

People's Planning: The Kerala Experience

N. D. Gopinathan Nair

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People's Planning: The Kerala Experience

N. D. Gopinathan Nair *

1. Introduction

Decentralisation has remained a cherished goal of India's economic Planning ever since the launching of the First Five-Year Plan as a centralised Plan in 1951.¹ The feeble impact of the First Five-Year Plan on rural development prompted the Government and the Planners to start thinking seriously on democratic decentralisation of Planning. A major hindrance to decentralisation at that time was the absence of an empowered institutional set-up that could bear the onus of the responsibility of formulating and implementing local-level development Plans with the active involvement of the local people. A study team under Sri Balwant Rai Mehta appointed in 1957 studied the issue of democratic decentralisation of rural development activities in the light of the experience gathered from the functioning of the Community Development Blocks and the National Extension Services started during the First Plan. Taking a cue from the Gandhian concept of *Grama Swaraj* the team in its report emphasised the need for strengthening the local self-government institutions up to the village panchayat level and empowering them to involve actively in development Planning at the local level. Starting with the Second Five-Year Plan, all subsequent Five-Year Plan documents ritualistically re-emphasised the glories of decentralised Planning, but the idea could not be put into practice in its essential form by any State in India. However, charmed by the recommendations of the team, many State governments have experimented with different modes of decentralised Planning. But all these attempts were partial, both at the level of formulation and implementation without real devolution of any administrative or financial powers to lower levels. In most cases, decentralisation was only departmental, not democratic.

All along the issue of decentralisation of Planning remained in the focus of government's
ACKNOWLEDGEMENTS: This study was done at a time when People's Planning of Kerala was amidst its infantile problems and caught in the vortex of a heated political debate about its real objective and actual performance. The appropriateness and usefulness of a conventional evaluation study of the programme at this stage is in doubt because of the political overtones of the campaign. Hence this study. I am deeply indebted to Kerala Research Programme on Local Level Development (KRPLLD) and its Programme Co-ordinator Dr K. Narayanan Nair for giving me this opportunity. I also thank Dr P. R. Gopinathan Nair and Professor K Nagaraj for valuable guidance and encouragement. I acknowledge with gratitude the help rendered by my colleagues in the study team, Sri M. K. M. Pillai (who carried bulk of the burden of organising and supervising the field investigation) and Sri Madan Mohan of Vithura and Sri Binu Lal of Nanniyode without whose earnest support in field investigation the study would not have been possible. The help and unstinted co-operation extended to us by Sri Appukuttan Kani (President), Sri G Sreekumar (KRP), Sri P. Kaladharan (Secretary) and all the members of the Panchayat Committee and Plan activists of Vithura and by Smt Shailaja Rajeevan (President), Sri Pacha Ravi (Vice-President), Sri P.S. Baji Lal (Chairman, Standing Committee) and other members of the Panchayat Committee of Nanniyode, is gratefully acknowledged. My thanks are also due to the officers and staff of the People's Planning Cell of the State Planning Board and District Planning Office as well as to the Deputy Director of Panchayats, Thiruvananthapuram for supplying us with valuable information for the study. I am thankful to the people of the two panchayats belonging to all walks of life who co-operated with us in the conduct of the survey. Let me place on record my gratitude to Sri K. A. Anil Kumar and Ms R. S. Rethi Devi for their painstaking service in processing the data and word processing the report.

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policy concern. Several committees and commissions have deliberated on the issue and made policy recommendations. Notable among them are the Planning Commission Guidelines on District Planning (1968)², Dantawala Committee Report on Block Level Planning (1978)³, and Hanumantha Rao Report on District Planning (1984)⁴. The Asoka Mehta Committee (1977)⁵ had recommended decentralisation of powers, first to the District Councils (*Zilla Parishads*) and then to the *Mandal Panchayats* consisting of a group of villages within a block that would be the democratically elected bodies at the lowest level, leaving aside the Village Committees (*Grama Panchayats*) which were to be constituted as non-elected bodies, practically functioning as delivery systems. The Committee, however, broke new ground by suggesting that elections to the local bodies must be allowed to be fought on party lines. This was a recommendation with far-reaching implications in the process of democratic decentralisation of Planning in the country. G V K Rao Report (1985) and L M Singhvi Report (1986) on *Panchayati Raj* System were widely debated upon and the debates culminated in the passing of the 73rd and the 74th amendments to the Constitution. These amendments led to the setting up of a decentralised democratic local self-government system in the country. Guided by the recommendations of these committees and the occasional policy guidelines issued by the Planning Commission, most of the State governments, initiated experiments in decentralised Planning.

Gujarat was the first State in India to initiate decentralisation of Planning. In 1973, a three-tier *Panchayati Raj* system was introduced in the State and certain district-level Plan schemes, together with funds, were transferred to the District Panchayats. District Planning Boards (DPBs) were set up in 1973 but their role was confined mainly to the preparation of district Plans. In 1980, full autonomy was given to DPBs and 20 per cent of the funds earmarked for district-level schemes - which, initially, had constituted about 35 per cent of the State Plan outlay - was transferred to them as discretionary and incentive outlay. Two-thirds of this discretionary outlay was to be transferred to the Taluk Planning Committees in accordance with a formula evolved by taking population, backwardness in agriculture, irrigation, industry, roads etc as criteria. The role of DPBs was, however, limited. They had to prepare only the district-level annual Plans and schemes within the limit of the outlay allocated to them; the normal district Plans were prepared by the concerned departments themselves. From the sixth Five-Year Plan onwards, 40 per cent of the State Plan outlay was supposed to be earmarked for districts; the actual allocations were, however, often much less. Representation of local bodies in the DPB and the involvement of the people in the planning process were limited. However, the long experience in district-level and taluk-level planning has helped development of a local level Planning culture in the State.

Rajasthan introduced a multi-level Planning system beginning with the Fourth Five-Year Plan in 1965. Sectoral allocation of the Plan outlay continued to be decided centrally as had been the practice earlier and the heads of departments were instructed to work out the distribution of the funds allocated to them under each head among the Panchayat Councils at the block level keeping in view the development potential and physical resources of the panchayats. Lists of departmentally approved schemes indicating the funding patterns were circulated to all the Panchayat Councils which would prepare the panchayat-level Plans on

the suggested lines and send them to the District Development Officer for scrutiny. These Plans had to be approved by the District Council (*Zilla Parishad*) and the Development Department of the State Government. Final allocations of funds were sector-specific for all Panchayat Councils and the concerned heads of departments decided the distribution. Although these panchayat-level Plans were supposed to be formally approved by the *Grama Sabhas* and *Panchayat Councils*, in practice, the concerned departmental officers in most cases dictated them. Even the presidents of the Panchayat Councils (*Pradhans*) were not associated with the work of Plan formulation. As a result, the elected members of the Panchayat Councils became disinterested in, and apathetic towards, these official Plans. The decentralised Plans virtually became departmental Plans and had to be shelved.

The Karnataka experiment in decentralisation of Planning to the district-level began with the Sixth Five-Year Plan when a two-tier Planning system was introduced. Under this system, the 1978-'79 annual Plan outlays for irrigation, power, major and medium industries, and other indivisible sectors were retained with the State Government; 75 per cent of the remaining outlay was distributed among the districts keeping 25 per cent in reserve as a cushion to make up differences in the priority programmes taken up in the districts as well as to meet emergency expenses. Distribution of funds to the districts was made based on a composite formula, more or less similar to the Gadgil formula: 50 per cent based on the population and 50 per cent on the basis of a weighted index of backwardness worked out on the basis of multiple criteria like value of agricultural output, irrigated area, industrial output, hospital facilities, transport facilities, electricity, SC/ST and agricultural labour population, forest area, drought-prone area, unemployment, etc. The Janata Party that came to power in 1983 revised the distribution formula by including in the criteria geographical area, dry-land area, agricultural labour and per capita resource mobilisation. The share of the districts (*Zilla Parishads*) in the State Plan outlay was reduced to 40 per cent. The District Planning Committee (DPC) distributed the outlay among the various departments. The sectoral Plans prepared by the various departments within the outlay allocated to them became the district Plan after formal approval of the District Development Council, a nominated body. The Karnataka model was in practice only a departmentally decentralised Planning since, neither the people nor their elected representatives at the local level had any significant role in the formulation or implementation of the Plan.

