

CAMPAIGN FOR DEMOCRATIC DECENTRALISATION IN KERALA

AN ASSESSMENT FROM THE PERSPECTIVE OF EMPOWERED DELIBERATIVE DEMOCRACY

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SECTION I

THE STRUGGLE FOR DEMOCRATISATION

Democratic decentralisation is the process of devolving the functions and resources of the state from the centre to the elected representatives at the lower levels so as to facilitate greater direct participation by the citizens in governance. The basic principle governing the devolution of functions and resources should be that of subsidiarity: what can be done best at a particular level should be done at that level and not at higher levels. All that can optimally be done at the lowest level should be reserved to that level. Only the residual should be passed to the higher levels. The different tiers while functioning in ways complementary to each other, should have functional, financial and administrative autonomy. The concept of democratic decentralisation proposed here also requires a movement beyond representative democracy. Appropriate institutions and opportunities but also necessary capabilities have to be created at the lower levels in order for ordinary citizens to participate in the decision making, implementation, monitoring and sharing of the benefits and responsibilities of governmental activities. Such popular participation would make the elected representatives continuously accountable to the citizens and would facilitate a transparent administration.

The description just presented closely corresponds with the principles of decentralisation enunciated by the *Committee on Decentralisation of Power* (popularly known as Sen Committee, after its late chairperson Dr. Satyabrata Sen) appointed by the Government of Kerala: autonomy, subsidiarity, role clarity, complementarity, uniformity, people's participation, accountability and transparency. The legislative and administrative changes that are being introduced in the state to empower the local self-governments have been guided by

these principles. The legislation is being backed up by a powerful Campaign to mobilise the people for democratic decentralisation. Fundamental reforms cannot be merely legislated. Legislation remains empty phrases unless powerful movements oversee their implementation. Legislation is necessary but not sufficient for decentralisation. Kerala's success in land reform reinforces our argument. The laws were successfully implemented because they were backed by a powerful peasant movement. This political conviction has given rise to a fascinating and unique experiment in social mobilisation for decentralisation.

What are the salient features of Kerala's decentralisation programme that makes it unique? In Section II we shall present a fairly detailed discussion of the campaign designed to promote maximum participation, transparency and scientific objectivity in plan formulation and implementation. The effectiveness of these mechanisms in achieving the objectives of democratic decentralisation are critically evaluated in Section III. In the present opening section, we shall briefly outline what we considered are the four important points of departure of the Kerala experiment when compared to the decentralisation programmes in other states in India and most parts of the world.

Reversal of Sequence of the Decentralisation Process

Decentralisation involves a number of changes in administrative structure, allocation of functions and powers, and control of resources. All three are interrelated and to an extent would have to be introduced simultaneously. But it is almost a dictum of decentralisation reforms that the changes be effected gradually. Typically it would be argued that certain preconditions for successful decentralisation, have to be met, and these according to a sequence and with a clear demarcation of functions among the various levels. Administrative support structures have to be created by establishing horizontal linkages, effecting institutional changes, redeploying staff, generating an information base and training personnel.

Awareness creation is also an important task. The devolution of financial resources is limited by the absorptive capacity of the nascent institutions. It is almost a case of cutting a coat to suit the size of the cloth. For various reasons the preconditions are seldom met, and the financial devolution occurs only on paper. The sequential model of decentralisation presumes a linearity of implementation informed by a social technocratic vision in which a blueprint can be deployed in a frictionless environment. In Kerala the environment is far from frictionless and yet the devolution has gone far beyond the issuance of laws and executive orders.

During 1997-98 the total resources devolved worked out to be Rs.1,025 crores (one crore = 10 million), and in 1998-99 Rs. 1,178 crores, not counting funds from centrally sponsored schemes and the institutional loans that could be generated by local governmental bodies with

government guarantees. This represents a substantial hike in the plan funds earmarked to the Local Self-Government Institutions (LSGIs). Before 1996-97, their share in the annual plan was limited to a paltry amount of untied funds that averaged around Rs. 20 crores.

There is little doubt that the administrative capacity and the management experience of the newly-elected local government representatives did not warrant such a large-scale devolution. Instead of waiting for gradual administrative capacity building through reforms, the left democratic front government opted to take the plunge and devolve the funds. Given the sequence of decentralisation it was inevitable that there would be serious problems implementing the plans. Necessity then compelled the government to carry out essential complementary reforms to create the conditions for successful financial devolution. Given the inherent limitations of a coalition government and inevitable minimum time required for the immense task of building new complex rules and procedures, the administrative reforms such as redeployment of staff and even legislative processes have been slow. One can imagine what would have been the fate of decentralisation if a more “normal” sequence of reform processes had been followed.

Planning as an Instrument of Social Mobilisation

The second distinctive feature of the decentralisation experiment in Kerala is the central role allotted to the planning function of the LSGIs. A comprehensive area plan is to be prepared by each local body before they can claim the grant-in-aid. In Kerala itself, during the first year of the new local bodies in 1996-97, a total of 212 crores of rupees had been provided to them as untied fund "to initiate the preparation and implementation of local level need based plan programs for development" (Govt. of Kerala, 1997). Not one local body prepared a plan. The most common method adopted was merely to divide funds equally between ward members for various works (mostly roads), selected by them. The new Campaign requires a break with this tradition by insisting on comprehensive area plans.

Apart from the comprehensive nature of the local plans and the maximum autonomy given to the LSGIs in their plan formulation, the micro level planning methodology adopted in Kerala is distinguished by its mass participation. Mass participation is not limited to elected representatives or voluntary agencies but includes ordinary people assembling in grama sabhas and nonofficial experts and volunteers participating in the preparation of reports, formulating projects, and drafting the plan. The officials are to work alongside the non officials. The People's Planning Campaign was launched to empower the elected local bodies by rallying the officials, experts, volunteers, and the mass of people around them, so that the impediments to local level planning can be overcome.

In order to ensure transparency and participation without compromising on the technical requirements of planning, a sequence of phases each with its distinctive objectives, central

activities and training programme was drawn up. They are summarised in Table 1. In the subsequent years also a similar sequence of activities with necessary modifications were undertaken in order to prepare the plan.

Table 1
Different Phases of the Peoples Campaign 1997-98

| <i>Phase</i> | <i>Period</i> | <i>Objective</i> | <i>Activities</i> | <i>Mass Participation</i> |
|--------------------------------|----------------------|---|--|--|
| I (Gramasabha) | Aug.-Oct. (1997) | Identify the felt needs of the people | Gramasabha in rural areas and ward conventions in urban areas | 2.5 million persons attending Gramasabhas |
| II (Development Seminar) | Oct.-Dec. (1997) | Objective assessment of the resources, problems and formulation of local development perspective. | Participatory studies: Preparation of development reports, organisation of development seminars. | 300000 delegates attending seminars |
| III (Task forces) | Nov.1997-March, 1998 | Preparation of projects | Meetings of task forces | 100000 volunteers in task forces |
| IV (Plans of Grass Root Tiers) | March-June (1998) | Formulation of plan of grass-root tiers. | Plan formulation meetings of elected representatives. | 25000 volunteers in formulation of plan document. |
| V (Plans of Higher Tiers) | April-July (1998) | Formulation of plans of higher tiers | Plan formulation meeting of elected representatives. | 5000 volunteers in formulation of plan documents. |
| VI (Volunteer Technical Corps) | May-Oct. (1998) | Appraisal and approval of plans | Meetings of expert Committee | 5000 volunteer technical expert working in the Appraisal Committees. |

An important component of the People's Campaign was the fairly elaborate training programme. The Campaign developed into one of the largest non-formal education programmes the country has ever witnessed. In seven rounds of training, at state, district and local level, around 15,000 elected representatives, 25,000 officials and 75,000 volunteers were given training. The state level trainees, called Key Resource Persons (KRP), numbering around 600 received nearly 20 days of training. The district level trainees, called District Resource Persons (DRP), numbering nearly 12,000 received 10 days of training and at the local level, more than a lakh (one lakh = 100,000) persons received at least five days of training. All the elected representatives were expected to participate in the training programme at one level or another. Each round of training focussed on definite planning activities to be undertaken. Separate handbooks were prepared for each round.

Campaign for the Creation of a New Civic Culture

Following the seminal analysis of Putnam, (1993) the determining role of the robustness of civil society -- defined in terms of its “norms of reciprocity and networks of civic engagement” and embodied in different types of civil institutions -- in securing the effectiveness of democratic institutions is now widely accepted. A vigorous civil society strengthens democracy. The relative success of the decentralisation in Northern Italy compared to Southern Italy is explained by the civic conditions in the former. However, according to Putnam, the civic culture is historically determined--the historical trajectory of Italy was set in the middle ages-leaving little scope for institutional reforms as a strategy for political change.

