

# People's Plan of Kerala in Retrospect and Prospect

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## INTRODUCTION

The People's Plan Campaign (PPC) of Kerala has attracted worldwide attention. PPC, launched in 1996 in Kerala, was an experiment in democratic decentralisation with focus on local planning. In India's Ninth Five-Year Plan, each state within the national federation was expected to draw up its own annual plan and the People's Plan was an offshoot of it. In the beginning of the ninth plan, the Government of Kerala took a bold decision to devolve 35% of the state development budget down from a centralized bureaucracy to local governments where local people could determine and implement their own development priorities under the PPC. It was carried out to realize the constitutional goal of establishing genuine "institutions of self government" mandated by the 73<sup>rd</sup> and 74<sup>th</sup> constitutional amendments in the year 1993. Similar experiments were done in other states, but what makes Kerala different is the insistence on mass participation and transparency in the micro-level planning methodology adopted, along with the comprehensive nature of local plans and the autonomy given to local self governing institutions in their plan formulation.

Through the PPC, the planning process starts at the grassroots with maximum involvement of the masses. Mass participation is not limited to the elected representatives or voluntary agencies, but includes the ordinary people assembling in gram sabhas with non-official experts, and volunteers participating in preparing reports, formulating projects and drafting plans. The PPC was launched to empower the elected local bodies with departmental officials, experts, volunteers and the people rallying around them [Issac and Richard W.Frank (2000): p.9].

Around 3 million citizens, tens of thousands of officials or experts and numerous mass organizations were involved in the six phases of the campaign which extended over a year. Around one hundred thousand volunteers were trained to provide organizational support to the campaign. An important component of the People's Campaign was the elaborate training programme. The campaign is, perhaps, one of the largest non-formal education undertakings ever witnessed in India.

In short, the People's Campaign for Decentralized Planning is not simply to draw a plan up from below. The process of planning is intended to bring about a transformation in the attitudes of the participants themselves, to generate a new development culture. This objective cannot be attained through government orders alone. It requires the creativity and social logic of a movement [Issac and Richard W.Frank (2000): p.12].

This paper is organised under six heads. The first section deals with the "theoretical perspective of democratic decentralization" which explains some decentralization theories and explains "citizen-centered" local governance. The second part gives the constitutional context and framework behind the Campaign and the backdrop that led to its institutionalization. The following section gives a brief history of the Campaign in Kerala resulting in the revolutionary steps taken by the state. The fourth section talks about the salient features of the Campaign in Kerala and the final part is a critical analysis of the same. This is followed by a conclusion which challenges us to pave the way to develop the third stratum of local governance and deepen local democracy and thus development.

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## **2. DEMOCRATIC DECENTRALIZATION: A THEORETICAL FRAMEWORK**

### **2.1 Democracy: The Concept**

Democracy may be a word familiar to most, but it is a concept still misunderstood and misused at a time when dictators, single-party regimes, and military coup leaders alike assert popular support by claiming the mantle of democracy. Yet the power of the democratic idea has prevailed through a long and turbulent history, and democratic government, despite continuing challenges, continues to evolve and flourish throughout the world.

Democracy allows ordinary people a decisive say in who governs a country and how they govern it. It is based on a system of government by all the citizens of a country, typically exercised through elected representatives.

In the small human groups of our ancestors, the community was the whole society. Today each community is only a part of a much larger society. If democracy - meaning people-power - is to be real, then ultimate control should reside in the lowest tier of decision-making: the local community.

Democracy, which is derived from the Greek word *demos*, or people, is defined, basically, as government in which the supreme power is vested in the people. In some forms, democracy can be exercised directly by the people; in large societies, it is by the people through their elected agents. Or, in the memorable words of the American President Abraham Lincoln, democracy is government of the people, by the people, and for the people. Freedom and democracy are often used interchangeably, but the two are not synonymous. Democracy is indeed a set of ideas and principles about freedom, but it also consists of practices and procedures that have been moulded through a long, often tortuous history. Democracy is the institutionalization of freedom. In the end, people living in a democratic society must serve as the ultimate guardians of their own freedom and must forge their own path toward the ideals set forth in the preamble to the United Nations Universal Declaration of Human Rights: Recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice, and peace in the world [George Clack (2008):p.1]

Democracy is suited to a state of society, in which the people want to exercise power, are capable of sinking minor differences and cooperating for the general good and have acquired knowledge and judgment enough to elect suitable representatives and to judge as to the propriety of general lines of policy.

Some features of democracy are found to be popular sovereignty, political equality, majority rules, federal governments, collective responsibility, formation of opinions, respect for basic human rights, respect for opinion of minority, provision of rights, rule of laws, rule by consent, implies open society, government by compromise, welfare government and independent judiciary.

Participatory governance provides citizens with access not only to information, but also to decision-making and power to influence public choices. It means access not only for a privileged few, but for all, including those who are still too often excluded from the benefits of development, particularly the poor, the marginalized, and vulnerable groups. At the national level, it means expanding the very concept of governance, recognizing that protection of the public interest is a responsibility not only of the government and the political process, but also of civil society and the private sector.

But an average citizen has not the time, inclination and ability to inform oneself on the affairs of the State. The apathy of the voters in most democratic politics is proverbial. A voter has to be cajoled and dragged out from his/her place of work in order to cast the vote. The obvious result is that power passes into the hands of a professional politician, a demagogue, who is ever ready to exploit the masses.

James Bryce, a fervent exponent of democracy pointed out the following defects.

1. The power of money to pervert administration or legislation.
2. The tendency to make politics a gainful profession.

3. Extravagance in administration.
4. The abuse of the doctrine of equality and failure to appreciate the value of administrative skill.
5. The undue power of party organisation.
6. The tendency of legislators and political officials to play for votes in the passing of laws and in tolerating breaches of order.

