95 respectively. The corresponding figures for West Bengal are 80 and 77. Similarly, PHCs with functional operational theatre (OT) in Tamil Nadu constitute 90 per cent as compared to an abysmal 25 per cent in West Bengal. The PHCs with the provision of essential drugs in Tamil Nadu constitute 99 per cent as compared to just 43 per cent in West Bengal.⁷

6. Land Reform

Land is a state subject in India's federal structure. This led to differential enactment and implementation of land reforms across states in India. Many states had indeed prohibited landlords and other intermediaries between the government and the cultivators. In West Bengal, too, land reform assumed centrality. Land reform is seen as the only achievement of the Left regime in the State. As one study argues that after the assumption of power in 1977, the Left Front Government implemented the massive "Operation Barga" in West Bengal to protect the rights of sharecroppers (Mishra, 2007). These reforms, it is argued,

⁷ The better health outcome in the State is attributed to such provision of free essential drugs in the PHCs. In order to ensure the availability of essential drugs, Tamil Nadu Medical Services Corporation Ltd. (TNMSC) was set up by adopting a streamlined procedure for their procurement, storage and distribution.

have not only stimulated rural development and poverty-alleviating growth by increasing the purchasing power of the poor, but also the State has become agriculturally advanced (Ramachandran and Rawal, 2005; Bandyopadhyay, 2008).⁸ However, the attribution of land reform singularly to the Left rule is contested (Bardhan and Mookerjee, 2003). Yet, it is relevant to see as to what has happened to land reform in both West Bengal and Tamil Nadu.

Table 12: Share of Area Owned by Different Ownership Class (In per cent)

	1971–72	1982	1992	2003
<i>Tamil Nadu</i>				
Marginal	20.2 (73.1)	23.6 (81.9)	33.3 (87.1)	33.2 (90.1)
Small	21.8 (11.2)	27.2 (10.9)	26.2 (8.1)	23.1 (5.7)
Semi-Medium	25.2 (6.8)	23.5 (5.0)	24.2 (3.8)	22.1 (2.9)
Medium	23 (3.1)	20.9 (2.2)	12.2 (0.9)	20.6 (1.2)
Large	9.8 (0.5)	4.7 (0.2)	4.2 (1.1)	1.2 (0.0)
All	100 (100)	100 (100)	100 (100)	100 (100)
<i>West Bengal</i>				
Marginal	27.3 (77.6)	30.3 (81.6)	41.3 (85.9)	58.2 (92.1)
Small	25.7 (12.6)	28.8 (11.5)	28.1 (9.5)	25.7 (5.7)
Semi-Medium	27.7 (7.3)	27.2 (5.5)	23 (4.0)	11.9 (1.4)
Medium	18.6 (2.4)	12.1 (1.3)	7.6 (0.7)	4 (0.2)
Large	0.7 (0.1)	1.5 (0.1)	0.0 (0.0)	0.0 (0.0)
All	100 (100)	100 (100)	100 (100)	100 (100)

Source: Calculated by the author using NSSO unit record data.

Table 12 gives the percentage distributions of households and area owned by broad-size class⁹ of holding in Tamil Nadu and West Bengal for 2003, 1992, 1982 and 1971–72 from the NSSO 59th, 48th, 37th and 28th rounds Land Holding Surveys respectively. The policy of land reform has indeed benefitted the marginal and small land holders in rural West Bengal as compared to Tamil Nadu. For instance, the marginal, small and semi-medium land ownership holdings account for 97.8 per cent of all households and cover 96 per cent of all area owned. The corresponding figures for Tamil Nadu are 98.2 and 78.4 per cent respectively. In Tamil Nadu, semi-medium and medium owners have disproportionate land holdings as compared to West Bengal. However, neither Tamil Nadu nor West Bengal has any large land holdings as compared to other Indian states. The difference between Tamil Nadu and West Bengal is that the marginal and small owners have a higher share of land in the latter as compared to the former.

⁸ The benefits of land reforms in India have generally been associated with reduction in poverty across states in India. However, such effect has been declining over time due to poor quality of land and its fragmentation within a household (Narayana and Mahadevan, 2011).