The contrasting experience of Northern and Southern Kerala in the People's Campaign during the first two years closely parallels Putnam's classic analysis, but with a twist. The general impression among the Campaign activists is that the performance of the LSGIs in northern districts has been relatively better than their southern counterparts in terms of participation, transparency and adherence to guidelines. The incidence of corruption and nepotism has also been much lower in the north. This contrast is to a large extent explained by the popular notion that the civic cultures in the southern districts have been weakened by commercialisation, caste-community fragmentation, a non-egalitarian pattern of politics and erosion in values of public life.

No attempt is made here to substantiate the above statements with the help of data and evidence. What we wish to point out is that even if the above is fully true, the situation was very different, a half a century ago. Kerala from the late 19th century witnessed an upsurge in social reform movements, the creation of a large network of educational and health institutions and the emergence of an independent civil society. It was southern Kerala that was in the forefront of this renaissance. This differential performance has been explained with reference to the nature of class relations and the vigour of civil society in the South. (Tharakan, 1984, 1990 and 1998).

In contrast to Putnam, however, southern Kerala's current civic backwardness appears to result from recent historical processes associated with capitalist-oriented modernization rather than a fixed pattern inherited from the middle ages. The key question to be raised in this context concerns the process by which the above positions were reversed in the ensuing decades. The answer lies primarily in the nature of political mobilisation since the 1930s. While peasant and worker class mobilisations were the prime movers of social activism and the creation of a strong civil society in the north, caste and communal factors significantly influenced the political mobilisation process in the south, leaving distinct and deep imprints on the nature of popular culture there. One must also take into consideration the differences in the agrarian structure and the extent of commercialisation of the two regions. Heller (1998), in

a comparative analysis of the degree of democracy in different states in India with special reference to Kerala, argues that the structure and patterns of interest representation mediate the relationship between civil society and democracy. Many of the unique state-society synergies in Kerala have been facilitated by such engagement driven by lower class mobilisation.

The People's Campaign, instead of taking civic culture as historically determined and given, actively seeks to nurture a civic culture that would promote the grassroots democratic institutions. A radical transformation of the development culture of the state is a necessary pre-requisite for successful participatory decentralisation. It also requires basic attitude changes towards the development process among all the key players involved: the elected representatives, officials, experts, and the people at large.

The bureaucratic departmental approach has to give way to an integrated, democratic vision. As we have noted, democratic decentralisation requires that officials at every level work under the elected people's representatives. Similarly, the approach of the academic and professional community also has to be transformed. One of the important social developments during the post-Independence period has been the emergence of a specialised academic and technical community lodged in the universities, research institutes, laboratories and firms in the state. However, unlike the organic intelligentsia of the national movement period or immediate post-Independence period, the new intelligentsia has increasingly divorced itself from the social environment. But if LSGIs are to be provided with expert support, particularly in the transitional phase when the bureaucracy is in the process of readjusting itself to the changed situation, the ivory tower attitude and deeply ingrained cynicism prevalent among the technical elite has to be transformed.

The bureaucratic development process today is totally alienated from the people. The ordinary citizen is scarcely interested in government programmes except from the point of narrow self-interest. People view themselves as mere beneficiary objects of the development process rather than as participants in a social process of community improvement. Kerala's strong traditions of popular grassroots development action have eroded over time.

Above all, there has to be a transformation of the elected representatives themselves. People's representatives at national or state level cannot be the role models for LSGIs. The development administration at the grassroots level demands day-to-day involvement of the elected representatives. At the same time, the officials, experts and voluntary activists at the local level also have their own roles. The elected representative, as the coordinator of the local development activities, should recognise the legitimate role of others, particularly the officials, and develop a partnership based on mutual respect.

The barriers to decentralisation are not merely at the Centre but at every level below. Decentralisation is demanded not for those below but up to one's own level. Even a gram (village) panchayat member develops cold feet when it comes to making the grama sabha (village ward assembly) effective. On the other hand, the ultimate aim of decentralisation has to be to give opportunity for as much direct participation of people in daily governance as possible. One of the major achievements of the Campaign has been the success in adapting the grama sabhas to suit the specific conditions of Kerala and to make them effective vehicles of citizen participation in the decision making process. In more than 100 panchayats the ideal of direct participation in governance is being realised through a network of neighborhood groups. Special emphasis has been given in the Campaign for the promotion of such community and beneficiary networks.

The Campaign also addressed issues related to the style of political functioning in the State. The extremely sectarian, partisan division even on matters of common development interest was identified as a major impediment to development. The Campaign was designed to undermine the patron-client relationship that has characterised beneficiary selection for the various development schemes in the State. The selection of beneficiaries on the basis of objective criteria in a transparent manner in Grama Sabhas has been a central theme of the Campaign.

In short, the objective of the People's Campaign for Decentralised Planning is not simply to draw up a plan from below. The very process of planning is such as to bring about a transformation in the attitudes of the participants themselves. Such a transformation cannot be secured through government orders alone. It requires the creativity and the social logic of a movement (Thomas Isaac 1999a).

Institutionalisation of the Achievements of the Campaign

A crucial question remains. How does one ensure that the new values and spirit generated do not die away with the tide of the movement, but are sustained over time? In the long run, the sustainability of a new development culture depends upon the success in institutionalising it in the legal system. There has to be sustained pressure from below, i.e., of the masses mobilised in the movement for decentralisation, to secure the necessary structural changes.

The decision to constitute the *Committee on Decentralisation of Powers* was made along with the decision to launch the Campaign. Many members of the Committee closely interacted with the Campaign in their personal as well as official capacity. Most rounds of state level training related to the Campaign contained a question/answer session with the participants and a panel from the Committee. There is a close correspondence between the approach of the Campaign and that of the Committee in vision and spirit. The Committee

submitted its final report in December 1997. The commitment of the government to implement the recommendations of the Committee guarantees that the process initiated by the Campaign will be institutionalised. The Government has already comprehensively amended the existing Kerala *Panchayathi Raj Act* of 1994 and the *Kerala Municipality Act* of 1994 as per the recommendations of the Sen Committee (Thomas Isaac 1999b).

The Politics of Decentralisation and the International Setting

Why should any state government embark upon a Campaign to mobilise people to force its own pace and impose restraints on itself? It is here the politics of democratisation become relevant. The "devolution revolution" has become a world-wide phenomenon. Almost all governments in countries with sizeable populations are involved in some form of decentralisation or other. (World Bank 1995; Dillinger, 1994) The major explanation has been in terms of the failures of the centralised state. The overextended centralised state is forced to reform itself by delegating responsibilities to the lower levels. The local bodies are also to be transformed from direct providers of services to facilitators. Accordingly, the focus has been on developing appropriate management techniques for increasing efficiency. Much decentralisation is a rational choice made by the state or by international agencies. The process is essentially conservative and bureaucratic in nature and a part of the attempts to downsize the state. The overall perspective of the World Bank and other similar international agencies is not to facilitate autonomous collective action, but to co-opt local communities into the global economy (*World Development Report*, 1999/2000).

It can also be argued that national governments by their very nature would be unwilling to give up power to the lower levels and therefore decentralisation would have to be a response to demand from below. The authoritarian centralised state is so alienated from society that it is impossible for it to provide a stimulus for change. The impulses for democratisation would have to come from the civil society. Because the political system is also identified with the state, the role of promoting democratisation is assumed to rest with non-governmental organisations or new social movements.

As against the above visions, we may contrast the Indian nationalist perspective on decentralisation. Village self rule (*Grama Swaraj*) was a concept that attempted to challenge imperialist global domination. It was a powerful evocative ideal that helped to mobilise the masses to struggle for independence. Despite this national tradition, local self governance remained a mirage after independence. By contrast, it is the left parties, that have shown commitment to the ideal of democratic decentralisation as exemplified by their record in the State of West Bengal and now in the State of Kerala.

Conspicuous by its absence in all the above approaches is the role of political society. In a totalitarian regime where no political contestant to state power can operate openly, reforms

can occur only as a result of the breakdown of state power or because of vigorous challenges from the civil society. But in a situation such as Kerala's which is characterised by an active political society with hegemonic positions held by left political formations, political society holds the key to democratic decentralisation. It was not the state in the abstract, but a state government under the control of the left, that took the decision to decentralise and to launch the Campaign. These were political acts. The explanation for the Campaign has to be sought primarily in the evolution of the political strategy for democratic decentralisation.

The extension of parliamentary democracy from the central and state levels to the district and lower levels would open up possibilities of more direct participation of the masses in day to day governance. Such grassroots democracy is favourable to mobilisation and defence of the interests of the exploited and weaker sections. Therefore the left in India has always adopted a position in support of such democratic reforms. The left also sees decentralisation as an important strategic initiative to overcome the economic stagnation and deterioration in the quality of social services in the state through actively involving the people in the development process. It also hopes to breakdown narrow political compartmentalisation that tends to divide the people and thus to reach out to new sections.