In West Bengal, the process of decentralisation of Planning began with the implementation of Integrated Rural Development Programme (IRDP) through Village Panchayats, soon after the Left Front government came to power in the State in 1977. The Left gained control over a majority of the Village *Panchayat Samithis* (VPS), after elections in 1978, fought on party lines thanks to the recommendations of the Asoka Mehta Committee. Programmes were prepared centrally and handed over to the panchayats, together with funds, for implementation. Rural party cadres of the ruling front were mobilised for execution of the programme. Despite some stray complaints about politicisation of the distribution and misuse of individual benefits, implementation of the programme was accepted widely by people in the State as quite effective. The ruling party was therefore able to consolidate and expand their support base in rural areas, which remains more or less intact even now. The West Bengal

experiment was not one of a decentralisation of Planning in its real sense; it was only a partial attempt since the local level population had no role in the formulation of the programmes. More than 90 per cent of the Plan funds of the panchayats now come from Jawahar *Rozgar Yojana* (JRY)⁶. Even after the setting up of the *Panchayati Raj* system as envisaged in the 73rd and the 74th amendments of the Constitution, village panchayats in the State, through wielding considerable power in the implementation of all rural development programmes such as IRDP, JRY, Literacy Campaign, and flood relief, are still part of the delivery system of the state government. Each Village *Panchayat Samithi* (VPS) prepares need statements and hands them over to the DPC that, in turn, presents them for approval of the District Planning and Co-ordination Committees. The line departments prepare the district and the block-wise break-up of the approved proposals and prepare specific schemes. Execution of the rural development schemes by the VPS is quite efficient and effective because of the long experience gained by them in implementing such schemes.

In Maharashtra, decentralisation of Planning to district-level was initiated in 1975 by the setting up of an agency - District Planning and Development Council (DPDC) - for preparing district Plans. This was a body dominated by bureaucrats, in which the *Zilla Parishads*, the representative body of people, had only a nominal representation.

None of these States which have been experimenting with different models of decentralised Planning, under serious constraints imposed by diverse social and political conditions has attempted to implement a truly democratic form of decentralised economic Planning by empowering people at the grassroots-level to formulate and implement their own development Plans and the State government remaining as the custodian of funds and playing the role of a facilitator for decentralised Planning by providing the local-level agencies with financial support. All these decentralisation ventures have been more administrative than democratic.

Reasons for the slow progress of genuine, democratic decentralisation of economic Planning in the country, an ideal goal repeatedly emphasised in all the Five-Year Plans for the past four decades and more, have formed the subject of widespread debates and discussions in the country. Three main reasons emerging out of these debates and have found general acceptance are (i) lack of political will on the part of the political leadership because of its fear that decentralisation of political authority to lower level may lead to emergence of a new line of political leadership at local level, particularly, in rural area, causing erosion of its authority and support base among the people; (ii) resistance from higher-end bureaucracy which did not relish the idea of losing its power and authority to lower level functionaries; and (iii) absence of a viable institutional set-up at the local level (prior to the Panchayat Raj Act, 1994) capable of formulating and implementing local level Plans, which in fact, is a corollary of the first two reasons.

Kerala had very little experience in decentralised Planning. Of course, numerous attempts for the setting up of a decentralised Planning structure were made during the past four decades: District Development Councils (DDC) in 1960s, District Planning offices in 1970s,

preparation of Special Component Plans and Tribal Sub Plan at the district level in 1980s, and unsuccessful decentralisation of the first year annual Plan (1990-'91) of the Eighth Five-year Plan. District Planning offices with hardly any direct involvement in Plan formulation and implementation have been functioning more or less as monitoring bodies. Decentralisation of SC/ST programmes has, in practice, meant delegation of administrative powers to district level departmental offices, with no involvement of people at the local level. In the early 1990s, the government made an attempt to partially decentralise the preparation and implementation of the Eighth Five-Year Plan. District Development Councils (DDCs), which were nominated bodies, entrusted primarily with the task of monitoring and reviewing the progress of Plan schemes implemented in the district, were directed to prepare district Plans by integrating district-level Plans formulated by them with the block level Plans prepared by the Block-Level Planning Committees in consultation with the village panchayats. Very few districts did so; integration was poor and the proposals received from the lower levels were only mere reformulation of the ongoing departmental schemes. The Eighth Plan document of the State had identified district sector schemes involving 24 per cent of the annual Plan outlay for 1990-'91 and village sector schemes involving another 5.6 per cent; 2.35 per cent of the outlay was contributed to the village panchayats as untied funds.⁷ The whole exercise returned to square one when the line departments themselves implemented the entire programme.

It is against this backdrop that the decision of the Kerala Government to launch the Ninth Five-Year Plan of the State as a democratically decentralised People's Plan by devolving 35-40 per cent of the State's annual Plan outlay for 1997-'98 to the three-tier Panchayat Raj institutions (PRIs) was widely hailed as a bold and historic step. It was bold in the sense that it could break the high level bureaucratic and political barriers to decentralisation. It was also historic as Kerala was the first State in the past 45 years of the Planning history of the country to venture into a genuine democratic decentralisation of Planning making use of the new institutional system empowerment by the Panchayat Raj Act, 1994. Dissenters were, of course, who suspected that this was a surreptitious move by the ruling party (Left Democratic Front) to enlarge its vote banks by siphoning out public funds for distribution among them as largesse.

Some quarters had aired the cynical view that nothing of this innovative sort would work in the State⁷. But these initial dissenting voices were too feeble to be impressive. Intensive campaign with an alluring motto: 'power to the people' backed by high voltage media publicity and overt support of voluntary organisations like Kerala Sastra Sahitya Parishad (Kerala Scientific Literature Society) and Literacy Mission, generated a lot of enthusiasm among the people, particularly in rural areas, cutting across party lines. About Rs 750 crore of the State's annual Plan fund was allocated to local-level Panchayat Raj Institutions (PRIs) - Corporations, Municipalities and Grama Panchayats - pro-rata, based on the population criterion. These PRIs, already empowered under the Panchayat Raj Act, 1994, were given freedom, of course within certain parameters set by national and state level sectoral priorities and some operational guidelines issued by the State Planning Board (SPB), to formulate and implement their own development programmes. Necessary back-up support in the form

of training of personnel, technical consultancy, and publicity, was provided extensively by the State Planning Board, which spearheaded the campaign. But the magnitude of the task was so huge that most of the local bodies, severely constrained by time and manpower resources could not complete the work of implementing their annual Plans before the end of the financial year on March 31; the government had to extend, therefore, the time limit for spending the Plan funds for 1997-'98 up to the end of June 1998.

Being new to the job, the Panchayat Committees took time to organise the preparation of the annual Plans and project reports of the programmes included in the Plan. Project-reports were prepared in a hurry by the members of Task Forces, who were all not technical experts and presented for approval so late that neither the Block Level Expert Committee (BLEC) nor the District Planning Committee (DPC) could, apply, for obvious reasons, their minds and appraise them for their economic viability and local specificity before giving approval.

Once the local bodies set themselves to the task of actual implementation of their annual Plans, frictions started to crop up. Allegations about politicisation of the programme, corruption, nepotism, wastage, misuse, and even swindling of public funds were raised widely by the public, political parties, and the media. Some of these allegations might be true; some might be motivated overshoot. Given the existing social and political structure and value system of our society, some flaws and leakage in any development programme centralised or decentralised - are bound to occur and taken for granted. Is the Kerala model of decentralised Planning inherently more prone to politicisation, corruption, and leakage of funds than the conventional, centralised Planning? If not, where has the programme, conceptually well accepted as an ideal development strategy, gone awry? Our study though confined to a very limited sample of two Grama Panchayats out of 990 in the State addresses itself to these and other related issues and attempts to examine their validity.

The discussion is presented in the following orders. In section 2, we give the comparative profiles of the two sample panchayats and explain the methodology of the study. Section 3 discusses the making of the Plans: their size, dimensions, and programme contents and programme quality. Actual implementation of the Plan and related issues like selection of beneficiaries, utilisation of funds and generation of additional income are discussed in Section 4. An overall assessment of the People's Plan Programme covering issues like politicisation, corruption, the extent of public participation and related issues is given in section 5. The major findings of the study are summarised in section 6.

2. Methodology of Study

Selection of samples

Two Grama Panchayats - Vithura in Vellanad Block and Nanniyode in Vamanapuram Block of Thiruvananthapuram district - were selected for the study. A multi-stage purposive sampling method applying the following criteria was used in making the selection.

- (i) One should be a ruling Left Democratic Front (LDF) controlled panchayat and the other an opposition United Democratic Front (UDF) controlled (in order to bring out the political dimensions of the programme).

- (ii) One should have performed above the district average in Plan implementation and the other, below average. (Performance is measured in terms of Plan expenditure, the only objective indicator available).
- (iii) The geophysical conditions of both the panchayats should be more or less the same.
- (iv) Levels of social and economic development already attained by the two Panchayats should be broadly comparable.
- (v) Neither of the panchayats should have any locational advantage or exogenous growth impulses (eg proximity to a growing urban centre, large industrial/commercial / government establishment etc) over the other.
- (vi) Share of SC/ST (for whom special allocations are made from the Plan fund) in the total population should be more or less equal in both the Panchayats.