The developmental failures of the Indian state are all too well documented and bear tragic testimony to the short comings of the insulated, top-down and accountable decision –making.

The resulting crisis of Indian Democracy has become so acute that across the political spectrum a consensus has emerged for promoting more decentralised and democratic forms of governance.

Over the past three decades the developing world has seen increasing devolution of political and economic power to local governments. There is a swing of the pendulum towards decentralized governance. Decentralization is considered an important element of participatory democracy and, along with privatization and deregulation, represents a substantial reduction in the authority of national governments over economic policy.

Decentralization can be understood as the devolution by central (i.e. national) government of specific functions, with all of the administrative, political and economic attributes that these entail, to local (i.e. municipal) governments which are independent of the centre and sovereign within a legally delimited geographic and functional domain.

We shall mention here, some accepted theories that provide strong rationale for decentralized decision making and a strong role for local governments, on the grounds of efficiency, accountability, manageability and autonomy.

- *Stigler's menu.* Stigler identifies two principles of jurisdictional design:
    - The closer a representative government is to the people, the better it works.
    - People should have the right to vote for the kind and amount of public services they want.
- These principles suggest that decision making should occur at the lowest level of government consistent with the goal of allocative efficiency. Thus, the optimal size of jurisdiction varies with specific instances of economies of scale and benefit-cost spillovers.
- *The decentralization theorem.* According to this theorem, advanced by Oates, “each public service should be provided by the jurisdiction having control over the minimum geographic area that would internalize benefits and costs of such provision,” because
    - Local governments understand the concerns of the local residents;
    - Local decision making is responsive to the people for whom the services are intended, thus encouraging fiscal responsibility and efficiency, especially if financing of services is also decentralized;
    - Unnecessary layers of jurisdiction are eliminated;
    - Interjurisdictional competition and innovation are enhanced.

An ideal decentralized system ensures a level and combination of public services consistent with voter's preferences while providing incentives for the efficient provision of such services. Some degree of central control or compensatory grants may be warranted in the provision of services when spatial externalities, economies of scale, and administrative and compliance costs are taken into consideration. The practical implications of this theorem, again, require a large number of overlapping jurisdictions [Anwar Shah (2006), pp.3-4].

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## 2.2 Citizen Centered Local Governance

In this subsector, we also present some basic principles of citizen centric local governance as a backdrop to the theoretical framework.

- *Responsive governance.* This principle aims for governments to do the right things- that is, to deliver services consistent with citizen preferences.
- *Responsible governance.* The government should also do it right-that is, manage its fiscal resources prudently. It should earn the trust of residents by working better and costing less and by managing fiscal and social risks for the community. It should strive to improve the quality and quantity of and access to public services. To do so, it needs to benchmark its performance with the best performing local government.
- *Accountable governance.* A local government should be accountable to its electorate. It should adhere to appropriate safeguards to ensure that it serves the public interest with integrity. Legal and institutional reforms may be needed to enable local governments to deal with accountability between elections- reforms such as a citizen's charter and a provision for recall of public officials.

A framework of local governance that embodies these principles is called citizen-centered governance. The distinguishing features of citizen-centered governance are the following:

- Citizen empowerment through a rights-based approach (direct democracy provisions, citizens' charter).
- Bottom-up accountability for results.
- Evaluation of government performance as the facilitator of a network of providers by citizens as governors, taxpayers, and consumers of public services [Anwar Shah (2006):p.22].

## 3. THE CONSTITUTIONAL CONTEXT

The local democracy and decentralized governance were inaugurated in India following the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendments.

### 3.1 73<sup>rd</sup> Amendment Act

***3.1.1 The 73rd Amendment Act has added part IX to the Constitution of India entitled as 'Panchayats'. The part consists of provisions from Article 243 to 243-0. A new schedule called as Eleventh Schedule lists 29 functional items that panchayats are supposed to deal with under Article 243-G.***

#### 3.1.2 Article 243G

243G. Powers, authority and responsibilities of Panchayats, subject to the provisions of this Constitution, the Legislature of a State may, by law, endow the Panchayats with such powers and authority and may be necessary to enable them to function as institutions of self government and such law may contain provisions for the devolution of powers and responsibilities upon Panchayats, at the appropriate level, subject to such conditions as may be specified therein, with respect to

- (a) The preparation of plans for economic development and social justice;
- (b) The implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to the matters listed in the Eleventh Schedule.

***3.1.3 The pre-1992 situation about PRIs was chaotic. Most of the states did not bother about any uniform pattern. The partisan character of the state governments viewed Panchayati Raj politics in terms of their support structures or destabilising factors. In either case, they were apprehensive of Union governments intervention or opposition parties taking over Panchayati Raj bodies.***

The votaries of Panchayati Raj were states like Andhra Pradesh, Karnataka, Gujarat and Kerala. While other states like Rajasthan, West Bengal, Uttar Pradesh and Punjab became lukewarm and less enthusiastic about panchayat elections. States like Bihar, Haryana, Orissa and Jammu and Kashmir viewed the change with scepticism. Hence the Union government has to proceed with caution and the amendment was designed to develop and keep the consensus in basic areas of panchayati governance.

### **3.2 74<sup>th</sup> Amendment Act**

***3.2.1 This Act has added Part IX-A to the Constitution of India. It is entitled as 'The Municipalities' and has inserted provisions from Articles 243-P to 243-ZG. In addition, the Act has also added Twelfth Schedule to the Constitution. It contains 18 functional items of municipalities listed under Article 243-W.***

It gives constitutional status to the municipalities and has brought them under the purview of judicial review. In other words, the state governments are under a constitutional obligation to add this new system of municipalities in accordance with the provisions of the Act. The Act aims at revitalizing and strengthening the urban governments so that they may function as effective units of local government.

The municipalities were established for the administration of the towns and smaller cities. There are many other names of the municipalities like; municipal council, municipal committee, municipal board, city municipality and others.