SECTION II

PARTICIPATORY PLAN FORMULATION AND IMPLEMENTATION

Planning in India can occur at several administrative levels. The federal government and the states are usually considered units of centralised planning. Decentralised planning refers to the levels below the states: the districts which are divided into blocks which are further divided into villages. Each of these three levels can be referred to as a "panchayat." Since 1995 Kerala has had direct election to local boards of the *grama* or village panchayats, the block panchayats which are groups of 2 to 15 villages with development officers and certain federal projects, and the district panchayats for each of the 14 districts in the state. Urban areas fall under the rubric of municipality or urban corporation and represent structures parallel to the *grama* and block panchayats. The People's Campaign has been organised to generate plans at the lowest levels – the *grama* panchayat and municipality. These plans move upwards to the higher levels. At the block and district levels, the democratic element includes the elected officials and various committees generated by the Campaign; at the municipal and *grama* panchayat level, direct mass participation drives the planning process. This participation can be considered a version of empowered deliberative democracy.

The official literature on decentralised planning in India has generally been sceptical of direct mass participation in the planning process. (Govt of India 1969, 1978 and 1984) The

district was considered ideal for area level planning as a database existed for that level and also because it had a suitable administrative structure to undertake the planning. The district or block level plans were to be drawn up by teams of experts in consultation with groups of key informants such as officials, progressive farmers, representatives of co-operatives, local self governments and so on. Essentially the approach was bureaucratic planning helped by voluntary agencies and professional institutes. It is instructive to quote from the Report of the Working Group on Block Level Planning regarding the effectiveness of direct public participation in the preparation of the Plans:

First, we should be clear as to who we do have in mind when we talk of the people: their representative political institutions such as the district and taluka panchayats or class organisations where they exist (khedut mandals or trade unions), political or caste leaders or target groups. It is well known that the public is not a harmonious entity; it really comprises groups with conflicting interests. If we wish to plan for the weak, the plan may have to be imposed from above and cannot be a product from below in which "the below" is dominated by the rich and the strong.

Second, people can make a contribution to planning only if they are presented with a well-articulated and feasible framework of approaches, objectives, measures, and alternatives. If, however, they are asked to indicate their needs in a vacuum, they are bound to put up a charter of demands, which will be far beyond the capacities of the government.

A third constraint on public participation "emanates from technical imperatives of planning." The planning process has to be a continuous dialogue between the experts and the public; it does not begin with the public.

A number of model Block and District Level Plans were prepared during the 1970s by voluntary agencies and professional bodies that have provided important methodological experience in Local Level Planning. However, the incorporation of decentralisation into the official planning process was in name only. By the early 1980s' some sort of district planning machinery existed in most of the states whose activities has been best summed up in the *Report of the Working Group on District Planning* (Government of India 1984).

Usually, after the state budget is voted in the assembly, the different heads of departments are requested to make a district-wise break up of the outlays provided in the plan budget. This is then communicated to the districts, either by sectoral departments or by the planning department of the state. This usually takes four-five months after the commencement of the financial year. After this communication is

received, the district attempts to incorporate a write up for the district-wise outlay and a document called 'district plan' emerges in this manner, which is purely an aggregation of departmental schemes.

The major departure from the above pattern took place in Karnataka and West Bengal where a conscious attempt was made to link the district planning process to the local self-governments. The Karnataka experiment which was remarkable for the autonomy given to District Panchayats in preparation of the plan and involvement of lower panchayats and grama sabhas through a consultative process in the planning underwent rapid degeneration after the political changes in the state government in 1990. The West Bengal experiment has proved to be more enduring. West Bengal created a history of local democracy by organising elections at the local bodies at regular five-year intervals and constantly enhancing their powers. However, the process of planning has remained centered around the district with lower tier local bodies and grama sabhas playing only a consultative role. The autonomy of the decentralised planning process has also been restricted by the practice of schematic or minor sub-head wise devolution of funds. The line departments of the state government continued to have a dominant role in planning and implementation of the schemes and programmes that were supposedly transferred for local level planning.

The brief discussion above of the theory and practice of decentralised planning in India provides a useful backdrop to understand important points of departure of the decentralised planning procedures adopted in Kerala. The focus of decentralised planning is not the district but different tiers of local self-governments, the most important being the grassroots tier – the grama panchayat or urban municipality. For the first time in India the grama panchayats and municipalities actually prepared operational plans. Maximum autonomy was given to the local bodies in the preparation of the plans by providing untied grants-in-aid. The scale of devolution was also unparalleled in any other state in India. Finally, the heavy hand of bureaucratic traditions that was evident in previous decentralised planning experiments in India was to be done away with by ensuring mass, non-official participation in every phase of plan preparation and implementation. In the following paragraphs we shall attempt to describe how the design of the planning process allowed space for mass intervention and deliberation without compromising the technical and economic requirements of the plan.

We have already referred to the different phases of the plan Campaign. We do not intend to go into a narrative of the sequence of events since the inauguration of the Campaign on August 17th, the Malayalam New Year Day, in 1996. Our focus is more on issues related to organisation of forums for participation, so that they meet the norms of genuine deliberation and the technical and economic requirements of planning.

The Grama Sabhas for Planning

Grama sabhas, the assemblies of voters in every grama panchayat or hamlet or ward within the grama panchayat provided an ideal starting block for People's Planning. Through discussions in these assemblies, people identify local development problems, analyse the factors responsible and put forward suggestions for possible solutions. The experience of the Campaign shows that it is important to have detailed and elaborate preparatory work to ensure large-scale participation.

Mobilising people on a large scale to participate in the grama sabhas gave rise to certain new problems with regard to the organisation of the meeting. A meeting of even around 200-300 persons would be large enough to intimidate many ordinary people from speaking. Instead, local demagogues might take over, defeating the very purpose of the assembly by making it a typical meeting with a one-way discourse. A practical solution to the above situation was to adopt the small group approach. Instead of the grama sabha meeting as a general body of several hundred people, after a brief common gathering, the participants divided into smaller groups, each dealing with a particular development sector and discussing in depth the problems related to that sector. This small group arrangement made it possible for ordinary people, particularly women, to be able to participate in the discussions.

Many felt that the discussions should be left to the choice of the local people. Any attempt to structure it would be introducing preconceived notions into the grassroots level dialogue. But there were also serious limitations to this strategy of leaving everything to spontaneity. Given the limitations of time and the scale of the Campaign, it was necessary to have certain guidelines for discussions in the form of a semi-structured questionnaire. For each of the 14 development sectors a dozen to two dozen questions were prepared that drew attention to key problems and encouraged systematic analysis. The questionnaire was not to be distributed among the group. Every group was to have one or two trained facilitators who would use the questionnaire as a guideline while leading the discussion. The facilitators were to creatively modify the questionnaire to suit local conditions. The role of the Resource Persons was to encourage the people to list and analyse the problems based upon their real life experiences.

Participatory Studies

After the identification of the felt needs in the grama sabhas, the next step in the planning process was to make an objective assessment of the natural and human resources of the locality. Only by matching the two could a perspective be developed for local level development that would make optimal use of the resources in tune with the aspirations of the people. The idea was to fashion a judicious blend of local needs with local resource

availability. A series of participatory studies were undertaken in every grama panchayat and municipality, most important of which were the following:

- (1) *Collection of secondary data:* No attempt was made to collect primary data because of the time constraint. Instead, the relevant secondary data available in the various registers and records at the local level offices of different line departments were identified and collected in a common data format drawn up for the whole state.
- (2) *Study of local geography and natural resources:* A rapid appraisal of the natural resources was undertaken using the transect walk technique. Eco-zones in every panchayat were identified by first demarcating the area into various zones on the basis of landform and then identifying the soil, water and vegetation characteristics in each zone. An environmental appraisal of each eco-zone was also attempted in many panchayats.
- (3) *Review of ongoing schemes:* Each department was to prepare a sectoral report of the ongoing schemes and make them available to the panchayats and municipalities. However, most departments did not take the task seriously and this was to have serious implications for the spill over projects of the departments in subject areas transferred to the local bodies. As a result very few of them found a place in the plans of the local bodies.
- (4) *Survey of local history:* A short local history was prepared by every local body, mostly drawing on oral testimonies and local records. Participatory techniques such as history time lines were also encouraged.
- (5) *Consolidation of grama sabha reports:* The reports of the grama sabha discussions, including lists of problems identified, were consolidated for each development sector in a panchayat
- (6) The above studies were undertaken in every locality by a team of resource persons. Around 75-100 persons were provided orientation to undertake the above tasks in every village and towns. The same set of resource persons had acted as facilitators in the grama sabhas.