A comparative profile of the two panchayats is given in Table 2.1

Table 2.1 Comparative profile of Vithura and Nanniyode panchayats

	Vithura	Nanniyode
1. Location	40 km to the north-east of Trivandrum city	32 km to the north-east of Trivandrum city
2. Block panchayat	Vellanaad	Vamanapuram
3. Taluk	Nedumangad	Nedumangad
4. Geographical are (sq.km)	132	39
5. Population (1991 census)	26613	26311
6. Density of population (per sq. km)	202	677
7. Number of households	6873	6441
8. SC & ST population as per cent of total population	20.1	20.4
9. Number of households without latrine	3715	651
10. Number of households getting piped water supply	4589	Nil
11. Topography	Undulating	Undulating
12. Soil types	Red, clay	Laterite, clay
13. Cultivated area (ha)	3298	2945
14. Major crops growth	Rubber, Tea, Tapioca	Coconut, Tapioca, Rubber, Plantain
15. Live stock population		
Cattle	3136	2281
Goats	2275	1852
Poultry	16764	17188
16. Major and medium industries	Nil	Nil
17. No. of hospitals/PHCs	9	14
18. No. of high schools	2	2
19. No. of panchayat wards	11	11
20. Political control	LDF	UDF
21. No of panchayat members belonging to ruling party (LDF)	6	7

Method of Survey

Source materials like development reports, Plan documents, project reports, lists of beneficiaries, and performance reports etc and secondary statistical data were collected from the panchayat Offices; Government guidelines and directives on the formulation and implementation of the Plan were obtained from the State Planning Board. Extensive field surveys were conducted to evaluate the implementation of the first year (1997-'98) annual Plan of the panchayats in full and of the second year (1998-'99) annual Plan in part. Methods used for the conduct of field surveys were:

- (i) Informal talks with cross sections of people of the panchayat, randomly accessed at common places like panchayat offices, Grama Sabha offices, venues of Grama Sabha meetings, streets, teashops, and bus stops;
- (ii) Questionnaire-based personal interviews of three categories of persons associated with People's Planning in the two panchayats;
 - a. Sample beneficiaries of different individual beneficiary schemes selected at random from the lists published by the panchayats and physical verification or corroboration of the utilisation of the benefits received by them.
 - b. Members of the Grama Sabhas (ie voters) of selected wards who have not received any benefit under the individual beneficiary schemes, selected at random accessibility.
 - c. Persons responsible for or associated with Plan activities in the Panchayat; ie Members of the Panchayat Committee, Resource Persons, Implementation and Monitoring Committee members, Plan Activists, Implementation Officers etc with the objective of ascertaining their views on the conduct of People's Planning in the panchayats.
- (iii) On the spot study and evaluation of all common benefit/public works projects included in the 1997-'98 annual Plans of the panchayats and all such projects costing more than Rs 50,000 included in the annual Plans for 1998-'99.

Field survey of the study was conducted between December 1998 and July 1999. All programmes included in the 1997-'98 annual Plans and the common benefit programmes costing more than Rs 50,000 including in the 1998-'99 annual Plans of both the panchayats were covered by the survey. For the sample survey of beneficiaries, the entire sample was drawn from the beneficiaries of 1997-98 programmes. The sample size in each category covered by the survey is shown below:

Table 2.2 Sample size of categories surveyed

No	Category	Sample size		Total
		Vithura	Nanniyode	
1	Beneficiaries	390	455	845
2	Non-beneficiaries	215	255	470
3	Members of panchayats, Plan activities etc	15	11	26

We are aware that by not extending the survey to 1998-'99 beneficiaries, we are leaving unanswered the pertinent question whether any qualitative improvement is observed in the second year in the implementation of the beneficiary-oriented programmes. Although we have taken utmost care to ensure the veracity of the information furnished by the respondents, particularly the beneficiaries, by cross-checking with neighbours, knowledgeable persons in the locality some flaws and biases - inevitable in any field survey done by an outside agency, especially on delicate issues like political affinity, misuse of benefits and corruption - might have crept in. But the number of such biased responses must be, we believe, too small to have had any significant influence on the broad findings of the study. We, however, feel that for a realistic evaluation of a massive development programme like People's Planning, a participatory method of evaluation would have been more appropriate, which unfortunately we were not able to follow.

3. Formulation of the Plans

Quick on the heels of the State Government's decision to launch the Ninth Five-Year Plan of the State as a People's Plan, the State Planning Board (SPB) and the department of Local Self-government (LSG) issued elaborate guidelines for the formulation and implementation of local level Plans by the three-tier Panchayat Raj Institutions (PRIs) comprising Village, Block, and District Panchayats, (Municipalities and Corporations included parallelly) already set up under the Kerala Panchayat Raj Act, 1994.

Following the directions issued and the uniform agenda for action prescribed by the SPB, both the panchayats in the sample convened special meetings of the Grama Sabhas (ward assemblies)⁸ in September-October 1996 and constituted Task Forces for the preparation of Resource Maps and Development Reports (*Vikasana Rekha*) of the panchayats. Development Reports, to be presented in the format prescribed by the SPB, were supposed to suggest, apart from recounting the socio-political and cultural history of the panchayats, and articulating on the resource availability, development needs, and potential and problems of development, an appropriate development strategy and identify specific development programmes to be carried out in the panchayat during the Ninth Five-Year Plan period.

Both the panchayats have prepared the Development Reports comprehensively. The thrust areas of development identified are strikingly similar: increasing agriculture production, protecting the area under paddy cultivation which has been steadily declining, better veterinary facilities, promoting industrial activities particularly those based on locally available resources (eg rubber-based in Vithura and coconut-based in Nanniyode), improving medical facilities, increasing drinking water supply (Nanniyode), expanding road transport facilities (Vithura) and preventing fall in the standards of education. Both the panchayats have identified and listed local-specific infrastructure needs like roads, bridges, culverts, irrigation tanks, electrification, etc to be taken up under People's Planning. Such close similarity in the identified development needs and problems of the two panchayats if true of the other panchayats in the State as well, casts doubts about the relevance of local-level People's Planning. Some of these problems are not local-specific and may not have local solutions.

According to the State Government decision, decentralisation of the Ninth Plan was to begin with the devolution of 35 to 40 per cent of the first year's annual Plan outlay of the State to the PRIs taking 1991 census population as the sole distribution criterion in the case village panchayats. Plan funds were allocated to the two panchayats under three categories – General, SC, and ST:

Table 3.1 Allocation of Plan funds, 1997-'98 (Rs in Lakh)

Category	Vithura	Nanniyode
General	32.75	31.73
Special Component Plan (SC)	13.73	12.73
Tribal Sub-Plan (ST)	7.92	3.93
Total	54.40	48.39

Once the amounts of funds available became known, both the panchayats started formulating their annual Plan programmes with the active participation of the resource persons and members of the Task Forces. Drafts of Five-Year Plan documents were also prepared, but they are found to be sketchy, prepared without clear perspective of the development needs, and potential as well as the resource endowments of the panchayats. The outlays of the Five-Year Plans are found to have been the result of projections made on the assumption of a 10 per cent increase in the annual Plan outlays every year over that of 1997-'98, in accordance with SPB guidelines. The programme contents of the Five-Year Plans remain almost the same as those of the first year's annual Plans. This was perhaps the only way the panchayat functionaries and their support groups could adopt since visualising a more realistic Five-Year Plan was beyond the capability of the panchayats at that time.

While allocating the Plan funds, the government had stipulated that at least 40 per cent of the fund should be spent in the productive sector, namely, agriculture, minor irrigation, animal husbandry, fisheries, manufacturing etc and not more than 30 per cent in the infrastructure sector like roads, buildings, bridges, culverts etc. Whether these stipulations on utilisation of the Plan fund tantamount to transgression of the freedom of the panchayats in choosing their own development Plans is a matter of debate. But they certainly had an impact, as we shall observe later, in the discussion, determining the size and utilisation pattern of beneficiary-oriented schemes.

Both the panchayats had to face difficulties in finalising the Plans and project reports on time. Shortage of experienced and competent resource persons and task force volunteers to accomplish the work was a serious handicap. This problem was more acute in Nanniyode where there were no Key Resource Persons (KRP) unlike in Vithura. A scrutiny of the programme contents of 1997-'98 annual Plans of the two panchayats reveals that in the case of individual beneficiary programmes, what the Panchayats probably did was to pick and choose from the shelves of model schemes given in the numerous handbooks brought out by the SPB and rewrite them without going into their suitability to the conditions prevailing in the panchayats. None of these project proposals are found to have come up from the Grama Sabhas. In fact, they were presented before the Grama Sabhas just as a formality to get their approval. In some cases, approval of the Grama Sabha might have been taken for granted as

we later observed in the case of the 1998-99 programmes. Most of the Grama Sabhas, particularly in Nanniyode, had little inclination or expertise to critically evaluate various programmes and choose the most suitable ones. The realisation that these programmes are not chosen by the Grama Sabhas, but were thrust upon them from above as had been the practice during the earlier top-down Planning, tarnishes the halo of populism envisioned around People's Planing. The cost of manpower and materials involved in the transcription and photocopying (six or seven copies) of these project profiles might have well been colossal and could have well been avoided.

Annual Plan 1997-'98

Source-wise financial outlays, targeted and realised, in the 1997-'98 annual Plans of the two panchayats are given in Table 3.2.