#### **3.2.2 Article 243W**

243W. Powers, authority and responsibilities of Municipalities, etc Subject to the provisions of this Constitution, the Legislature of a State may, by law, endow

- (a) The Municipalities with such powers and authority as may be necessary to enable them to function as institutions of self government and such law may contain provisions for the devolution of powers and responsibilities upon Municipalities, subject to such conditions as may be specified therein, with respect to
  - (i) The preparation of plans for economic development and social justice;
  - (ii) The performance of functions and the implementation of schemes as may be entrusted to them including those in relation to the matters listed in the Twelfth Schedule;
- (b) The Committees with such powers and authority as may be necessary to enable them to carry out the responsibilities conferred upon them including those in relation to the matters listed in the Twelfth Schedule.

#### **Article 243ZD**

Article 243ZD provides for district planning. As the article puts it:

- (1) There shall be constituted in every State at the district level a District Planning Committee to consolidate the plans prepared by the Panchayats and the Municipalities in the district and to prepare a draft development plan for the district as a whole.
- (2) The Legislature of a State may, by law, make provision with respect to—
  - (a) The composition of the District Planning Committees;
  - (b) The manner in which the seats in such Committees shall be filled:

Provided that not less than four-fifths of the total number of members of such Committee shall be elected by, and from amongst, the elected members of the Panchayat at the district level and of the Municipalities in the district in proportion to the ratio between the population of the rural areas and of the urban areas in the district;

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- (c) The functions relating to district planning which may be assigned to such Committees;
  - (d) The manner in which the Chairpersons of such Committees shall be chosen.
- (3) Every District Planning Committee shall, in preparing the draft development plan,—
- (a) have regard to—
    - (i) Matters of common interest between the Panchayats and the Municipalities including spatial planning, sharing of water and other physical and natural resources, the integrated development of infrastructure and environmental conservation;
    - (ii) The extent and type of available resources whether financial or otherwise;
  - (b) consult such institutions and organisations as the Governor may, by order, specify.
- (4) The Chairperson of every District Planning Committee shall forward the development plan, as recommended by such Committee, to the Government of the State.

#### **4. DECENTRALIZATION IN KERALA: A BRIEF HISTORY**

In 1956 when Malabar was integrated with Travancore-Cochin state to form the present day Kerala, there were 892 panchayats. Their major sources of revenue were land cess, building tax, profession tax, vehicle and entertainment taxes. An administrative reform committee with the Chief Minister (E.M.S.Nambudiripad) as chairperson was appointed by the first Ministry of Kerala state, to suggest measures for the democratization of the organs of government at various levels. The committee recommended the strengthening of panchayats in the state as viable units of administration and development in the state. Following the recommendations of the committee, the Kerala Panchayat Bill (1958) and the District Council Bill (1959) were placed in the state assembly. The bills could not be enacted into law as the Ministry was dismissed by the Central Government and the State Assembly was dissolved.

The new government that was formed after the general elections passed the Kerala Panchayat Act, 1960 incorporating several recommendations of the Balavantray Mehta Study Team (1957). This came into force from January 1, 1962. The Act, besides unifying the laws existing in Malabar and the Travancore-Cochin state, sought to enlarge the functional domain and financial resource base of the panchayats. Based on the new Kerala Panchayat Act the first panchayat election in Kerala state was held by the end of 1963 and the new panchayats came into existence on January 1, 1964. There were 922 village panchayats in the state on that date.

In 1964, the next government which came to power introduced the Kerala Panchayat Union Councils and Zilla Parishad Bill largely modelled on the recommendations of the Balvantray Mehta Study Team (1957) and incorporating an intermediate tier at the block level to do planning and rural development called Union Council and an advisory council called Zilla Parishad at the district level. This bill proved to be an abortive effort as the Ministry fell again and an era of President's rule followed.

After a long spell of central administration, following a general election a new ministry was formed in 1967 with E.M.S.Nambudiripad as Chief Minister. A fresh bill called the Kerala Panchayat Bill, 1967, was introduced in the state legislature. This bill envisaged a two-tier system at the village and district levels. This too did not become law as the Legislative Assembly was dissolved in August 1970. But the bill was revived as Kerala District Administration Bill in 1971 by the Ministry under C.Achutha Menon. Actually due to a variety of reasons it was left to the next government under A.K.Antony to enact a slightly modified legislation called Kerala District Administration Act, 1979. This Act however was kept in cold storage for long due to several contradictions and problems in the law. The E.K.Nayanar Ministry that came to power in 1986 attempted to renew the process of decentralization. They appointed a committee under the former Chief Secretary of Kerala and later on Vice Chairman, State Planning Board V. Ramachandran to study the shortcomings of the



existing legislations and make suggestions. This Report (1988) entitled *Report on the measures to be taken for democratic decentralization at the District and lower levels*, recommended drastic amendments. The state government however made only minimum amendments. Elections were held for District Councils at the eve of 1990 and the District Councils came into existence in February 1991. The Government that came to power in May 1991 in the state wanted to reverse the decentralization initiatives taken. While the Annual Plan outlay for 1991-92 for district councils was Rs.250 crore, the government reduced it to a paltry sum of Rs.1.97 crore in the next year's budget. Not only that the District Councils were dissolved various measures were taken which virtually put the clock back. It was at this point that the historic 73rd and 74th Constitutional Amendments happened [Government of Kerala (2009):p.18-19].

The enactment of the Kerala Panchayat Raj Act & Kerala Municipality Act in the year 1994, in tune with the constitutional changes made in 1993, was the first step in the recent history of decentralization in Kerala. The act enlisted both mandatory and sectoral responsibilities and institutional structures of the local government system in Kerala. The acts incorporated only the bare minimum mandatory constitutional requirements in the initial stage. The functional areas of local governments are made distinctly clearer by transferring a number of institutions and staff positions to the local governments, in September 1995, following the principle 'work and worker going together'. With this transfer, local governments in Kerala got the services of fairly senior professional officers on health, agriculture, animal husbandry, rural development social welfare, scheduled caste development, education etc. They are designated as Ex-officio-secretaries with all powers and responsibilities of the local government Secretary, with regard to their specific sector.