Development Reports and Seminars

The outcome of the data collection exercises was a Development Report, for each panchayat/municipality, running 75 to 100 printed pages. The majority of the reports were of high quality, even in an academic sense, and easily qualified to be the best available benchmark studies on the development of their respective areas. The structure of each report was more or less uniform with the first part covering a review of the administrative and local

history highlighting the role of social movements that affected the village/town during the present century. The emphasis on social movements brought out the importance of the popular heritage and tradition in meeting the contemporary development challenges at the local level. In each report a chapter was devoted to natural and human resources of the locality and there were twelve chapters, covering various development sectors. The current status of each sector was discussed, its ongoing schemes reviewed and problems identified along with a list of recommendations. Being written up by different sets of people, the quality of chapters differed even within a report. Generally speaking, the chapters on agriculture and education proved to be the most comprehensive.

The Development Reports were conceived as documents with a strategic perspective for local level development. The local plans which were being formed on an annual basis were to be formulated on the basis of this perspective. It was believed that the development report would provide a necessary continuity for the plans being prepared every year.

The recommendations of the development report might differ from the demands raised in the grama sabhas. Further, the views of the grama sabhas, which reflect the perspective of the wards, had to be integrated into an area wide perspective. The forum to sort out these issues was the development seminar where the Development Reports and the recommendations of the reports were to be discussed.

The majority of the delegates were elected from the subject groups of the grama sabhas with equal representation for men and women. Besides the representatives of the grama sabhas, all the important local level officers of the government were to be invited. The panchayat executive committee also had the right to invite any expert from within or outside the panchayat who they felt could make contributions to the discussions. As in the case of grama sabhas, detailed preparations were made for the organisation of the seminar. A major proportion of the seminar time was to be devoted to sector-wise group discussions, to facilitate in-depth analysis of the development reports. Printed copies of the development reports were distributed to the delegates in advance. The recommendations of the different groups were read at the plenary session and adopted.

Task Forces and Preparation of Projects

At the conclusion of the development seminar, task forces of around 10 persons each were constituted to prepare the project proposals on the basis of recommendations of the seminar. Twelve task forces, one for each of the development sectors were to be formed. The task of project preparation demanded participation of officials and technically qualified people in large numbers. Accordingly, special efforts were made to ensure participation of officials and local level experts. While the chairperson of the task force was an elected representative, an officer from the concerned line department was made its convenor (note

taker and reporting officer). A simple and transparent format was proposed for the projects to be prepared by the task forces. In order to ensure uniformity, it was suggested that the project reports should generally have the following components:

Introduction: explaining necessity and relevance of the project.

Objectives: in well defined (as far as possible in quantitative/measurable) terms.

Beneficiaries: criteria proposed to be followed in selecting beneficiaries or benefiting areas.

Activities: technical analysis and time frame of all project activities.

Organisation: agencies and their role in implementing the project activities

Financial analysis: investment needed for each activity and identification of source of funds.

Social and Environmental Impact: analysis of likely direct and indirect benefits and costs.

Monitoring: details of the proposed monitoring mechanism.

Great emphasis was laid in the Campaign on the preparation of the projects, which invited criticism from some quarters as being excessively technical. Since the local bodies were not implementing schemes drawn up from above, but projects prepared from below, however, unless there are detailed project documents, no effective monitoring would be possible. Detailed project documents are also one means of enhancing transparency.

Plan Document

The plan allocation for each local body was separately indicated in the state budget, with broad guidelines regarding sectoral allocations to be made by the local body. While 40-50% of the plan allocation to the rural local bodies was to be invested in the productive sectors and 30-40% in the social sectors, a maximum of 30% of plan allocation might be spent on roads and other public works including energy. Greater emphasis was paid to social sectors in the allocation for the urban local bodies: 40-50% was to be earmarked for social sectors including slum improvement while roads and other infrastructure could be allocated up to 35 per cent. With regards to special funds for Scheduled Castes and Scheduled Tribes, the local body was given freedom to invest less than 40 per cent for the productive sectors, if the local planners felt that social sectors had to be given higher priority. All local bodies were also advised to earmark 10% of the plan outlay for programs targeted to women.

By the time the grant-in-aid for the local bodies was announced, most of them had prepared a shelf of projects corresponding to the development problems identified by the

people. This set the stage for the fourth phase, wherein the projects prepared by the task forces were prioritised and incorporated into the plan document of the panchayats and municipalities. The plan document comprised eight chapters:

- (1) *Introduction* : a brief description of the development challenges
- (2) *Development strategy*: a statement of inter-sectoral priorities (i.e., sectoral distribution of outlay) and infra-sectoral priorities (i.e., sub-sectoral policies)
- (3) *Resource mobilisation*: an estimate of additional local resource mobilisation from the following sources: panchayat's or municipality's own funds, state-sponsored schemes, centrally-sponsored schemes, cooperatives, other financial institutions, voluntary contribution, beneficiary contribution and others.
- (4) *Sectoral programmes*: a listing of projects by sectors and sub-sectors.
- (5) *Integrated development* : a discussion of possibilities of backward and forward linkage of projects and integration of related sectors.
- (6) *Welfare of scheduled castes and scheduled tribes*: a discussion on how the guidelines for SCP/TSP had been complied with.
- (7) *Women's development programmes*: a discussion of the gender impact of the plan and listing of projects included in the women component plan.
- (8) *Monitoring*: a discussion of the monitoring system.

The delays and problems in project preparation had an adverse impact upon plan finalisation, so the drawing up of the plan document proved to be more difficult than had been expected. One possible reason for the problems was that the training programme for the fourth phase focussed on the elected representatives and in many areas adequate voluntary help failed to come forth.

Annual Plan of Higher Tiers

Block and District Panchayats were supposed to start preparation of their annual plans only after grama panchayats had drafted their plans. The sequential ordering was intended to ensure that the plans of the various tiers were integrated and the plans of the higher tiers did not duplicate, but complemented those of the lower tiers. A simple method of integrating the analysis and programmes of the grama panchayats at block and district level was designed.

Every block panchayat was to prepare a printed Development Report in which the problems identified in the Development Reports of the grama panchayats in the block area

and the type of projects included in their plan were integrated for each sector. In each sector all the major development problems identified were listed in rows and in each column under the relevant grama panchayat the rank order of the problem was marked according to its relative importance. Similarly, a matrix of the relative importance of different types of projects for each grama panchayat was prepared. These matrices gave at one glance the problems and solutions identified by the grama panchayats. The block panchayats were to take up projects to fill in the gaps or to complement the activities of the lower tier – grama panchayats or municipalities.

Emphasis was laid on the importance of integrating the different centrally sponsored poverty alleviation programmes being implemented through the community development blocks with the block panchayat plans. There was strong resistance to this move from both the bureaucrats and the elected representatives. Partly this was due to genuine problems arising from the existence of separate guidelines for the centrally sponsored programmes, but mainly it was due to the bureaucratic and official fear that their decision making powers would be reduced.

Each district panchayat was also to prepare a development report integrating the analysis and programmes of the block and grama panchayats. The guidelines for the preparation of the projects and the plan documents for both the block and district panchayats were similar to those of the grama panchayats. Block panchayats and district panchayats also organised seminars to discuss their draft plans.

Because of the delay in preparing the grama panchayat plans, the integration of the plans of the different tiers could not be effectively undertaken in the first year of the campaign. As a result, there were many instances of duplication of planned activities and also critical gaps between the various tiers.

Plan Appraisal

A sample review of the projects prepared by the local bodies revealed that a significant proportion of them had to be modified to ensure their technical soundness and viability before they were approved for implementation. Realising that the District Planning Committees did not have the technical manpower or infrastructure to undertake a proper scrutiny of the projects, a major improvisation in the original programme of the Campaign was called for.

More than one lakh (one lakh=100,000) projects had to be evaluated. The evaluation was not for selection or rejection of the projects, but to rectify the technical and financial weaknesses in the project proposals. Technical specifications and even architectural or other designs might be needed. The entire work had to be undertaken within a span of three to four months. The official machinery would not be able to cope with the task.

This was how the *Voluntary Technical Corps* (VTC) emerged. Retired technical experts and professionals were encouraged to enroll themselves as volunteers to appraise the projects and plans of the local bodies. 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. Special orientation courses were organised for those volunteers who expressed their willingness to serve in the VTC after the conventions. More than 4,000 technical experts enrolled in the VTC.

Expert Committees were formed at block (BLEC), municipal (MLEC) and corporation (CLEC) levels drawing from the VTC members and certain categories of mandatory officers. Each expert committee had a non-official as its chairperson and the block panchayat secretary or officer from the Town Planning Department as convenor. The expert committees functioned through subject committees with membership confined to those who had expertise in the particular field. A non-official expert was the chairperson and a senior officer of the related department the convenor of the subject committee.