Table 3.2 Annual Plan 1997-'98 (Outlays targeted and realised (Rs. '000))

Source of fund	Vithura			Nanniyode		
	Originally proposed	Revised	Realised	Originally proposed	Revised	Realised
1. Grant from state Plan fund	5440	5440	5440	4839	4839	4740
2. Panchayat's own fund	445	865	513	90	61	8
3. From co-operative sector	100	100	—	—	—	—
4. Donations and voluntary services	413	327	203	384	—	—
5. Total	639	86732	6156	5313	4900	4748
6. Beneficiaries' Contribution	5311	3930	3858	3750	3784	2980
7. Total	11709	10662	10014	9063	8684	7728

Expectations of both the panchayats about the likely mobilisation of resources through public donations and voluntary services have turned out to be unrealistic. In the case of panchayat's own funds, the shortfalls are largely due to changes in appropriation. We have not taken into account the panchayat funds spent on non-Plan programmes that were later brought under the Plan. However, it appears that much of the amount shown as panchayat's own funds are actually grants received from the Government by way of untied funds, share in Centrally/State-sponsored schemes, etc and not panchayats' own revenue surpluses.

Annual Plan 1998-'99

In the first year of the People's Planning, 1997-'98, distribution of Plan fund among the village panchayats was made, pro-rata, solely on the basis of 1991 census population –

General Fund based on the total population and Special Component Plan (SCP) fund and Tribal Sub-Plan (TSP) fund on the basis of SC and ST populations respectively. This was perhaps the only formula readily available and politically acceptable at that time though such a pro-rata distribution of Plan fund would amount to negation of one of the basic objectives of economic Planning – regional balancing of growth.

For the second year, 1998-99, the distribution formula was changed to 65 per cent based on population and 35 per cent on the basis of a composite index with the following parameters and weights.

Table 3.3 Parameters and weight for distribution of Plan fund

Geographical area	5 per cent
Area under rice	5 per cent
Own income of panchayat	10 per cent
Composite index of Agricultural	
Labourers, persons engaged in livestock, fisheries, etc and	
Marginal workers	15 per cent

The rationale of this formula which, anyway, is not claimed to be backward-area-friendly, is open to debate at least on two scores. First a panchayat with a larger area under paddy cultivation would get a higher share in the allocation, which need not entail a higher spending on the development of paddy cultivation. It is tied in allocation, but untied in spending. For example, Vithura panchayat did not spend anything from the Plan fund for paddy cultivation in 1997-'98 and earmarked only 3 per cent in 1998-'99. In Nanniyode only about 0.9 per cent of the Plan fund was spent on paddy cultivation in both the years. Both the panchayats in their Development Reports have expressed, however, serious concern about the decline in the area under rice cultivation and emphasised the need for remedial measures.

Own income or Additional Resource Mobilisation (ARM), though an accepted criterion for the distribution of Plan funds to the States by the Planning Commission, has an anti-backwardness bias, as it is more advantageous to the developed panchayats. Own income of panchayats consists of tax revenue (taxes on buildings, profession, entertainment etc) and non-tax revenue (income from market, license fee, etc). Revenue yields from both the sources depend mainly on the level of development and economic activities in the panchayat. Effectiveness of this criterion even as an incentive for additional resource mobilisation, cannot be established unless it is proved that higher income automatically leads to the generation of higher investible surplus.

Allocation of Plan funds to the two panchayats for 1998-'99 annual Plans, category-wise, are as shown below:

Table 3.4 Category-wise allocation of Plan funds for Vithura & Nanniyode: 1998-'99**(Rs lakh)**

	Vithura	Nanniyode
General fund	48.95	42.89
SCP	14.04	12.90
TSP	10.93	7.80
Total	73.92	63.59

Incidentally, allocation based on the new formula has slightly tilted the parity ratio in favour of Vithura from 1:0.89 in 1997-'98 to 1:0.85 in 1998-'99.

The size and the funding pattern of the annual Plans of the two panchayats in 1998-'99 are given in Table 3.5.

Table 3.5 Annual Plan outlay, 1998-'99**(Rs '000)**

Source of fund	Vithura		Nanniyode	
	Allocation	Actual spending up to 31.03.99	Allocation	Actual spending up to 31-3-99
Plan grant	7392	5579	6359	3244
Panchayat fund	4907		782	
Voluntary services				
and donations	1169		175	
Total	13468		7316	
Beneficiaries' contribution	5407		3740	
Grand total	18875		11056	

As indicated earlier, panchayat fund shown as part of the total Plan outlay is not entirely panchayat's own fund but includes grants from the Government under central/state sponsored schemes such as JRY. Vithura had spent 75 per cent and Nanniyode 51 per cent of the Plan grant by the end of March 1999. The expenditure is more technical than real. Bulk of the amount shown as expenditure under work projects was not actually spent in either panchayat but only had been drawn from the treasury and kept in the PD accounts of the Implementation Officers or the Implementation committees. Major parts of the fund actually spent were on individual benefit schemes – 55 per cent in Vithura and 65 percent in Nanniyode. Most of the Common benefit/Public works projects supposed to have been completed in 1998-'99 are still at different stages of implementation.

We do not find any significant change in the sectoral pattern of utilisation of the Plan funds in the second year Plan from that of the first year in the case of Nanniyode. About two-thirds of the Plan fund of the panchayat is spent on individual beneficiary programmes and one-

third on common projects as was the case in the first year. But in the case of Vithura, the share of individual beneficiary programmes has increased from 53 per cent in 1997-'98 to 63 per cent in 1998-'99.

The sector-wise allocations and utilisation of Plan funds for 1997-'98 and 1998-'99 in the two panchayats is given in Table 3.6

Quality of programmes

A major drawback of centralised Planning, repeatedly emphasised by academics and Planners alike, is that many of the rural development programmes formulated at Central or State level and pushed down for implementation to local level often have little relevance to the real needs of local area development. The basic premise of decentralised Planning is that it is the local people themselves who know better than any outside agency the kind of development strategy or programmes suited and necessary for them. People's Planning expects the village panchayats to evolve their own development modes and local-specific programmes supplementing government grant by own resources and implementing the programmes with the active participation of people, of course within the broad parameters of national and state level priorities set by the government. To what extent these three objectives (namely, first formulation of own local-specific Plans and programmes, raising additional resources locally to supplement the Plan grant from the Government, and implementation of the Plan with the active participation of the local people) have been materialised? Evidence thrown up by our study of the Planning process and programmes of the two panchayats shows that both failed to achieve the first two objectives and succeeded only partially in the third. Neither could produce any innovative local-specific development Plan or project of its own, instead of beating the track of pre-fabricated, straitjacket development programmes set by the earlier, centralised Plans.

There were 49 individual beneficiary programmes and 23 common benefit (community) projects included in the 1997-98 annual Plan of Vithura panchayat. Nanniyode panchayat had 32 individual beneficiary programmes and 43 common benefit projects. Almost all the individual-beneficiary-oriented-programmes of both the panchayats were mere repetition or replication of the standardised programmes which had already been implemented or initiated in the earlier Five-Year Plans under various Rural Development Programmes like IRDP, JRY, and TRYSEM despite the claim of the State Planning Board that the PRIs prepared one lakh projects and that one project is not a copy of another. Of course, some cosmetic differences are observed among them. The magnitude of assistance has been raised in some cases as compared to what used to be given under the earlier programmes. In some cases, unlike in earlier years, no matching contribution by the beneficiary is insisted upon and credit element is eliminated fully. The delivery system has been simplified. But the basic structures and objectives of the programmes remain unchanged. It appears that neither the Grama Sabhas nor the Panchayat Committees had considered the relevance of particular programmes to the development of the panchayats nor exercised choice in the selection of programmes, probably due to lack of expertise, non-availability of time for deliberations or compulsion to

Table 3.6 Sector-wise allocation and utilisation of Plan funds, 1997-98 and 1998-99

	Sector	1997-'98				1998-'99			
		Allocation		Utilization		Allocation		Utilization	
		No. of Projects	Amount	Percent	Amount	No. Of Projects	Amount	Percent	Amount
A	Vidhura								
I	Individual Beneficiary Schemes								
(i)	Production Sector	31	1428	25	1386	43	2524	34	2132
(ii)	Service Sector	18	1451	26	1390	15	1542	21	961
	Sub Total (I)	49	2879	51	2770	58	4066	55	3093
II	Common Benefit Projects								
(i)	Production Sector	2	281	5	175	9	416	6	335
(ii)	Service Sector	3	502	9	420	38	1233	17	761
(iii)	Infrastructure Sector	18	2040	36	1832	46	1674	23	719
(iii)	Sub Total (II)	23	2823	50	2427	93	3323	46	1815
	Total (I & II)	72	5702	100	5203	151	7389	100	4908
I	Nanniyode Individual Beneficiary Schemes								
(i)	Production Sector	17	1898	36	1672	20	2146	34	1091
(ii)	Services Sector	15	1611	31	1614	11	1378	22	1032
	Sub Total (I)	32	3509	67	3286	31	3524	56	2123
II	Common Benefit Profits								
(i)	Production Sector	1	250	5	120	2	370	6	130
(ii)	Service Sector	22	513	10	450	31	633	10	60
(iii)	Infrastructure Sector	20	964	18	893	80	1794	28	584
	Sub Total (II)	43	1727	33	1463	113	2797	44	774
	Total	75	5236	100	4749	144	6321	100	2897

and Plan activists we talked to during the course of our field enquiries conceded that, but for the demands for local-specific common benefit projects like roads, culverts, and public wells, no original innovative project ideas had come up from the Grama Sabhas. It may take time for the people to gain experience and expertise to conceive of innovative project ideas appropriate to the real development needs of the panchayats.