The State budget, which set apart a small amount of untied funds to draw local plan projects by the local governments, of Government of Kerala, presented in February 1996 was the next milestone in the history of decentralisation in the state. This paved way for legislative approval of resource allocation to local governments through a very unique budgetary process. The process of decentralisation was pushed further forward in 1996 when the Left Democratic Front (LDF) coalition returned to power in Kerala in 1996, and the CPM-led government moved swiftly to fulfil one of its most important campaigns pledges by launching the "People's Campaign for Decentralized Planning". The Campaign is a historically significant attempt to dismantle entrenched forms of bureaucratic domination and patronage politics by reinvigorating Kerala's tradition of direct and mobilized democracy. The Campaign initiated by transferring one-third plan resources of the State to the local governments in the ninth five-year plan, really infused life into decentralisation in the State. "The campaign had succeeded in deepening the process of decentralisation, bringing about qualitative changes in planning and implementation and altering of the mindset about participatory development."

While the CPM's return to power in 1996 provided a critical opening, the Kerala State Planning Board formulated, designed and drove the Campaign for Democratic Decentralization. In doing so, the board has relied on a stock of practical knowledge, idea and experiences drawn from 25 years of local level experiments conducted by NGOs, most notably the Kerala Sastra Sahitya Parishad (KSSP)- the People's Science Movement [Fung and Erik Olin Wright (2003):p.80].

The PPC, consisted of a series of phases, and had been used as an acceptable entry point to push for a high degree of decentralisation in the State. The campaign could establish ad hoc systems and procedures, which were later, corrected or were attempted for correction on trial and error basis. The campaign could succeed in setting the agenda of decentralisation and push its pace to a great extent.

## **5. SALIENCE OF PEOPLE'S PLAN IN KERALA**

### **5.1 A Novel Methodology in Decentralized Policy**

In order to ensure transparency and participation without compromising technical objectivity, a sequence of phases each with its distinctive objectives, main activities, and training programme was drawn up (State Planning Board 1996).

- The First Phase: Gram sabhas; (*Identifying the local needs*)
- The Second Phase: Development Seminars; (*What is to be done?*)

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- The Third Phase: Task Forces; (*Preparing the Projects*)
  - The Fourth Phase: Elected Bodies; (*Formulation of Grassroots Level Plans*)
  - The Fifth Phase: Block and District Panchayats; (*Preparation of the Higher Tier Plans*)
  - The Sixth Phase: Voluntary Technical Corps; (*Appraisal of the Plans*)

Autonomous decision-making power was granted to local governments by providing untied ‘‘grants-in-aid’’. The heavy hand of bureaucratic tradition has been blunted by continuous, mass, non-official participation in every phase of plan preparation and implementation [Fung and Erik Olin Wright(2003):p.90].

#### **5.1.1 The First Phase: Gram sabhas** (*Identifying the local needs*)

Amendments to enabling laws required four meetings in each panchayat per year. The first gram sabha serves as an open forum in which residents identify local development problems, generate priorities and form sub-sector development seminars in which specific proposals take shape. In the second gram sabha, plans approved by the elected panchayat council are presented to the public and departures from the original gram sabha proposals are explained. Beneficiaries for particular projects are selected at the gram sabhas.

In each gram sabha, after an introductory general body meeting (usually of a several hundred people) participants are divided into smaller groups, each dealing with a particular development sector, to discuss issues and problems in depth. This small group arrangement made it possible for ordinary people, particularly women, to be able to participate in the discussions. Working with a basic template of questions and useful planning concepts, locally recruited facilitators encouraged participants to list and analyze local problems based upon their real life experiences.

#### **5.1.2 The Second Phase: Development Seminars** (*What is to be done?*)

The outcome of these data collection exercises was a ‘‘development report’’ prepared according to the guidelines set down by SPB. With a five year strategic outlook, the reports serve as the basis of annual planning. The body of each report consists of 12 chapters assessing the current status of various sectors such as agriculture, energy, health and drinking water, a review of ongoing schemes and problems and a list of recommendations. An assessment by the SPB revealed that the majority of the reports were of higher quality than any other existing department planning documents and offered by far the best benchmarks for local development.

Since the recommendations of development reports can differ from the demands raised in gram sabhas and because demands from the different wards had to be integrated into area wide perspectives, the reports were submitted to development seminars. Development seminars had 231 delegates, with officials accounting for 13.8 percent, SC/STs (Scheduled Castes and Scheduled Tribes- the official designation for untouchables and tribal groups) for 10.5 percent and women for only 22.1 percent. The seminars were given a very high profile, with a member of the legislative assembly or a state minister inaugurating half of the seminars. A major proportion of the seminar time was devoted to sector-wise group discussions in order to facilitate in depth analysis of the development reports and to propose amendments. The recommendations of the different groups were then presented to a plenary session for ratification.

#### **5.1.3 The Third Phase: Task Forces** (*Preparing the Projects*)

At the conclusion of development seminars in the first year of the Campaign, task forces of around ten persons each were constituted to prepare the project proposals on the basis of the recommendations of the seminar. In subsequent years, task forces became the starting point of the planning process in which development seminars were convened at a later stage to review the work of task forces. The work of the task forces in fact goes beyond simply levelling the playing field by guaranteeing that the process of project design is informed by the experts but led by the citizens.



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The chairperson of each task force was an elected ward councillor. This ensured that the work of the task force would be directly represented in subsequent deliberations of the panchayat or municipal council. The convenor of the task force was an officer from the concerned line department.