The expert committees were, on the one hand, advisory arms of the District Planning Committees, helping the latter to appraise the plans and projects; and on the other hand, bodies of experts to render technical assistance to the local planners. The expert committees had no right whatsoever to change the priorities set by the local bodies. Their tasks were clearly confined to technical and financial appraisal of the projects and providing suggestions for modifications to make them more viable. The District Planning Committees approved the plans on the recommendations of the expert committees.

Over time, the expert committees were also given the power of approval of technical sanctions and tender excesses within certain limits. They were also given a role in plan implementation such as approval of revised estimates, settling disputes in measurement, inspection of all works and verification and approval of performance and completion reports of works within certain financial limits.

The District Level Expert Committee (DLEC) consisted of the most senior officials and non-official experts with the District Collector (highest ranking executive officer in a District) as chairperson. It is an advisory body to the DPC in appraising projects and plan documents of block and district panchayats, resolving disputes within the lower level expert committees and evaluating district plans. It also enjoys a wide range of powers in approval of technical sanction, tender excesses, revised estimates, disputes about measurements, etc. Like the block/ municipal expert committee, the DLEC worked through subject committees.

The formation of expert committees was an important organisational innovation, which helped to de-bureaucratise the project appraisal and technical sanction procedures. In their absence these tasks would have to be handed over to the bureaucrats in the line departments. The bureaucratic delays would have effectively stifled the decentralisation experiment. Yet these committees have been subjects of severe controversies and minor parties in the ruling coalition have attacked the expert committee as an attempt to create parallel structures to the elected bodies. It has also been criticised as an infringement on the rights of the elected members.

Financial Procedures

If in the traditional system of administration the decision making process was the arbitrary and patronage prerogative of the elected representative, the implementation side belonged to the bureaucracy. An important rationale for making the decision-making process participatory is to ensure the involvement of the beneficiaries and the public at large in the implementation of the decisions made. Popular involvement should increase efficiency, help to mobilise additional resources, and prevent “leakages.” We shall now examine the new fora and rules that were evolved as part of the plan Campaign in order to maximise participation and transparency.

The financial procedures for the flow of funds to the local bodies and their utilisation were designed so that the flow of grant-in-aid funds in general and in projects could be systematically monitored and, thereby, diversion and misuse of funds could be eliminated. The procedures were also intended to ensure that the plan funds would not get accumulated in suspense accounts indefinitely. Given the limited capability of the grama panchayat secretary and his/her office staff, if all the plan grant-in-aid accounts had to be maintained there, the system would have broken down. For the first time, the various officers transferred to the grama panchayats were being integrated into the panchayat system in such a manner that direct responsibility could be fixed and the officers could be made accountable to the panchayat.

It was decided that once a local body received its allotment, which was to be released in four quarterly instalments, the local body was to decide the specific projects for which the grant-in-aid received would be utilised. Each project would have an implementation officer. In the case of schemes (state or central government programs), which were to be implemented by officers transferred to a local body, the funds earmarked for the schemes would have to be allotted to concerned officers and agencies and transfer-credit to their Personal Deposit (PD) Account opened in the treasury. Funds from other schemes would have to be transferred to a separate plan PD Account in name of the secretary of the local body. In short, all plan expenditure from the grant-in-aid would have to be through one of the plan PD Accounts.

Expenditure from the plan PD Accounts may be incurred by the implementation officers only for implementation of approved projects and with authorisation from the head of the elected body. Funds may be transferred to other government departments for deposit work or beneficiary committees for implementation of the scheme on the basis of written agreements.

These procedures initially proved to be cumbersome and time consuming. The implementing officers, most of whom continued to be under the administrative control of state government departments, were in many cases less than willing to wholeheartedly cooperate with the new system.

Beneficiary Committees

Instead of implementing public works through contractors, the local bodies were encouraged to form committees of the beneficiaries themselves to undertake the task. Steps were taken to create a new environment in which a genuine beneficiary committee could effectively function. The first step was the adoption of local market rates for estimation of cost of works so that the beneficiary committees could execute the work in a transparent manner, maintaining actual records of purchases and payments. Many local bodies had prepared projects with cost estimates based on their local market rates. But such a plethora of rates could easily be misused and therefore it was thought necessary to have officially ratified local rates. The committee could fix different regional rates even within a district on the basis of actual prevalent rates.

Under the old procedures, technical sanction was issued by department officials on the basis of their delegated powers. Under the new procedures adopted for plans of the local bodies, the technical sanctioning process was made a function of the block/municipal and district level expert committees. The department officials were the convenors of the subject committee and continued to formally grant technical sanctions. However, now they had to act as members of a committee of peers rather than an official in the departmental hierarchy.

The Work Rules had permitted only a limited advance to be paid to the beneficiary committee. The rest of the payment was to be claimed as part bill payments and final bill settlement as the work was completed. For claiming part bill payment, the work executed had to be measured, check-measured and the bill prepared by official engineers. The delays in these procedures, often deliberately created, made the functioning of beneficiary committees extremely difficult. To overcome these problems, provision was made for the non-official engineering experts of VTC to undertake the measuring and billing functions, if requested by the local bodies.

Beneficiary Selection

A major change introduced by the Campaign related to selection of beneficiaries for the development projects. Most of these initial projects involved distribution of assets (a cow or

goat), or financial assistance (a home improvement loan or subsidy), and therefore selecting beneficiaries was an important component of the implementation. The dominant tradition was to utilise beneficiary schemes for patronage by local political leaders.

The rules enjoined the grama panchayats to provide maximum publicity to the criteria for eligibility and for prioritizing each project in which beneficiaries were to be selected. Notices listing the projects and the criteria would have to be prominently displayed in public places and also printed and circulated. Application forms had to be printed in Malayalam and other languages as appropriate to the area.

The rules also provided a system for verifying statements made in the applications. Verification could be conducted by designated officers or by a committee appointed by the panchayat. If the verification was not complete at the time of the grama sabha, the applications could be considered, with verification being completed afterwards.

The list of applicants and the application forms had to be presented to the grama sabha. The eligibility criteria and prioritisation criteria had to be explained to the members of the grama sabha. The processing of applications could be taken up by the sector-wise subject groups. In addition to the criteria set by the panchayat, the grama sabha could include sub-criteria for prioritization according to local precepts. If no rational method for selection could be devised, then lots could be drawn if agreed to by everybody in advance.

The panchayat as a whole consolidates the priority list of beneficiaries received from each grama sabha. The priority list has to be created on the basis of clearly stated norms. In no case can the relative priorities from each ward be overturned during the process of consolidation. Members of the public and local press can have access to the proceedings of this final selection. The draft list shall be exhibited prominently and the objections considered and reasons for rejection stated. The selection of beneficiaries for block and district panchayats also is to be made from the grama sabhas using grama panchayats as agents. In the municipalities, ward committees undertake the functions of grama sabhas. In the ward committee meeting for the selection of beneficiaries, all applicants must be invited and prioritisation must be done in their presence.

SECTION III: A CRITICAL ASSESSMENT

We have so far been discussing the objectives of the democratic decentralisation experiment in Kerala and also the institutional and procedural mechanisms that have been deployed in order to achieve them. How far have the objectives been achieved? How far has Kerala been able to move towards the ideal of empowered and deliberative democracy? Three years is too short time period to pass final judgement on the outcome of a process as

complex as the decentralisation programme under discussion. But enough has happened to make an interim assessment

Devolution of Financial Resources

As we noted in the introductory section, it was the decision to take the plunge and earmark 35 to 40 percent of the plan funds for the local self-governments that triggered the Campaign. The most important achievement of the Campaign has been the generation of the necessary political will to sustain this scale of devolution in subsequent years, despite very severe financial constraints faced by the State Government. In most parts of India the development funds for the local bodies are limited to the poverty alleviation schemes sponsored by the Central Government. In Kerala these Central funds constitute only an addition to the grant-in-aid given by the State Government. The local bodies are also given substantial Government guaranteed institutional finance for housing, drinking water and rural infrastructure. Thus, the past three years have witnessed dramatic enhancement of the financial resources of the local self-governments in Kerala.

A major criticism against the devolution scheme was the adoption of population size as the sole criterion for distribution of funds to the local bodies. The criticism is based on grounds of equity, as between local bodies, since some were lagging in development or having to cover larger geographical areas than others. With all its limitations, a major advantage for adopting a transparent objective criterion such as population is that the accusation of political manipulation could be avoided. There was no scope for patronage in the devolution schemes. In the past backward areas, particularly, in northern Kerala were not given adequate attention in development schemes. The more advanced regions, particularly, in the south and along the coast cornered the bulk of them. Therefore even a devolution based on purely population criteria substantially improved the flow of funds to the backward areas. This tendency has further been reinforced by the introduction of the criteria of the backwardness and geographical size of the local body along with its population in the devolution formula from the second year onwards.