We asked the respondents of our sample survey of the elite group a close-ended question, why no original or innovative programme was included in the annual Plans. Of the 26 respondents, 14 did not give any answer. The frequency distribution of the reasons (including multiple reasons) indicated by the other 12 respondents is given in Table 3.7.

Table 3.7 Reasons of innovative/original projects in panchayat Plans

Reasons	No. of answers
1. Absence of a clear vision about the development needs of the panchayat	4
2. Lack of original project ideas	2
3. Lack of time	5
4. Absence of technical experts	3
5. Easy approvability by BLEC/DPC	7
6. Others (shortage of finance)	3

The majority view is that the schemes were picked up from the Planning Board's shelf considering their easy approvability by the BLEC/DPC. It is a matter of concern that 7 out of the 14 respondent who did not care to respond to our questions are elected representatives of the people (Panchayat members) who are in the saddle of panchayat-level Planning.

4. Implementation

Individual beneficiary programmes

Widespread allegations of corruption, malpractices and misuse and leakage of public funds in the delivery system of various beneficiary-oriented rural development programmes have come up in the past not only in Kerala, but all over India as well. Many evaluation studies conducted both by government and non-governmental agencies have corroborated these allegations.

To what extent has the People's Planning Programme with in-built transparency and social auditing system, has succeeded in curing this chronic malady of our rural development programme?

Selection of beneficiaries

According to State Planning Board guidelines, the names of beneficiaries of each individual beneficiary scheme from each ward of the panchayat are to be decided and prioritised by the

respective Grama Sabhas in accordance with the criteria adopted by the Panchayat Committee. The final selection is to be made by the Panchayat committee in the order of merit decided at the panchayat level. By the time we started the field surveys for this study, selection of beneficiaries for the 1997-'98 programmes had been over and the benefits distributed. In the initial phase of our field survey, the people whom we talked to told us that in the first year of the Plan, neither of the two panchayats had done the selection strictly in accordance with the guidelines. They quoted specific instances in which non-eligible persons were selected either on political considerations or on subjective preferences of the ward members, conveners of ward development councils or influential Plan activists. Even the panchayat authorities conceded that there might be some errors in the selection mainly because of the lack of time and shortage of manpower to scrutinise, consolidate, and assign priorities to the hundreds of applications received. They were under tremendous pressure to spend the annual Plan grant for 1997-'98 before the extended cut off date of 30 June 1998. Some aberrations in the implementation of the programmes including selection of beneficiaries were unavoidable when done in haste. As there were not enough serious takers for certain agricultural programmes such as distribution of seedlings and plants of arecanut, pineapple, pepper, and Plantain that did not carry any cash subsidy element, seedlings and Plants which were highly perishable had to be distributed to people immediately on arrival from suppliers. This work had to be done therefore quite arbitrarily and erratically distributing them to people available on the spot without going into the eligibility norms.

We attended all the Grama Sabha meetings of both the panchayats held for the selection of beneficiaries for the second year (1998-'99) programmes. In Nanniyode panchayat, selections were made, by and large, in accordance with the SPB guidelines. All the applications received were consolidated, assigned marks on the basis of the pre-determined criteria and scheme-wise priority lists, were prepared and presented to the Grama Sabhas. These lists were discussed by subject groups of Grama Sabhas and based on their recommendations, the final priority lists of beneficiaries were formally approved by the Grama Sabhas. We find the whole system transparent; however, we do not rule out the possibility of some manipulation at Panchayat Committee level at the time of finalisation of the select list, though we have not come across any specific instance.

In Vithura panchayat, virtually it was the Neighbourhood Groups (*Ayalkkuttams*) which played the decisive role in the selection of beneficiaries; they collected, prioritised, and recommended applications to the Grama Sabhas through Ward Development Councils for formal approval. For agriculture, dairy and poultry development programmes Grama Sabhas selected one or two *Ayalkkuttams* from each ward; the concerned *Ayalkkuttams* did the actual selection of individual beneficiaries. The benefits are also distributed through the *Ayalkkuttams*. The Panchayat Committee justified this deviation from the standard procedure laid down by the SPB on the ground that this system would prevent any possible misuse of the benefits by individual beneficiaries because of close monitoring by the *Ayalkkuttam* committees.

The criteria adopted for the selection of beneficiaries under the different individual beneficiary schemes are supposed to be widely publicised in all the wards of the panchayats. We asked a sample of beneficiaries covered by our survey whether they were aware of the norms followed in the selection of beneficiaries in their panchayats. Nearly 55 per cent of the

respondents in Vithura and 45 per cent in Nanniyode replied that they were; 42 per cent in Vithura and 55 per cent in Nanniyode replied that they were not (Table 4.1). One of the reasons for the higher level of awareness on the part of the respondents about People's Planning in general in the Vithura panchayat is that this panchayat has an effective public address system with its own vehicle and mike-set.

Table 4.1 Awareness of selection criteria of programme beneficiaries

No.	Source	Vithura		Nanniyode		Combined	
		No.	%	No.	%	No.	%
1	Aware	213	54.6	20.3	44.6	416	49.2
2	Not aware	162	41.5	249	54.7	411	48.6
3	No response	15	3.8	3	0.6	18	2.1
4	Total	390	100.0	455	100.0	845	100.0

(SE = 3.422)

To our next question whether they thought that the norms followed in their panchayat for selection of the beneficiaries were just and reasonable, about 51 per cent (27 per cent belonging to the ruling party) of the respondents in Vithura and 28 per cent in Nanniyode (only 8 per cent belonging to the ruling party) responded positively; 11 per cent in Vithura and 17 per cent in Nanniyode replied that they were not (Table 4.2).

Table 4.2 Respondents' views on justifiability and reasonableness of selection procedure

No.	Respondents' view	Party affiliation	Vithura		Nanniyode		Combined	
			No.	%	No.	%	No.	%
1	Positive	i. No party	25	6.4	35	7.7	60	7.1
		ii. LDF	107	27.4	53	11.6	160	18.9
		iii. UDF	60	15.4	38	8.4	98	11.6
		iv. Others	5	1.3	1	0.2	6	0.7
		v. Total	197	50.5	127	27.9	324	38.3
2	Negative	i. No party	7	1.8	26	2.7	33	3.9
		ii. LDF	19	4.9	23	5.0	42	5.0
		iii. UDF	14	3.6	26	5.7	40	4.7
		iv. Others	1	0.3	-	-	1.	0.1
		v. Total	41	10.6	75	16.5	116	13.7
3	Not sure		59	15.1	46	10.1	105	12.4
4	No response		93	23.8	207	45.5	300	35.5
5	Total		390	100.0	455	100.0	845	100.0

(SE = 4.189)

Asked next whether the selections of beneficiaries in the panchayat were done strictly in accordance with the norms, 52 per cent in Vithura (26 per cent belong to ruling party) and

18 per cent in Nanniyode (only 5 per cent belonging to the ruling party) replied in the affirmative; 32 per cent (17 per cent belonging to the ruling party) in Vithura and 35 per cent (11 per cent belonging to the ruling party) in Nanniyode replied, however, in the negative. About 47 per cent of the respondents in Nanniyode replied that they did not know. This is a reflection of the low level of awareness of the people of the panchayat about People's Planning. The percentage of beneficiaries who thought that the selection of beneficiaries was made in violation of the norms in Nanniyode is nearly double that of Vithura (Table 4.3).

Table 4.3 Respondents views on whether selection of beneficiaries was done according to prescribed criteria

No.	Respondents' view	Vithura		Nanniyode		Combined	
		No.	%	No.	%	No.	%
1	According to criteria						
	i. No party	30	7.7	22	4.8	52	6.1
	ii. LDF	101	25.9	33	7.2	134	15.9
	iii. UDF	66	16.9	24	5.3	90	10.6
	iv. Others	5	1.3	1	0.2	6	0.7
	v. Total	202	51.8	80	17.6	282	33.3
2	Not according to criteria						
	i. No party	18	4.6	60	13.2	78	9.2
	ii. LDF	68	17.4	51	11.2	119	14.1
	iii. UDF	32	9.2	48	10.5	84	9.9
	iv. Others	2	0.5	-	-	2.	0.2
	v. Total	124	31.8	159	34.9	283	33.5
3	Not sure	60	15.4	212	46.6	272	32.2
4	No response	4	1.0	4	0.9	8	0.9
5	Total	390	100.0	455	100.0	845	100.0

Most of the respondents who reported that the selection made was not according to criteria (81 out of 124 in Vithura and 84 out of 159 in Nanniyode) were aware of specific instances of flouting the norms. Among them were both ruling party and opposition party members or sympathisers (Table 4.4).