The sustainability of a participatory institution is in large part determined by its demonstrated capacity for effective problem-solving. Thus, all project proposals must include a definition of objectives (as far as possible in quantitative or measurable terms), criteria for beneficiaries or areas, a time frame, an organizational overview of the role of implementing agencies, a financial analysis including identification of funding sources, a social and environmental impact review, and details of the proposed monitoring mechanisms.

#### ***5.1.4 The Fourth Phase: Elected Bodies (Formulation of Grassroots Level Plans)***

Taking much of its inspiration from the KSSP- which since its foundation in 1962 has been dedicated to ‘‘bringing science to the people’’- the Campaign has taken local information-gathering as a first critical step in the planning process.

After a first round of gram sabhas, panchayats in the first year of the Campaign were required to make formal assessments of the natural and human resources of their localities. The idea was to promote effective integration of planning and resource optimization by actually comparing expressed needs with local assets. A series of participatory studies was undertaken in every gram panchayat and municipality which included the collection and organization of data available from various local level offices, identifying and mapping local eco-zones using transect walk techniques, a review of ongoing schemes to be prepared by each local department, a social audit, and a review of local history. This exercise itself helped many individuals develop useful skills and importantly, incorporated local knowledge into official development planning.

#### ***5.1.5 The Fifth Phase: Block and District Panchayats (Preparation of the Higher Tier Plans)***

The local planning process is marked by the prioritization and integration of projects prepared by various task forces into a plan document for each panchayat. Formally, the approved plan must conform to a detailed reporting format that lays out the general strategy and objectives of the plan as well as sectoral and redistributive criteria. Authorized projects must be specifically linked to the strategic statement and the full text of the proposed project must be listed in a separate appendix. The fact that ward councillors participate actively at every level of the participatory process, from attendance at gram sabhas to chairing the task forces, also ensures integration between the participatory processes and the councils final deliberations. Since the beginning of the Campaign, plan allocations are separately indicated in the state budget, with broad guidelines. These guidelines are both of a functional (sectoral) and redistributive character and are designed to co-ordinate and integrate local allocations with state-wide objectives. In order for example to shift public investments away from Kerala's traditional strengths in social services and infrastructure, the SPB mandates that 40-50% of plan allocations must be directed to the productive sector. On the redistributive front, local governments are required to spend not less than 10% on projects targeted to women, and 10% for Scheduled Castes and Scheduled Tribes. A matrix-based analytical tool has been developed to assist blocks and districts in integrating the analysis and programs of the gram panchayats into their own plans. Blocks have also been tasked with integrating into their plans the different centrally sponsored poverty alleviation that have traditionally been implemented at the block level. There has been strong resistance to this move from both bureaucrats and elected representatives. In part this is due to genuine problems arising from the existence of separate guidelines for centrally sponsored programs, but it is mostly a reaction to the prospect of losing significant decision making powers.

#### ***5.1.6 The Sixth Phase: Voluntary Technical Corps (Appraisal of the Plans)***

The formation of expert committees in the course of the Campaign's first year was an important organisational innovation which helped to debureaucratize the project appraisal and technical sanction procedures.

In the first year of the Campaign a sample review of the projects prepared by the local bodies revealed that a significant proportion of them had to be evaluated. The evaluation was not for selection or rejection of the projects, but to rectify

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the technical and financial weaknesses in the project proposals. Technical specifications and even architectural or other designs problems might need to be addressed. This monumental task had to be undertaken within a span of three to four months. The official machinery was neither capable nor willing to cope with the task.

The SPB responded to this problem by launching the Voluntary Technical Corps (VTC). A professional or postgraduate degree or officer-level experience in a development sector was specified as the minimum qualification for membership in the VTC. A volunteer expert committed herself/himself to spending at least one day a week giving technical assistance to the panchayats. District level conventions were arranged for the experts who formally offered to join the VTC. More than 4,000 technical experts enrolled in the VTC. Expert Committees were then formed at block (BLEC), municipal (MLEC) and corporation (CLEC) levels. The expert committees function through subject committees with membership confined to those who have expertise in the particular field.

A non-official expert acts as the chairperson and a senior officer from the related department is appointed as the convener of the subject committee.

The expert committees act both as advisory arms of the District Planning Committees, helping the latter to appraise the plans and projects, and as advisory committees to local planners. The committee's tasks were carefully limited to providing technical and financial advice and appraisal of projects, and suggesting modifications where necessary. The District Planning Committees approve plans on the recommendations of the expert committees.

## **5.2 Decision-making by the People**

The purpose of the 73rd Amendment Act was to take democracy to the grass root level so that the people should manage their own affairs at that level. Only the people themselves know what is best for them and what needs to be done. So the idea was not only to entrust the people with the power of decision-making but also to give them the authority and capacity of governing themselves.

The whole process closely conforms to a few core institutional design principles of Empowered Participatory Governance. First, by developing planning and implementation functions to local arenas, the Campaign has for the first time in India meaningfully empowered local governments and communities to address practical problems. The entire planning cycle- which begins with the collection of local data and ends with the formulation of a comprehensive local plan that consists of hundreds of projects – is an extended exercise in practical problem solving.

Second, the participatory institutions of the Campaign are self-consciously deliberative – based on inclusive and reason-based decision making and directly empowered because they tie project choice and formulation to actual implementation.

In short, the objective of the People's Campaign for Decentralized Planning has not been simply to draw up a plan from below. The very process of planning has been conceived as a means to fundamentally transform the character and scope of participation and the nature of interest mediation. Such a transformation cannot be secured through government directives or institutional design alone. It requires creativity and integration with the logic of social movements [Fung and Erik Olin Wright(2003):p.86].