A major weakness of the local level plans has been the weak credit linkages. The bankers have been lukewarm towards the Campaign and have failed to link their official credit planning to the local planning process. The evidence of the first two years also indicates that the additional local resource mobilisation from voluntary labour, donations and beneficiary contributions have been much below the targets fixed in the draft plan. However this experience should be judged against serious difficulties faced by the local bodies in implementation and the lop-sided emphasis on spending the grant-in-aid before the end of the financial year. The exemplary performance of a number of local bodies in mobilising additional resources points to the inadequately tapped potential.

Plan Formulation

For the first time in India, the grama panchayats and municipalities throughout an entire state prepared local area plans. Much criticism was raised against the time overrun of more than six months to finalise the plan during the first year. An important piece of evidence of learning by doing has been the steady reduction in the time overruns so that it is expected that for the financial year 2000-2001 the plans will be finalised at the start of the financial year.

A major advantage claimed for decentralised planning is the possibility of fixing the priorities in correspondence with local needs and potential. Without referring to detailed figures we present the following findings:

- (a) The investment priorities in the plans prepared by the local bodies differ significantly from the investment priorities in the district plans that were formulated from above during the previous years. Much greater priority is now accorded for basic needs such as housing, drinking water and sanitation by the local bodies. In the productive sectors there is a discernible shift towards animal husbandry, garden crops and minor irrigation.
- (b) The investment priorities in the special plans prepared for Scheduled Castes and Tribals significantly differed from the overall investment pattern taking into cognisance the weak income, asset and skill position of these weaker sections.
- (c) There are significant interregional differences in the investment priorities of the local bodies.

The major weakness of the plan preparation was related to the quality of projects. Many of the projects proved to be modified versions of departmental stereotyped schemes. Sufficient consideration was not given to forward and backward linkages. Integrated programmes were rare. The tendency for mechanical ward-wise division of the financial outlay persisted, particularly among the higher tiers.

A number of measures have already been adopted to improve the quality of projects and programmes. The most important of them is the subject-wise training programme for the taskforce members. During the first year's plan preparation the training programme was general in nature mostly dealing with the procedures to be followed in undertaking the immediate tasks ahead. The sectoral development problems and perspectives did not receive the attention that they deserved. During the second year, subject-wise workshops were organised for the task force members at the block or municipal level. Separate handbooks were also produced for each sector. For various reasons these local level workshops were not very effective. Therefore, currently, a major programme for providing state level training for the taskforce members has been launched. Premier research and training institutes in the state are offering courses to the taskforce members in their respective specialisations. The

specialised training programme and the greater involvement of the VTC in the taskforces are expected to overcome the weaknesses of the task forces, which largely have been responsible for the poor quality of projects.

Integration of projects on a watershed basis had been proposed from the inception of the Campaign. But in practice watershed planning remained a mirage in the absence of adequate technical information and support. Therefore during the current year a major scheme is being implemented through the block panchayats to delineate all the micro watershed in the state and prepare master plans for them. Completion of this programme will undoubtedly bring a qualitative improvement in the nature of local plans and will raise local awareness of ecological issues and the concept of sustainability in the planning process.

Recombination

An important problem that emerged during the first year of decentralised planning was the inadequate coordination between the plans of the different tiers of local bodies and that of the state government. Such confusion was inevitable for two reasons. Firstly, the functions of the local bodies were listed in the law by subjects rather than by activities. Therefore there was considerable overlap between them. Secondly, as we noted above, it was not a scheme wise devolution that was being adopted. Negotiation of schematic or activity-wise demarcation of functions would have been very difficult and time consuming due to resistance from the departments. Instead of going through the above route, the Local Self-Government Institutions (LSGIs) were given the autonomy to formulate any project that could be taken up within their capabilities. The financial devolution is being used as an instrument to bring about a functional division of labour between the state government and the LSGIs.

During the previous decade in Kerala the district scheme i.e., schemes whose location and benefits can be identified within the boundaries of a district, had been around 30% of the annual plan outlay. Devolving 35-40% of the plan outlay to the local bodies, predominantly in the form of grant-in-aid, implied that sooner or later the state government would have to confine itself to state level schemes. During 1996-97, the first year of the decentralised planning, most of the departments insisted on continuing all their traditional schemes and there was considerable duplication between the state department programmes and those of the LSGIs. But the situation also created considerable strain on the over-stretched financial resources for the state departments and in subsequent years most of the departments on their own gave up schemes and programmes that the LSGIs had chosen to take up. Thus village roads and minor irrigation have virtually disappeared from the state government's plan. By law all piped water supply schemes are the monopoly of Kerala Water Authority (KWA), but now it no longer undertakes small-scale projects.

Even though an attempt was made in the plan procedures to ensure that the higher tiers (block and district) prepared plans taking cognizance of the priorities and programmes of the lower tiers, in actual practice, there was not much coordination. As a result there was considerable duplication between the activities of different tiers and also significant critical gaps in the overall plan. Certain corrective measures were attempted through issuing more detailed guidelines during the second year. Yet the problems persisted. Preparation of the district plans, by the district planning committees (DPC) during 1999-2000 is expected to overcome these problems.

The functions of the district plan have been defined as follows:

1. To make an objective assessment of the district and an assessment of the problems of resource use and to provide a macro perspective for sustainable development of the district.
2. To analyse the consolidated plan of the local self-governments in the district so as to identify contradictions, duplications and gaps and to link the local plans with the macro perspective.
3. To formulate guidelines for the preparation of future local plans, so that the weaknesses identified can be avoided in the future and to better integrate the local plans with state level planning.

With the preparation of the district plan, the process of decentralised planning is complete. The planning process that we have so far outlined involves only feedback from below. But a basic weakness has been the absence of a systematic feed back from above, from a macro district development perspective. This has led to the inadequate integration between the programmes of different tiers of local bodies and also insufficient attention being given to the spatial dimension of the planning process. District plans should be the main mechanism of feedback from above. This feedback should come not through arbitrary instructions of the state government, but through guidelines evolved in a participatory manner by the local bodies in the district. The local plans at every level would be prepared henceforth with simultaneous feedback from both above and below.

Quality of Deliberation

Numerous opportunities have been created for ordinary citizens to actively participate in the different phases of plan formulation and implementation. But how many citizens made use these opportunities? Were the discussions manipulated by the dominant groups? Were the different forums merely a means to legitimise decisions made by the elites? The issue for discussion is the quality of the participation.

Every ordinary citizen irrespective of his/ her membership in political or non-political social formation has the right and opportunity to intervene in the planning process by participating in the grama sabhas. One of the greatest achievements of the People's Campaign has been in

dispelling the general attitude of scepticism towards grama sabhas. It was previously considered impossible to have effective functioning of these bodies as instruments of participatory local government for practical reasons. On average, a panchayat in Kerala is spread over 37.83 sq. km. with a population of 25,199 (1991 census). A grama sabha, even when defined as the assembly of voters in a ward, is still too large and unwieldy for meaningful deliberation. Further, the dispersed settlement pattern of Kerala is not conducive to strong local bonds and the village assembly tradition is weak. But, as we have already noted, through adopting a group discussion format and with careful preparations, the grama sabhas functioned successfully. The success of grama sabhas varied from panchayat to panchayat. But it can be definitely said that the grama sabhas have become an essential feature of Kerala's political landscape.

Before the Campaign, in the first grama sabhas called after the formation of the new local bodies, in a majority of the places, either the grama sabhas were not convened or if convened most did not meet the quorum requirement. But in the first grama sabhas of the Campaign in August-September 1996, around 2.5 million people participated, an average of around 180 persons per grama sabha. This is a fourfold increase in the participation when compared to the previous round, yet it accounts for only around ten percent of the voters. A disturbing tendency has been the decline in the number of participants in the subsequent rounds of grama sabhas in 1997-1999.

The educated middle class has increasingly tended to stay away from the grama sabha meetings. It is mostly the potential beneficiaries who belong to the poorer strata that come to the grama sabhas. In the first grama sabha women constituted only 25 per cent. The participation of the weaker sections (Scheduled Castes and Scheduled Tribes) was below their population share. However in subsequent rounds the proportion of women and weaker section improved. This being the situation, there is little chance of the dominant socio economic group manipulating the grama sabha meetings. The exception to this would be the tribals who constitute only around one percent of the state's population.

Allegations have been made about dominant political parties manipulating the discussions and stifling criticisms. In most places the majority of participants in the grama sabhas belong to the party of the elected representative of that ward. However given the intense political rivalry in the state such stances would inevitably be challenged. The threat of contestation should act as a self restraint against political manipulation.

There has also been criticism of the quality of the discussions. Given the settlement pattern of large distances among households, a normal grama sabha meeting would be of less than 2-3 hours duration. This is inadequate for serious deliberation of the large number of issues that are normally included in the agenda of the grama sabha. Therefore a degree of disillusionment is setting in.