To the same question, namely whether there has taken place any irregularity in the selection of beneficiaries, the non-beneficiary group of respondents also replied in a similar fashion ie 26 per cent (14 per cent belonging to ruling party) in Vithura and 56 per cent (18 per cent belonging to the ruling) in Nanniyode reported that there were irregularities in selection. Perceptions of both the beneficiary and the non-beneficiary respondents are, however, more or less comparable in the case of Vithura: about one-fourth (21-26 per cent) of both the groups holding the view that there were irregularities. Nanniyode, presents a different picture. As against 18 per cent of the sample beneficiaries, an overwhelming 56 per cent (18 per cent belonging to ruling party) of the sample non-beneficiaries of the panchayat alleged irregularities in the selection of beneficiaries. Probably, the view of the non-beneficiaries in

Table 4.4 Whether selection of beneficiaries was made in violation of prescribed criteria

No.	Whether selection was in violation of prescribed criteria	Vithura		Nanniyode		Combined	
		No.	%	No.	%	No.	%
1	Yes						
	i.No party	13	3.3	30	6.6	43	5.1
	ii.LDF	48	12.3	28	6.1	76	9.0
	iii.UDF	19	4.9	26	5.7	45	5.3
	iv. Others	1	0.2	-	-	1	0.1
	v. Total	81	20.7	84	18.4	165	19.5
2	No						
	i. No party	33	8.5	44	9.7	77	9.1
	ii.LDF	113	29.0	44	9.7	157	18.6
	iii.UDF	73	18.7	37	8.1	110	13.0
	iv. Others	7	1.8	1	0.2	8	0.9
	v. Total	226	57.9	126	27.7	352	41.6
3	Do not know	76	19.5	242	53.2	318	37.60
4	No response	7	1.8	3	0.7	10	1.2
5	Total	390	100.0	455	100.0	845	100.0

Nanniyode might be somewhat biased, partly due to disappointment over selection and partly due to lower level of awareness, but not politically biased as the respondents who expressed this view happened to be almost equally divided in their political affiliation: the ruling party, opposition party as well as non-party.

We asked the 81 respondents in Vithura and 84 in Nanniyode, who had replied that they were aware of specific cases of selection of beneficiaries in violation of the norms, what, they thought, were the reasons for such violation. Answers to this close-ended question are given in Table 4.5.

Table 4.5 Reasons for violation of criteria alluded to by respondents

Reasons	Vithura				Nanniyode			
	Ruling party	Others	Total	Percent	Ruling party	Others	Total	Percent
Political influence	12	10	22	27.2	12	35	47	55.9
Nepotism	10	5	15	18.5	11	18	29	34.5
Personal influence	10	6	16	19.8	1	3	4	4.8
Not Sure	13	12	25	30.8	1	1	2	2.4
No response	3	-	3	3.7	1	1	2	2.4
Total	48	33	81	100.0	26	58	84	100.0

In Vithura, the majority of the respondents who alleged irregularities belong to the ruling

party while in Nanniyode, only nearly one third belong to the ruling party. Another one-third had no political affiliation. There is therefore, no reason to suspect that these views are politically biased. Pooling the data collected from the two panchayats, we estimated that nearly 20 per cent of the beneficiaries of individual beneficiary programmes were selected irregularly – 8 per cent on political considerations, 5 per cent on nepotism, 2 per cent on personal influence, and 3 per cent on payment of bribes or other gratification.

Ward-wise distribution of benefits

An apprehension often expressed about decentralisation of planning, particularly to Rural Block/Grama Panchayat levels, has been that the rural elite, local politicians, and other influential persons who would invariably, be at the helm of affairs may in their self-interest hijack the Plan programmes to areas of their liking, their own wards or other areas of their influence. Judged against the backdrop of the Indian experience with many political leaders in positions of authority hijacking prestigious public sector development projects to own constituencies flouting established norms of economic and locational advantages, this apprehension is not altogether unfounded. But our study of the implementations of the People's Planning Programmes in the two panchayats belies this apprehension. There is little evidence of any discrimination, politically motivated or otherwise, having taken place in the selection of locations of common benefit projects and selection of localities of beneficiaries of individual beneficiary programmes. Table 4.6 gives the ward-wise distribution of Plan expenditure on two types of common benefit projects - roads and public wells - are local specific, unlike other community projects such as school building, Krishi Bhavan, and Library which benefit the entire local area and cover more than one ward. Ward-wise distribution of beneficiaries and value of benefits under individual beneficiary programmes are given in Table 4.7.

Table 4.6 Plan expenditure on road works and public wells: 1997-'98 (Rs. 000)

Ward No.	Name of panchayat	
	Vithura	Nanniyode
1	130	121 (81)
2	*-	*112 (72)
3	80	*39
4	*217 (67)	*57
5	95	*102 (24)
6	140 (140)	*88(88)
7	-	*99 (45)
8	*41	52 (13)
9	*-	-
10	*197(197)	*13(13)
11	*-	-
Total	900	683

Note: 1. Figures in brackets show the expenditure under Special Component Plan (SCP) and Tribal Sub-Plan (TSP); 2. Wards represented by members of ruling party are denoted by *. In Vithura, the ruling party is LDF; Nanniyode is ruled by UDF.

Table 4.7 Ward-wise distribution of beneficiaries and value of benefits under individual beneficiary schemes, 1997-'98

	Ward	Held by	No. of Value of benefits	
			beneficiaries	distributed (Rs.000)
A.	Vithura panchayat (ruled by LDF)			
1.	Koppam	Independent	196	230
2.	Chettachal	LDF	242	299
3.	Chennanpara	UDF	170	205
4.	Memala	LDF	270	261
5.	Thallachira	UDF	176	228
6.	Vithura	UDF	210	247
7.	Anappara	UDF	167	248
8.	Kallar	LDF	270	332
9.	Theviyode	LDF	305	310
10.	Maruthamala	LDF	236	332
11.	Bonakkad	LDF	858	132
	Total:		3100	2824
	Non-specific		902	334
	Schemes Total:		4002	3158
B.	Nanniyode panchayat (ruled by UDF)			
1.	Kurunthali	LDF	154	203
2.	Nanniyode	UDF	234	226
3.	Vattappankadu	UDF	241	320
4.	Pacha	UDF	274	295
5.	Kurupuzha	UDF	219	392
6.	Ilavattam	UDF	165	245
7.	Alampara	UDF	173	178
8.	Perayam	LDF	167	237
9.	Meenmutti	LDF	124	218
10.	Kallippara	UDF	155	186
11.	Palode	LDF	155	223
	Total:		2061	2723
	Non-specific		190	120
	Schemes Total:		2251	2843

Source: Panchayat Committees, Vithura and Nanniyode

Marginal inter-ward variations observed in the number of beneficiaries and value of benefits could be explained by inter-ward differentials in the benefits distributed exclusively to SCs/STs under special component Plan and tribal Sub-Plan, the size of which depend on the size of SC/ST population in the respective wards. People of Bonakkad ward in Vithura panchayat, mostly estate workers, are not eligible for the benefits of most of the individual

beneficiaries schemes like housing, latrines, and wells as most of the land of the ward is owned by M/s Mahavir Plantations, a private company.

Such a balanced distribution of Plan benefits among the wards of the panchayats is in fact, against the spirit of the guidelines issued by SPB which envisage the selection of beneficiaries at panchayat level from among the priority lists prepared by the Grama Sabhas without fixing any ward-wise quota.⁹ This approach, though justified on grounds of social justice, ie serving the most deserved first, does not seem, however, to be politically or socially feasible under the present political set-up of the panchayats and also fails the logic as the State Plan fund itself is distributed among the panchayats equitably on the basis of population without giving any preferential treatment to the less developed among them. In fact, the inter-ward variations in the level of development within the panchayat, more or less a homogenous area, are less pronounced than inter-panchayat variations at the State level. Interestingly, the distribution of benefits under People's Planning in the two panchayats has been in the same deprecated¹⁰ pattern of "equal sharing of development by ward members" followed in the utilisation of untied funds in the earlier years.

Public works projects

State Government guidelines prohibit the engagement of professional contractors or their benamis for the execution of public works/construction projects taken up under People's Planning (This restriction has since been partially relaxed subject to certain conditions).

In the annual Plan for 1997-'98, Vithura panchayat had 19 and Nanniyode, 38 such projects (including those entrusted to institutional agencies like KSEB, and Costford most of which are not yet complete). Works of all these projects were entrusted to the Implementation Committees constituted of beneficiaries of the projects and local people. None of these works except the bitumen surfacing work of Panpara-Kalletam Girijan colony road in Nanniyode panchayat was entrusted to professional contractors. While some projects could be completed well within the approved cost and on time, others either spilled over to 1998-'99 or exceeded the estimated cost mainly because of the inexperience and inexpertness of the members of the implementation committees consisting mostly of laymen whom the skilled labours and suppliers of materials could easily exploit by overcharging. The bitumen surfacing work of Palode-Kurunthali road in Nanniyode panchayat is an example. The convener of the implementation committee was a retired headmaster. Suppliers of materials cheated him by underweighing. Skilled labour, ie one who spreads the betumin-gravel mixture, charged double the wage rate that he usually got from contractors. The result was that the Committee had to spend more than what a professional contractor would have charged for the work. A closer technical supervision by the concerned departmental officers would have been helpful in reducing excess expenditure, but then there was the problem of staff inadequacy and the danger of a possible friction between the popular committees and the department officials. Most of the conveners of the implementation committees told us that they did not get timely on-the-spot technical assistance or guidance either from the department officers or from the experts of BLEC. Only in one case, have we come across defalcation of fund by the convener of the implementation committee.