## **5.3 Participation of Marginalised People**

This is to promote social justice. Both the institutional and political character of the Campaign has been centrally concerned with promoting bottom-up participation. The devolution of authority and resources to LSGIs has significantly reduced the transaction costs of participation and the knowledge –capacity gap that has traditionally excluded ordinary citizens from playing an effective role in governance has been considerably narrowed by mass training programs, the active mobilization of civil society expertise, and concerted efforts to empower historically marginalized groups – women, adivasis, and dalits.

## 5.4 Meeting the Basic Needs of People

After the Campaign, an overall development took place in the state of Kerala. They gave more importance to:

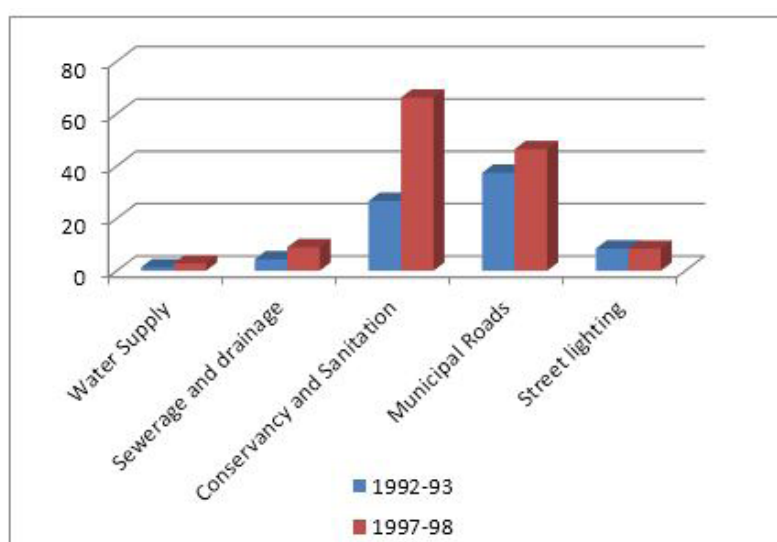
- Safeguarding the interests of weaker segments of society by organising the campaign for thrift; voluntary workers participated in collective activities; neighbourhood groups and self help groups focussed on the poor; campaigns were conducted against issues such as dowry, abuse of women and children and legal awareness.
- Promoting cultural, educational and aesthetic aspects like communal harmony; campaigning against economic offenses.
- Urban forestry, protection of the environment, and promotion of ecology by maintaining environmental hygiene, including environmental awareness of the need to seek local action.
- Urban planning, including town planning by preparing detailed town planning and action plans and ensuring that people participate in all stages of development and develop the cooperative sector.

**Table 1: The “Per Capita Revenue Expenditure (in rupees) on Core Services before (1992-93) and after (1997-98) PPC, in Municipalities of Kerala.”**

Years	Water Supply	Sewerage and drainage	Conservancy and Sanitation	Municipal Roads	Street lighting
1992-93 (Before the Campaign)	1.3	4.42	26.68	37.42	8.47
1997-98 (After the Campaign)	2.84	8.98	66.14	46.49	8.37

Source: Anwar Shah (2006), p.180

The tremendous progress made in a short span of time is illustrated in the above table.



**Graph 1: Comparison between the Per Capita Revenue Expenditure in the Municipalities of Kerala before and after the Campaign:**

From the graph, we see that the per capita expenditure has increased in the municipalities after the Campaign, showing that the PPC has focussed on providing basic needs, which are public goods, to the people of the locality. The public goods are water supply, sewerage and drainage, conservancy and sanitation, municipal roads and street lighting.

**Table 2: The ‘Per Capita Own Source Revenue of PRIs before (1990-91) and after (2000-01) the Campaign.’**

State	Per Capita(Rs.) 1990-91	Per Capita (Rs.) 2000-01
Andhra Pradesh	12.9	27.4
Assam	1.5	3.2
Bihar	-	1.0
Chhattisgarh	-	34.5
Goa	15.2	113.1
Gujarat	10.1	23.9
Haryana	23.7	46.7
Himachal Pradesh	0.0	6.1
Karnataka	5.6	19.2
Kerala	14.6	93.2
Madhya Pradesh	2.3	32.0
Maharashtra	7.1	58.8
Orissa	2.2	2.9
Punjab	15.1	50.1
Rajasthan	7.2	8.5
Tamil Nadu	4.3	16.4
Tripura	0.1	1.8
Uttar Pradesh	2.1	4.5
Uttaranchal	-	7.7
West Bengal	2.9	5.6
All States	5.3	20.1