A number of steps have been initiated to strengthen the grama sabhas. The minimum number of legally required grama sabhas meetings in a year has been raised from 2 to 4. The quorum has also been raised from 50 to 100 or 10 percent of the voters. An official co-ordinator for each grama sabha is to be appointed who would be responsible for keeping the records. In the specific context of Kerala there are serious limitations for effective functioning of the grama sabhas. If direct democracy is to be made operational it is important to move towards much smaller assemblies of voters that could be convened with less travel time and where the participants know each other well.

The formation of Neighborhood Groups (NHGs) of 40 to 50 families has been a spontaneous response from below to the limitations of the grama sabhas. Though not required by law, NHGs have been formed in around 200 panchayats. In nearly half of them, the NHGs are effectively functioning as a grassroots forum for direct citizen participation in governance. A study undertaken of these 100 panchayats (Thomas Isaac 1999c) reveals that the NHGs are carrying out all the functions of the grama sabhas such as discussion of the local plan, review of plan implementation, review of general administration and selection of beneficiaries. Many of the NHGs are also involved in settlement of family disputes, educational programmes for children, health programmes, cultural activities, thrift schemes, and project implementation.

It must be noted that the NHGs are functioning not as a substitute but as a supplement to the grama sabhas. The representatives of NHGs often constitute a Ward Committee, which in most cases acts as an executive committee of the grama sabhas. NHGs have helped to improve the quality of grama sabhas in their panchayats. The NHGs may be distinguished from a variety of self-help groups, that are also rapidly coming up all over the state, particularly, small-scale credit self-help groups of women. Even though the NHGs might undertake thrift or employment generation programmes they should be viewed as democratic instruments of general governance. A convention of the panchayats with NHGs was organised to share experiences and chalk out a programme for their extension to other areas. The emergence of NHGs, we feel, is a very important development that has important consequences for the evolution of grassroots democracy in Kerala.

Corruption and Nepotism

There is always a danger that decentralisation of power might lead to decentralisation of corruption. Substantial availability of funds without an adequately transparent system of checks and balances might prompt rent seeking behavior among the local vested interests. The opposition parties have raised serious allegations of nepotism in beneficiary selection and corruption in implementation of projects. Of the nearly 30,000 beneficiary committees, it has been alleged that substantial number are led by nominees of contractors. The investigating

agencies have also pointed to widespread irregularities in the first year's plan implementation (Thomas Isaac 1999d).

A close examination has revealed that what took place during the implementation of the first annual plan resulted more from inexperience and haste rather than corruption. We have already noted the delay in the finalisation of the first year's annual plan. It was January, 1998 by the time the implementation system was fully in position. Just as the implementation of the plan was accelerating, disaster struck in the form of elections to the national parliament. Not only was the attention of the people including the elected representatives diverted from the plan, but there were a number of restrictions on plan implementation imposed by the Election Commission. Convening grama sabhas was prohibited and a number of schemes, particularly beneficiary oriented projects had to be postponed. A comprehensive plan review undertaken in early February made it clear that plan implementation could take off only after the elections and that majority of the local bodies would not be able to claim the fourth instalments, not having spent 60 per cent of the first three instalments. Consequently, a substantial proportion of the grant-in-aid would lapse. Such an outcome at the end of more than a year's planning activities would have had a demoralising impact. Therefore, it was decided to relax the requirements for releasing the third and fourth instalments and transfer-credit them to the PD Accounts of the secretaries of the local bodies. The application of the 90% expenditure clause was postponed to 30 June, 1998. Opposition parties raised a furore both in the legislative assembly and outside by the opposition parties claiming a breakdown of the planning mechanism

For most of the local bodies, the actual plan implementation took place over the four months from March to June 1998. They were under pressure to spend the money so as to avoid the political embarrassment of funds lapsing. Some local bodies took recourse to window dressing and even made unauthorised changes in projects. The speed also adversely affected the quality of implementation. The bunching of projects and the emphasis on spending the grant-in-aid by a certain date also prevented them from mobilising the expected voluntary labour and beneficiary contributions. Many transferred the money to non-plan accounts or deposited the money with Government or Quasi Government agencies such as Electricity Boards or the Kerala Water Authority in order to claim full utilisation before the deadline. Even though regulations were bent or broken, there was no corruption involved in these practices. Each irregular expenditure that was identified by the government was disallowed. As a result, such improprieties and irregularities sharply declined in subsequent years.

It is true that many of the beneficiary committees are controlled by vested interests. But the unholy nexus between contractor, engineer, and politician has been decisively broken in a large number of local bodies. At least in one district, the CPI(M) citadel of Kannur, it has been found that almost all the beneficiary committees are genuine people's committees. A state-level

convention of the most successful beneficiary committees representatives revealed the heavy challenges that the genuine committees still faced. Non-cooperation of government engineers made functioning of the committees nearly impossible, particularly where strong VTC support structures do not exist or the elected representatives do not come out in active support. It was a common complaint that the engineers manipulated the measurements or the estimates, so that many of the committees incurred heavy losses.

As a follow up of the convention, a number of steps have been initiated to help genuine beneficiary committees. Project cost estimates now have to be prepared in layman's language and given to the beneficiary committees before the agreements are signed. Salient features of the work have to be exhibited at the site while the work is in progress. It is now mandatory for every grama sabha to have a public notice board. A Technical Audit Team has been constituted to inquire into technical disputes and to look into grievances of the beneficiary committees. For the first time a special handbook was prepared for the beneficiary committees and an orientation programme organised for the officers of the committees at the district level. Certain discretionary powers have also been given to the local bodies to help the beneficiary committees that incurred severe losses due to the manipulation of the officials or because of the genuine errors in the estimates.

It is hoped that with these measures there will be a significant increase in the proportion of genuine beneficiary committees. But we would like to highlight that even if there was some leakage of funds due to beneficiary committees being under the control of vested interests, such losses have been more than made up by the additional resource mobilisation or the savings achieved by the genuine committees. In our assessment, under traditional system not more than 50 percent of the estimates of the public works actually got converted into public assets. In light of this, the only real criticism is that the Campaign has failed to root out corruption from Kerala in two years time.

One of the most important changes brought about by the Campaign has been in the process of selection of beneficiaries. During the first year there were complaints against the selection procedure in a majority of the local bodies. But by the third year such complaints were reduced to a less than a fifth of the local bodies in the State. In a sense the plethora of complaints may be considered an indicator of the increased transparency of the system that was being instituted. The traditional system was entirely based on patronage. There were few complaints because the information was accessible only to the patrons and their clients. The rules for beneficiary selection were modified every year of the Campaign. These modifications have also contributed to making the process less cumbersome and less amenable to manipulation.

Efforts are on to speed up the process of setting up quasi judicial bodies such as Ombudsman and district level Appellate Tribunals to look into cases of corruption and administrative lapses.

An independent Audit Commission has been established. An attempt is being made to strengthen the Performance Audit by including resource persons who have been active in the Campaign but are also Government employees. However the major challenge is to make the social audit in the grama sabhas and NHGs more effective.

Gender Equality

The theme of gender and decentralisation assumes a special relevance in the context of affirmative action to reserve one-third of the seats and offices in the LSGIs for women. Gender justice has been declared to be one of the major objectives of the Campaign and guidelines were issued to ensure that gender concerns are incorporated into the plans. A unique feature of the local level plans in Kerala is a special Women Component Plan amounting to 10 per cent of the plan outlay. What has been the experience so far?

The Kerala experience reaffirms the correctness of affirmative action in election and is supportive of the extension of this principle to higher levels of government. The elected women representatives are better educationally qualified than the male representatives. But the women are young, inexperienced, often forced by circumstances to contest elections and not adequately equipped with knowledge of rules, regulations, and administrative issues. Therefore, it is very important the affirmative action be accompanied by an in-depth and continuous capacity building programme targeting the elected women representatives. Designing such a programme that is dynamic and responsive to the changing requirements or differences in individual preferences is a complex task.

A self-assessment survey of the elected women representatives shows that their knowledge of rules and regulations and the process of planning, ability to write and speak in public and capabilities for managing offices, officiating at public functions and interacting with the public have improved very significantly over the last three years. Even though it cannot be stated that panchayats with female presidents have performed better, the general perception has been that irregularities and corruption have been much lower in such panchayats. (Thomas Isaac *et. al.* 1999)

Formal training programmes can only be one element of empowerment. Its success depends on creating an enabling environment in the panchayat. The elected women representatives require support not only from colleagues and officials but also from non-official experts, volunteers and the people at large. This is precisely what the Campaign has attempted to provide. The entire Campaign may be visualised as a continuous non-formal education programme, with formal training courses being nodal points of introduction to different phases of activities. It is a case of learning by doing.