It is an open secret that most engineers accept bribes for giving completion reports for works executed by contractors. We find that this practice still exists, though to a lesser extent even in the case of works executed by popular committees under People's Planning. Some conveners of implementation committees refused to divulge to us whether they have bribed the engineers in charge of works executed by them. However, bribery in a few cases was reported to us.

We have also come across instances in which issue of completion reports was inordinately delayed due to non-payment of gratification by the parties who implemented road construction projects.

Interestingly, at least in one case, the amount paid as bribe to a departmental engineer was entered in the accounts of the panchayat concerned, an act that had infuriated the engineer and caused delay in the issuance of the completion report.

Execution of works by popular committees, eliminating contractors, need not necessarily ensure quality of the work. The local public in one of the sample panchayats allege that the sanctioned amount is not fully utilised for the works, that the quality of work is poor and that the unspent balance is often shared by members of the implementation committees.

Most of the construction projects (roads, compound walls, and public wells) taken up in the 1997-'98 annual Plan of this panchayat, failed to mobilise voluntary services included in the project estimates. Some of these projects which were completed in 1997-'98 are included as spill-overs in 1998-'99 annual Plan to make good the losses incurred by the Implementation Committees due to non-realisation of voluntary services.

Voluntary services

Estimates of anticipated voluntary services and donations from the public given in the project reports of most of the common benefit projects included in 1997-'98 annual Plans of both the panchayats have turned out to be over-ambitious and unrealistic. The value of expected voluntary services for the execution of 11 common benefit projects of Vithura panchayat was estimated at Rs 2.74 lakh, but the actual value realised was only Rs 0.98 lakh. Only three projects - Chettachal school building, Maruthamala ramp, and Daivakkallu irrigation tank - could mobilise voluntary services as envisaged in the project reports. In Nanniyode panchayat, value of the anticipated voluntary services for 25 common benefit projects was estimated at Rs 2.18 lakh but these projects, except two, were not able to mobilise any voluntary service. The identified reasons for the failure include:

- (i) Most projects could be executed within the allocations made from the Plan fund; the voluntary services included in the project costs could have been either add-on costs or mere window-dressing to make the projects look appealing and acceptable to the appraising and approving authorities.
- (ii) Experience shows that in any participatory development project, voluntary services from people will come up spontaneously only if it is a genuine people's project; ie

conceived of and implemented by the people themselves who are its direct beneficiaries. Three projects in one of the panchayat that could get voluntary participation from local people were projects directly and essentially benefiting them. In other cases, voluntary services had to be mobilised, but the concerned functionaries could not, or did not bother to do so. In some cases, the project leaders were neither local person nor direct beneficiaries of the projects; naturally, therefore they had severe limitations in mobilising voluntary services from local people.

- (iii) The historically developed attitude of the people that public works projects like roads, bridges, and canals are the exclusive responsibility of the government, could have been another factor.
- (iv) There may be cases of non-reporting of voluntary services actually involved in the implementation of projects. For example, local Labourers worked for some projects at half the normal wage rate, ie Rs 50 instead of Rs 100 per day. Part of the wage cost thus foregone by the workers should have been included in the project cost as contribution from voluntary services. Similarly, services rendered by project leaders should also have been properly valued and included in the project cost.

Production sector projects

According to SPB guidelines, village panchayats were to spend 35-40 per cent of their annual Plan outlays in the production sector consisting of agriculture, minor irrigation, and animal husbandry, fisheries, and manufacturing. In 1997-'98 Vithura panchayat had spent Rs 13.86 lakh (26.6 per cent of total Plan expenditure) and Nanniyode panchayat Rs 16.72 lakh (35.2 per cent of the Plan expenditure) on individual beneficiaries programmes coming under the production sector. If the construction of Krishi Bhavan, Veterinary Hospital, formation of Industrial co-operative societies (which are real infrastructure building activities) are also included in the production sector, as both the panchayats have done, the share of production sector in total Plan expenditure comes to 33.3 per cent in Vithura and 37.7 per cent in Nanniyode.

How much of the expenditure on the production sector has been really productive? A broad assessment is made based on the proportion of the beneficiaries of individual beneficiary schemes coming under the production sector, who have reported earnings of additional income from the schemes. Table 4.8 gives the scheme-wise distribution of such beneficiaries and the proportionate expenditure from the Plan fund on such schemes. Some schemes like Planting of coconut/mango/jackfruit seedlings, calf-rearing, cattlesheds, etc, which do not generate income directly or by a time lag are excluded from the analysis.

The number of beneficiaries earning additional income under each short-run productive scheme and the proportionate expenditure are estimated based on the results of the sample survey. In both the panchayats, only 16 per cent of beneficiaries earns some additional income from these schemes. However, the proportions of Plan expenditure varied between the two panchayats, 40 per cent in Vithura and 25 per cent in Nanniyode. This means that the major share of the Plan expenditure on production sector individual beneficiary schemes in Vithura and Nanniyode do not yield any additional income immediately; non-reported self-consumption of additional production, if any, is excluded. Reasons for the preponderance of unproductive expenditure in the name of productive schemes are several: non-use,

**Table 4.8 Scheme-wise distribution of the beneficiaries earning additional income and proportionate Plan expenditure :
Production sector schemes**

No	Scheme	Total number of beneficiaries	Percentage of sample beneficiaries earning additional income	Estimated number of total beneficiaries earning additional income	Total expenditure on the scheme(Rs.000)	Proportionate share of plan expenditure on income-generating schemes(Rs.000)
	I. Vithura Panchayat					
1	Vegetable cultivation	100	42	42	100	42.0
2	Pineapple - do-	100	10	10	6	0.6
3	Tapioca - do-	100	35	35	65	23
4	Betel leaves	50	12	6	20	2
5	Medicinal plants -do-	33	27	9	15	4
6	Soil conservation pits	100	8	8	33	3
7	Rearing of cows	95	69	66	380	262
8	Rearing of goars	87	21	18	216	45
9	Poultry	467	10	47	81	8
10	Tank fishery	3	33	1	15	3
11	Making of snacks	22	40	9	21	8
12	Stone crushing	12	25	3	12	3
13	Bee keeping	16	62	10	30	10
14	Assistance to Vendor women	100	58	58	55	32
15	Bunk shops	15	67	10	75	50
	Total	1300	25	331	1124	281
	Additional Income	720			154	
	Total	2020			1278	

II NANNIYODE PANCHAYAT						
1	Paddy cultivation	66	43	28	48	21
2	Kitchen garden	571	3	17	105	3
3	Plaintain cultivation	110	68	75	110	75
4	Medicinal plants	40	23	9	41	9
5	Pepper cultivation	178	29	52	82	24
6	Coconut cultivation	89	14	12	80	11
7	Rearing of cows	33	52	17	165	86
8	Rearing of goats	330	6	20	330	20
9	Poultry	240	4	10	135	5
10	Supply of sewing machines	26	65	17	25	16
11	Tailoring training	25	32	8	29	6
	Total	1708	16	265	1144	183

Note: Other schemes do not yield additional income

misuse, improper use, faulty delivery system or malpractices in distribution. It is, however, possible that part of this expenditure, spent on distribution of cows, goats, and poultry may yield some additional income in the coming years though this possibility is also limited; since our field survey was conducted after a lapse of 12-15 months of the actual distribution of the benefits, a period long enough for most of these schemes to fructify.

Misutilisation of benefits

According to the findings of the sample survey, 39 out of 259 sample beneficiaries coming under 14 schemes in Vithura and 66 out of 304 sample beneficiaries coming under 8 schemes in Nanniyode have misutilised the benefit, ie they did not spend the amount received under the schemes for the purpose they were given. By applying the observed scheme-wise sample proportions, we estimated the total number of beneficiaries who have misutilised the benefits. It is observed that 170 (15 per cent) out of 1,110 beneficiaries of the 14 schemes involving a Plan fund expenditure of Rs 2.51 lakh (17.3 per cent) in Vithura and 445 (28 per cent) out of 1,604 beneficiaries of the 8 schemes involving a Plan fund expenditure of Rs 2.09 lakh (19.9 per cent) in Nanniyode have misutilised the benefits (Table 4.9). The amount misused as proportion of total spending on individual beneficiary schemes comes to 9.0 per cent in Vithura and 6.4 per cent in Nanniyode.