Source: Anwar Shah (2006), p.218

**Table 3: The 'Per Capita Expenditure of PRIs before (1990-91) and after (2000-01) the Campaign.'**

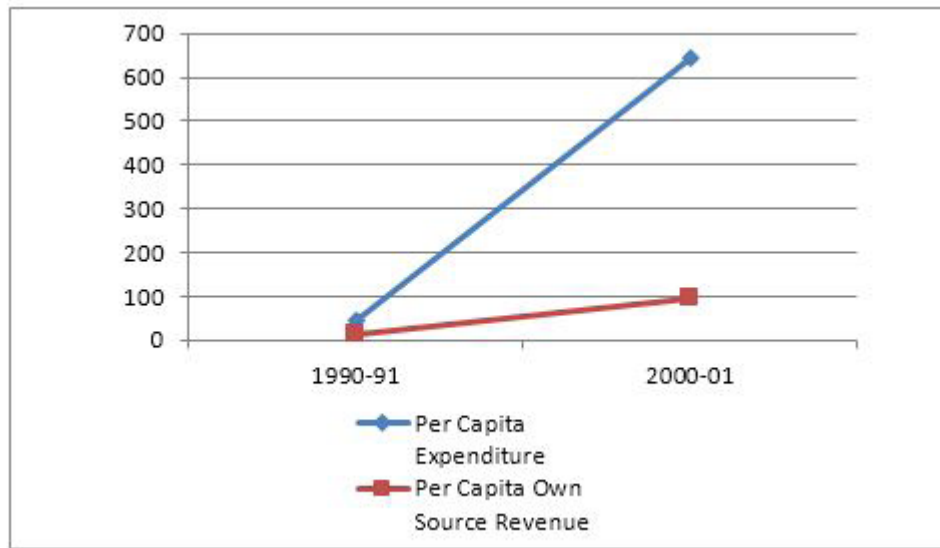
State	Per Capita (Rs.) 1990-91	Per Capita (Rs.) 2000-01	Annual growth of total expenditure 1998-2003 (%)
Andhra Pradesh	205.7	792.9	11.9
Assam	1.1	3.2	2.2
Bihar	18.2	4	17.3
Chhattisgarh	-	360.8	11.3
Goa	30.1	198.2	31
Gujarat	399.4	1293.5	-1.6
Haryana	54.7	142.1	26.7
Himachal Pradesh	8.6	41.2	12.7
Jammu and Kashmir	0.0	750	9.6
Karnataka	402.6	1296.2	5.9
Kerala	46.1	644.9	0.5
Madhya Pradesh	44.5	113.9	2
Maharashtra	298.4	685.8	11.1
Manipur	7.0	25.5	21.9
Meghalaya	81.6	51.6	4.4
Orissa	65.0	37	25.4
Punjab	70.0	85	9.7
Rajasthan	218.9	361.6	5.7
Sikkim	0.0	78.6	17.7
Tamil Nadu	59.7	164.7	7.6
Tripura	5.3	186.1	5.2
Uttar Pradesh	40.9	46.9	5.1
Uttaranchal	-	49.3	-2.1
West Bengal	24.5	107.0	5.5
All	148.0	324.0	6.9

Source: Anwar Shah (2006), p.214

**Table 4: 'Kerala's Per Capita Own-Source Revenue of PRIs and Per Capita Expenditure of PRIs.'**

In PRIs of Kerala	1990-91	2000-01
Per capita own-source revenue of PRIs, All tiers	14.6	93.2
Per capita expenditure of PRIs, All tiers	46.1	644.9

Source: From the above tables.



**Graph 2: Comparison between**

- per capita own source revenue of PRIs in Kerala before and after the campaign
- per capita expenditure of PRIs in Kerala before and after the campaign

This shows that the PRIs in Kerala have seen an increase in the per capita own source revenue and per capita expenditure from 1990-91 to 2000-01. The large increase in the per capita expenditure implies that the PRIs bore increasing expenses for the welfare of the people and for the socio-economic development of the State, with time.

### **5.5 The Idea of a Beneficiary Selection has been made Participatory**

Campaign rules call for gram panchayats to extensively publicize the criteria for beneficiary eligibility and prioritization. Notices listing the projects and the criteria have to be prominently displayed in public places as well as printed and circulated. Applications must be printed in Malayalam and made freely available. The rules also provide for a system for verifying statements made in the applications. Verification can be conducted by designated officers or by a committee appointed by the panchayat. Finally, the list of applicants must be presented to the gram sabha with sector subject groups tasked with processing applications. The responsibility for consolidating and finalizing the priority list of beneficiaries received from each gram sabha rests with the panchayat and has to be created on the basis of clearly stated norms. The draft list must be exhibited prominently. All public objections must be given consideration and reasons for rejection stated [Fung and Erik Olin Wright(2003):pp.90-97].

## **6. A CRITICAL ASSESSMENT**

PPC underwent several transformations and yet, it remains as an unfinished agenda. The decentralisation started with the expectation that it should move from experimentation, corrective and consolidation phase to an institutional phase later. But the campaign could not go much ahead in transforming the existing administrative and operating systems of local governments to the needs of decentralisation, with local political process, good local financial management, excellent procurement system and meaningful relation between elected and appointed functionaries. The interim systems strenuously made during the campaign could not be institutionalised or made sustainable. The expectation of the campaign was that it would accelerate economic growth and create a new model of growth with equity in Kerala. By critically evaluating the campaign, the following were found.



## **6.1 People's Participation became a Routine Affair**

Kerala is one state in India that evolved a methodology of decentralised planning (for that matter with no parallel elsewhere in the world) and sought to implement it. It is more or less stabilized and in many respects institutionalised. While one can legitimately point out that the verve and vigour of a campaign mode is missing, that it got institutionalised itself is a great achievement. But the problem is that it got routinised.

The methodology envisages several steps. The first step in the process is needs identification of the local community through a meeting of gram sabha/ward sabha i.e. the electoral constituency of a gram panchayat or municipality member. Such meetings presided over by the elected member from the ward articulate the major findings and forward them to the concerned local government. If it goes well, indeed it is a great idea and a powerful anti-dote to the extant elite-oriented liberal democracy. But when it becomes a routine affair and a meeting place of beneficiaries or benefit seekers or when attendance gets fudged, an important democratic tool stands discredited and the bureaucracy comes back with a vengeance. The gram sabha/ward sabha meetings which could have been developed into a forum for consensus building or throwing up constructive ideas for development purposes lose their significance [Government of Kerala (2009)].

## **6.2 Lack of Interest of Officials**

Based on local history and using the available primary and secondary sources that could be deployed, a "Development Report" was prepared for five years for every local government, rural and urban. It set out the directions for future development and was a key document. The fact that these reports were prepared, for all gram panchayats and urban local bodies, for the 9th and 10th plans is a great achievement. But then, in some of the panchayats, spare copies were not available and some of the new presidents/members apparently did not seem to appreciate the significance of such documents, let alone their contents for planning and evaluation. A brief quote from one of the Reports reflects the reality on the ground at least in certain areas: *"Development Seminar has become a ritual. Useful discussions are not taking place. Participants attend the meeting with the preconceived notion that all projects have been finalised elsewhere. Panchayat members do not have the enthusiasm to seek the support, the presence of various sections of society was also not always welcome to them"*.