Generally, women are given special consideration in the criteria for beneficiary selection and they make up a majority of individual beneficiaries. However, the Women Component Plan

(WCP) for the first year did not rise to the expectations aroused by the Campaign both in terms of overall allocation or appropriateness of the projects. Perhaps this initial outcome was inevitable given the dominant gender structures. The Campaign failed to ensure sufficient representation of women among the resource persons. The elected women representatives, another group who could have played a leadership role, were handicapped by inadequacy of experience and expertise and by inhibiting family and general social norms and structures. Elected women representatives have to bear a triple burden of public office, income earning activities, and domestic duties.

The reorientation of the training programme on the basis of the first year's experience contributed to overcoming the problems to an extent. It is our assessment that the Campaign and the synergies released by it helped to create an environment that helped to weaken some of the inhibiting social factors. Many of the weaknesses were overcome in the second year's plan. First, more than the statutory minimum requirement of 10 per cent of the plan grant-in-aid was earmarked for WCP in all districts. Second, undue emphasis on credit and beneficiary contribution in women development projects was reduced and a more realistic pattern on financing the projects was adopted during the second year. Third, the quality of projects improved. The tendency to include the general sector projects in WCP on the basis of notional (indirect) benefits to women has declined. (Eg, counting half the cost of a road as a women's project on the grounds that women would be half the users) Fourth, new forms of women's development organisations such as neighborhood groups and self-help groups began to emerge.

Scheduled Casts and Scheduled Tribes

The effectiveness of the programmes for weaker sections of the society could yet be another measure of the success of democratic decentralisation. The fear that the interests of the Scheduled Castes and Scheduled Tribes would not receive protection under a decentralised system due to the prevalence of severe caste inequality was a criticism raised by one of the chief architects of the Indian Constitution Dr. Ambedkar himself. How have the weaker sections fared under decentralised planning in Kerala so far?

An important criticism raised against the devolution programme was the proportionately larger weighting towards the Special Component Plan (SCP) and Tribal Sub Plan (TSP) in the funds devolved. It is mandatory to earmark plan funds for programmes especially targeting Scheduled Castes and Scheduled Tribes in the ratio of their population. In the former case, it is known as SCP and the latter case as TSP. While the overall ratio of devolution was 36 per cent, 75 to 80 per cent of the SCP and TSP was being earmarked for the local bodies. A danger arose that such a large proportion of earmarked funds with high visibility could generate a backlash from the higher castes that would undermine the programme. Some caste organisations of the

Scheduled Castes and opposition legislative assembly members from the Scheduled Castes also raised the possibility of misuse or diversion of funds.

SCP and TSP in Kerala had been formulated and implemented in a decentralised manner from the mid-1980s. But this decentralisation was purely bureaucratic and lacked real participation by any elected representatives let alone members of the community. The Peoples Campaign was actually reforming the already existing decentralisation into a democratic, participatory decentralisation in which the representatives and members of the Scheduled Caste and Scheduled Tribe communities could actually participate. It was ironic that some caste organisation leaders would now proclaim greater faith in the bureaucracy than in the members of their own communities or the elected representatives of the people.

The first visible impact of decentralised planning has been a significant increase in the funds actually earmarked and spent for Scheduled Castes and Scheduled Tribes. A realistic assessment showed that a substantial part of SCP and TSP have always been calculated on the basis of notional flows i.e., by inclusion of schemes that were general in nature in SCP and TSP on the assumption that SC and ST communities would proportionately benefit from these schemes. The Campaign entirely abolished this system of calculation. As a result, the real resources for the weaker sections have increased by 30 to 40 per cent when compared to the pre-Campaign period. The plan appraisal also revealed that the fears of the local bodies diverting the funds were misplaced: except in rare instances the local bodies provided full amounts of the grant-in-aid from SCP and TSP for projects for them. Even though it was permissible to allocate up to 30 per cent of the grant-in-aid for infrastructure projects like roads and bridges, less than 20 per cent was being spent on such projects. The emphasis was on projects that could be specifically targeted for individual beneficiaries from SC and ST communities such as housing, latrines, and income-producing animals.

A special review programme of SCP/ TSP involving all the grama pachayat presidents and secretaries was organised at the state level. Similar exercises were also implemented at the district level. A special strategy will have to be evolved for the tribal pockets. Much hope is placed upon the scheme of trained and paid tribal developmental activities that is going to be implemented in the current year. *Oorukuttams*, special and separate assemblies of tribal voters in each tribal settlement are also being insisted upon.

Physical Achievements

Another major criticism of the Campaign has been that it does not give adequate attention to physical achievements. The reviews are mostly in terms of financial targets and expenditure. No doubt there is still hang over of the past traditions of centralised planning in the new programme. However, the lack of statements on physical achievements is more a result of the practical problems of monitoring and aggregating the data than of the basic approach. Physical results,

particularly in productive sectors such as industry and agriculture, can be had only with time. It will take a few years before the impact of decentralisation in these sectors will become perceptible. Even in the case of social and infrastructural sectors, the absence of an adequate information network is a major problem. The Kerala Information Mission has been set up to rectify this situation. The mission attempts to network the local bodies, train the personnel and generate software for effective plan monitoring and service provisioning by the local bodies. By mid-2001 the Mission plans to have installed a computer in all panchayats with links to all other panchayats and to the State Planning Board.

The most easily measured physical achievements of the first two years of decentralised planning are impressive, however. In the two years 1997 to 1999, 98,494 houses have been built, 240,307 sanitary latrines constructed, 50,162 wells dug, 17,489 public taps provided and 16,563 ponds cleaned. A total of 2,800,179 individual beneficiaries received support from the plan for seedlings and fertilisers. 7,947 kms. of roads were built which is an astounding achievement by past standards.

Looking at these trends the State Government has taken steps to encourage institutional financial loans to the local bodies to accelerate the improvements noted in the previous paragraph. The government has also declared a target that all households should be provided with shelter and sanitary latrines and drinking water within 200 meters in the immediate future, say by 2003. Universalisation of pre-primary education, improvement in the quality of education and health care centres, and completion of rural electrification are also on the immediate agenda. Visible achievements in the above sectors in the immediate future are expected to play an important role in sustaining and stabilising the process of democratic decentralisation.

Disruption from Outside

So far we have been reviewing the attitudes and actions mostly of the inside players involved in the decentralisation process. But the overall institutional framework and external actors play equally important roles. By and large the state government that initiated the programme has resisted arbitrary and partisan interventions. How to institutionalise this behaviour pattern is an important challenge if the decentralisation experiment is to be made sustainable.

The amendments proposed by the Sen Committee and legislated by the state government reduce the scope for state government interference in the day to day functions of the local bodies. The resolutions can be cancelled only in extraordinary circumstances. Dissolution of a local body would have to follow a rigorous process after obtaining an opinion from an independent authority like an ombudsman. Even appellate functions with respect to statutory matters are envisioned to be shifted to quasi-judicial authorities. The autonomy of the local self government institutions also implies control over the staff transferred to it. The Committee recommended that local self government should have the power to allocate work to the staff transferred to it on a

functional basis cutting across the existing quasi-governmental, and governmental authorities. For instance, committees such as Development Authorities and Advisory Committees are to be abolished. Wherever certain structures are required for carrying out functions which are not restricted to the boundaries of any single local body, the appropriate method would be to form joint committees of the affected local bodies.

Even though the Campaign may be considered the most important programme for the state government, many of the individual departments have not been enthusiastic and in some cases have been hostile. The officials who are transferred to the local bodies continue to be controlled by their departments and are reluctant to take up duties assigned by the local bodies. The dual control system is not yet working out effectively. Despite the recommendations by the Sen Committee and broad political approval, the departments are reluctant to deploy their staff to the local bodies.

Vertical programmes of the Central Government such as various poverty alleviation schemes have proved to be very difficult to meaningfully integrate into the local plans, partly due to the reluctance of the bureaucracy and partly due to the inflexibility of the schemes themselves. Surprisingly, there has been an increase in the vertical programmes sponsored by the State Government in the form of 'missions.' Foreign aid agencies have been a major source of funding and encouragement for such parallel programmes. Even though the texts of these programmes include references to decentralisation and local self-government and initiative, most of the programmes themselves constitute threats to the stabilisation of the decentralisation process.

The democratic decentralisation being carried out in Kerala still has a very long distance to travel before its ideals can be realised. Only a minority of the local bodies have risen to the ideals set out in the Campaign. At the same time, the corrupt who have consciously misused the new opportunity are also only a minority. The People's Campaign has not succeeded in cleansing the body politics of Kerala from the undesirable traditions of past decades. This is not surprising. The challenge is whether the majority of the undecided and hesitating local bodies can be won over during the second and third annual plans. Can the political parties and mass organisations be encouraged to play a larger role in defending and deepening the movement for democratic decentralisation? Can the new values and changes brought about by the Campaign be successfully institutionalised? These questions cannot be theoretically settled. They will be answered in practice by the success or failure of the movement. But let us not forget that a period of even three years is too short to pass a verdict of failure or success on a major exercise such as Kerala has taken on.

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