⁹ The broad-size class is defined as follows: Marginal holding is less than or equal to 1 hectare, Small holding is more than one but less than or equal to two hectares, Semi-medium holding is more than two but less than or equal to four hectares, Medium holding is more than four but less than or equal to 10 hectares and Large holding is more than 10 hectares.

In addition, contrary to popular perception that Tamil Nadu does not have large holdings and that land reform had little effect on the State, the fact remains that most of large land holdings have disappeared in the last four decades. For instance, in 1971–72, large land holdings accounted for 10 per cent of the total area, which came down to nil in 2003. However, medium-sized landholding owners in Tamil Nadu who owned nearly 23 per cent of area in 1971–72 continue to own about 20 per cent of area in 2003. In West Bengal, since 1971–72, land ownership has gradually shifted from medium-sized holdings to marginal holdings. For instance, the medium-sized landholding owners owned about 19 per cent of area in 1971–72, which came down to four per cent in 2003. The corresponding figures for marginal landowners are 27 and 58 per cent respectively. Clearly, land ownership has shifted from medium and semi-medium to marginal holdings in rural West Bengal. This, it is argued, is the singular achievement of the Left in West Bengal in the three decades.¹⁰

7. Possible Explanations

Tamil Nadu has performed much better in crucial development indicators in comparison to West Bengal during the last two decades, despite the fact that West Bengal was in a better position in the early 1990s. This section explores the possible explanations for such differential outcomes.

Amartya Sen and Jean Drèze locate the relative success of Tamil Nadu in the nature of state intervention in providing basic public services. In their words, ‘Less well known, but no less significant, is the gradual emergence and consolidation of universalistic social policies in Tamil Nadu... Tamil Nadu, unlike most other states, also has an extensive network of lively and effective healthcare centres, where people from all social backgrounds can get reasonably good healthcare, free of cost’ (Drèze and Sen, 2011).¹¹ The State has introduced a series of universalistic social policies. The rise of the Dravidian parties in the State has brought in a spate of populist policy moves. For electoral and other reasons, the regime has acquired a path-dependant character in order to devise sustainable policies. Hence, the State is amongst the few that provide basic public services universally and in the most efficient way.

¹⁰ These changes can be partly attributed to fragmentation of land within a household. Tamil Nadu has also seen an increase in the share of marginal households in total households from 93 per cent in 1972–73 to 90 per cent in 2003.

¹¹ The authors’ note that the relative success of Tamil Nadu in comparison to other states lies in the set of universal social policies including universal PDS (Public Distribution System), ICDS (Integrated Child Development Services), and mid-day meals that the State has been providing to its people. They also attribute the improvement in the performance of NREGA to robust administrative regulation and accountability owing to pressure from below. For further details see Drèze and Sen (2011).

Though the West Bengal government has intervened through distribution of land to the marginalised in rural areas, it lacks in the provision of public services. Political mobilisation from below is key for such provisions. The party structure that came to being in West Bengal stifled the possibilities of such political mobilisation which could have guaranteed the provision of basic services, a necessary precondition to achieve our development goals. The possibility of such mobilisation from below by multiple social groups thus was more or less absent in West Bengal. However, one needs to go deeper to understand the cause of stagnation in West Bengal.

Conclusion

This paper shows that Tamil Nadu has outperformed West Bengal in terms of both economic growth and distributive measures. Growth in Tamil Nadu has been more socially inclusive than in West Bengal. The political regime that came into being in Tamil Nadu is largely shaped by mobilisation of lower caste/class. The policies, too, are largely concerned with the public provision of basic services by the State. Also, the delivery systems are more efficient in Tamil Nadu as compared to West Bengal. Both quantum and quality of public services together contributed to the process of economic development in Tamil Nadu.

West Bengal, on the other side, lacks such services. Nevertheless, the State has adopted land reform measures, which have indeed produced positive outcomes in terms of agricultural growth. However, policies for economic development were absent from the imagination of the political leadership. The strict, socially homogenised leadership also contributed to the stagnation of the political regime. Such regimes stifled the mobilisation of other social groups based on economic and social demands because it would have pushed policies needed for growth and distribution. Thus, the difference in outcome between these two States lies in the political regime and consequent policy structure.

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