## **6.3 Lack of Technical Support**

While participation was important, the whole approach lacked technical input and support. The quality of work of the Working Groups and the exercise of projectisation would have improved if the GP presidents/Chairmen of the Municipalities had engaged outside experts at least selectively. DPC was also not technically strengthened. The Technical Advisory Groups at the block and district level consisted of experts from within and outside the government. They were expected to provide technical advice to LGs, vet technical projects and give technical sanction for work wherever required. *All the officials from the Gram Panchayats and Municipalities and more than two-third non-expert members admitted that they had neither the training, nor expertise or the needed preparatory study to evaluate the technical feasibility and economic viability of projects.* The findings of the field studies unequivocally pointed to the yawning gap in the technical support mechanism of the decentralised planning project of the state. Indeed, it was the Achilles heel of the whole process of planning at the local level [Government of Kerala (2009)].

## **6.4 MISSING LINKS**

The plan-making process and the budgetary process were not integrated. One was independent of the other. This is in spite of Appendix IV which is an integral part of the State Budget. Even the Local Plan was not integrated to the State Plan. Without an organic link between the two, the so-called Five Year Plan and the Annual Plan did not have much significance [Government of Kerala (2009)].

## **6.5 Top Down Exercises Sap Initiative**

The strategisation of decentralised planning raised the fundamental question of the optimum mix of top down and bottom up planning. There was an understandable anger that had been raised in several quarters against the plethora of guidelines

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and directives issued from above spelling out the elaborate details of the steps in planning to be followed in overall sectoral and special component plans, fixing percentage allocations to various sectors, women component plan, anganwadis, ashra-ya etc. Such elaborate guidelines, not always consistent, were top down exercises that could sap initiative and autonomy. The guidelines went into minute details (ostensibly to produce a well-orchestrated planning exercise) and even with the best of professional support, an ordinary village panchayat president would find it difficult to carry them out, particularly seen within the stipulated time frame [Government of Kerala (2009)].

## **6.6 Innovative Institutions Abandoned**

Several innovative institutions created as part of the decentralised planning exercise in the initial years stood virtually abandoned. The most important of these is the Beneficiary Committee system. The fact that 25 per cent of the Beneficiary Committee system worked well, despite the heavy odds they had to encounter against the well-entrenched technical and administrative bureaucracy is proof that it must have been streamlined and sustained rather than abandoned. Apparently nobody seemed to be worried about the continuation of the contract system and the archaic public works manual which have facilitated and legitimized corruption in the state. Another is the neglect of the tremendous potential in enhancing the mobilization of resources through beneficiary contributions and voluntary services and contributions in financing the Annual Plans. For e.g. in 1998-99, for every rupee of Plan Grants spent, the total expenditure was Rs.1.14[Government of Kerala(2009)].

## **7. CONCLUSION**

Kerala has made an excellent beginning and moved much ahead in the direction of decentralisation and development of third stratum of local governance with the goal of deepening and widening democracy and local development. But in order to make it efficient, effective and purpose oriented, it has to go a long way. Since the concept of decentralisation refers to a nebulous phenomenon, which is preached by all, but practiced by a few, the sincere promoters of decentralization should take all possible measures to push it forward, inch by inch by solving the major issues and problems, some of which we have discussed in this paper.

## **APPENDIX**

### **1. The Eleventh Schedule lists the following 29 subjects:**

#### **Eleventh Schedule:**

- (1) Agriculture including agricultural extension.
- (2) Land improvement, implementation of land reforms, land consolidation and soil conservation.
- (3) Minor irrigation, water management and watershed development.
- (4) Animal husbandry, dairying and poultry.
- (5) Fisheries.
- (6) Social forestry and farm forestry.
- (7) Minor forest produce.
- (8) Small scale industries, including food-processing industries.
- (9) Khadi, village and cottage industries.
- (10) Rural housing.
- (11) Drinking water.

- (12) Fuel and fodder.
- (13) Roads, culverts, bridges, ferries, waterways and other means of communication.
- (14) Rural electrification, including distribution of electricity.
- (15) Non-conventional energy sources.
- (16) Poverty alleviation programme.
- (17) Education including primary and secondary schools.
- (18) Technical training and vocational education.
- (19) Adult and non-formal education.
- (20) Libraries.
- (21) Cultural activities.
- (22) Markets and fairs.
- (23) Health and sanitation, including hospitals, primary health centres and dispensaries.
- (24) Family welfare.
- (25) Women and child development.
- (26) Social welfare, including welfare of the handicapped and mentally retarded.
- (27) Welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes.
- (28) Public distribution system.
- (29) Maintenance of community assets.

**2. The 74th Amendment contains the Twelfth Schedule of municipal functions which are 18 in number.**

**These basic urban functions are:**

- (1) Urban planning including town planning
- (2) Regulation of land use and construction of buildings
- (3) Planning for economic and social development
- (4) Roads and bridges
- (5) Water supply for domestic, industrial and commercial purposes
- (6) Public health, sanitation, conservancy and solid waste management
- (7) Fire services
- (8) Urban forestry protection of the environment and promotion of ecological aspects
- (9) Safeguarding the interests of weaker sections of society including the handicapped and mentally retarded
- (10) Slum improvement and up gradation

- (11) Urban poverty alleviation
- (12) Provision of urban amenities and facilities such as parks, gardens, playgrounds
- (13) Promotion of cultural, educational and aesthetic aspects
- (14) Burials and burial grounds, cremations grounds and electric crematoriums
- (15) Cattle ponds, prevention of cruelty to animals
- (16) Vital statistics including registration of births and deaths
- (17) Public amenities including street lighting, parking lots, bus stops and public conveniences
- (18) Regulation of slaughter houses and tanneries.

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