Schemes that have been identified as most vulnerable to misuse are the following:

- (i) Cultivation of medicinal Plants: Cash subsidy was distributed in Vithura at the rate of Rs 500 per 15 persons and Nanniyode panchayats at Rs 1,000 for 40 persons. To get the subsidy released, the beneficiaries had only to produce vouchers for the purchase of seedlings of medicinal Plants made from any approved nursery, which we were told, were easily available at a price. The sample beneficiaries identified as misusers had not done any cultivation of medicinal Plants at all. Among the others, a few already had some common medicinal Plants like *Brahmi*, and *Chakkarakolli* grown in their house compounds; others have cultivated ginger, and turmeric and claimed these as medicinal Plants. It appears that this scheme was poorly conceived of without considering the relative earnings from medicinal Plants compared to alternative crops, marketability, etc and that the beneficiaries were selected without testing their knowledge level about medicinal Plants.
- (ii) Vegetable cultivation: Subsidy was distributed in Vithura (at the rate of Rs 1000 for 100 persons) and Nanniyode (at the rate of Rs 250 for 571 persons) under the kitchen garden scheme, partly in cash and partly in kind in the form of seeds and fertiliser. The majority of the sample beneficiaries did not carry out any vegetable cultivation.
- (ii) Rearing of cows: We have come across a few cases in which the subsidy (Rs 7,000-8,250 in Vithura and Rs 5,000 in Nanniyode) was claimed fraudulently by producing own cows or neighbour's cows as evidence of newly purchased ones before the veterinary surgeon, the implementing officer of the scheme. Subsidies were given for 105 cows in Vithura and 33 cows in Nanniyode. Both the panchayat authorities concede that the net addition to the cow population of the panchayats is only a

Table 4.9
Misutilization of Individual Benefits

Sl.No	Scheme	Total beneficiaries	Sample size	No of sample beneficiaries who have misused the benefits	(5) as percentage of (4)	Estimated no of total beneficiaries who have misutilised benefits	Rat of subsidy/ grant per beneficiary	Estimated amount of plan fund mis-utilised
1	Vegetable cultivation	100	19	4	21	21	1000	21.0
2	Pineapple	100	10	1	10	10	55	0.5
3	Tapioca	100	20	4	20	20	1300	26.0
4	Betel leaves	10	5	1	20	2	2000	4.0
5	Tuber crops	100	6	1	17	17	80	1/4
6	Medicinal plants	30	10	4	40	12	500	6.0
7	Soil conservatio - bunding	20	3	1	33	7	2500	17.5
8	-do- pits	100	24	2	8	8	500	4.0
9	Reading of cows	95	39	5	13	12	8000	96.0
10	Reading of goats	87	24	3	13	11	1500 3750 4000	16.5
11	Making of snacks	22	7	3	43	9	1000	9.0
12	Stone crushing	12	5	1	20	2	1000	2.0
13	Latrines	224	68	5	7	16	? of 2000 25000	36.0
14	Assistance to vendor women	110	19	4	21	23	500	11.5
	Total	1110	259	39	15	170	-	251.4

II NANNIYODE PANCHAYAT								
1	Kitchen garden	571	59	31	53	303	250	75.7
2	Plantain cultivation	110	22	1	5	6	1000	6.0
3	Pepper	178	34	2	6	11	500	5.5
4	Medicinal plants	40	13	7	54	22	1000	22.0
5	Rearing of cows	33	22	1	5	2	5000	10.0
6	Rearing of goats	330	81	18	22	73	1000	73.0
7	Poultry	240	54	4	7	17	500	8.5
8	Cutting and planting of coconuts	102	19	2	11	11	780	8.6
	Total	1604	304	66	22	445	-	209.3

fraction of these numbers. Some of the sample beneficiaries had sold out the cows and some have reported death and claimed insurance. A lonely old sick lady in Vithura told us that she had to sell out the cow supplied to her within a few months, as there was nobody in her house to look after it.

- (iii) Rearing of goats: The misuse was not willful in all cases. Goats were bought either from the government goat farm or from Tamil Nadu and distributed to the beneficiaries. Seven out of 18 beneficiaries who misused the scheme told us that the goats supplied to them were substandard and that they either died in a few days or had to be sold out at low prices. Two of them in Vithura and one in Nanniyode confessed that they sold the goats to tide over financial difficulties
- (iv) In the case of sanitary latrines in Vithura, misuse was rampant, but not intentional in all the cases we have recorded. In most cases, the beneficiaries are people below the poverty line; after obtaining the first instalment of Rs 1,000 and having done some preliminary work such as digging the pit, they spent the balance amount on some other compelling needs. They have no means to complete the first phase of the work in order to claim the second instalment.

Two main reasons for the large-scale misuse of the benefits are, *prima facie*, faulty project formulation and wrong selection of beneficiaries without even having a preliminary look into their aptitude, ability, and resources to make use of the benefits given to them. For example, in the case of the programme for rearing of cows, even the rudiments of the feasibility of the project, (such as whether the beneficiary has a space to keep the cow, grazing facility, capacity to feed it, and persons in the family to look after it) do not seem to have been considered. The same is the case with many other programmes like goat rearing, poultry, and most of the agricultural production programmes.

Evaluation studies on rural development programmes have identified inadequacy of assistance as one of the major reasons for the misuse of the benefits distributed under such programmes. This aspect has not received sufficient attention while formulating the projects and selecting the beneficiaries under People's Planning. The basic flaw in the programmes for distribution of cows, goats etc is that they result only in transfer of assets (inter-State, inter-panchayat or intra-panchayat) and not in any net addition to the productive assets.

The focal point to which these field realities of misuses converge is the fundamental difference that should exist as between "People's Planning and the State-administered decentralised Planning in identifying the people who are in genuine need of State assistance at the local level and evolving the most suitable support programmes. The system of selection of beneficiaries strictly based on a set of standardised, objective criteria is not essentially different from what was followed earlier in the case of various rural development programmes like IRDP and JRY. The only difference perceived is a higher degree of democratisation in the sense that instead of government officials, it is the elected representatives of the people who make the selections now.

According to the IRDP Evaluation Report of Kerala, 85 per cent of the IRDP beneficiaries

were selected by officials – 16 per cent at the village level and 69 per cent at the block level. The panchayats and Grama Sabhas had a share of 15 per cent. This share has gone up to 100 per cent under People's Planning. But, as far as qualitative improvements in the delivery system of benefits are concerned, People's Planning has drawn a blank.

5. People's Planning: An assessment

Politicalisation

Panchayat committees are political bodies elected on party lines. Politicisation of the activities of the panchayat is bound to happen, at least to some extent, since in a multi-party democratic set-up, the prime concern of the party in power would be to protect its interest and to expand its support base. Decentralised Planning is far more vulnerable to political patronage since there is no bureaucratic scrutiny or legislative check over the decisions of the local bodies unlike in the case of State or Central governments.

Politicisation of People's Planning activities has two dimensions: one, politicisation of the control of Plan activities and second, politicisation of the distribution of the benefits of the Plan programmes. Political control of Plan activities is gained by installing members or supporters of the ruling party in key positions either as resource persons, Key Resource Persons (KRP), District Resource Persons (DRP), and Local Resource Persons (LRP) or as members of the various functional bodies (Task forces, Ward and Panchayat-level Development Councils, Implementation and Monitoring Committees). This has happened in both the panchayats, but was more conspicuous in Vithura where most of the resource persons and members of the functional bodies at decision making levels are either activists or supporters of the ruling party, CPI (M). Representation of other parties is only nominal. We could hardly find anyone who is not a supporter of the ruling party (except the panchayat members) actively participating in the Plan campaign.

In Nanniyode, the key decision-making bodies, (apart from the Panchayat Committee members who themselves are the key resource persons - the Task Forces constituted both, at the ward and the panchayat levels - which are dominated by members belonging to or supporting the ruling party [Congress (I)]. No ward development councils exist; but there is a Panchayat Development Council, a registered society, set up much earlier than the beginning of People's Planning. Representation of other political parties is higher here than in Vithura, at least in the records. The nine-member ward-level monitoring committee has equal representation for the ruling party, (UDF), opposition party (LDF) and non-party social and cultural activists.

It would be unfair to find anything wrong about this kind of politicisation of the Plan campaign. In a democratic system, the ruling party has the prerogative to draft its own confidants to the non-official bodies entrusted with the task of implementing its policies and programmes. It would have certainly been an aberration of People's Planning had these politicised Planning machineries been overtly partisan and shut out the opposition to cover

up irregularities in Plan implementation and utilisation of funds. There is no evidence of such an aberration in either of the panchayats. In fact, both the panchayats faced difficulties in getting sufficient numbers of competent voluntary workers to serve on the various Planning committees. One reason for this could be that many persons with strong party affiliations, but are ideologically in favour of the Plan movement were either reluctant, or even if not reluctant, considered it undesirable to get associated with the Plan campaign in a panchayat ruled by a party not one's own. Another reason might be the impression created among the people, both by the media and some political parties, that People's Plan Campaign is an LDF affair.

Delivery systems of individual beneficiaries programmes, on which a major portion of the Plan fund is spent, is an area in People's Planning activities, most vulnerable to politicisation. In fact, one of the forceful arguments against democratic decentralisation of Planning has been that local-level politicians have a proven tendency to utilise it to distribute largesse among their partymen to consolidate their support base. In spite of the elaborate guidelines issued by State Planning Board to ensure just and objective selection of beneficiaries for the individual beneficiary programmes there is ample scope in the system for political and personal favouritism as the number of eligible applicants are, according to the prescribed criteria under most of the schemes, many times more than the available slots limited by availability of funds.

The survey shows that there was no significant political discrimination in the selection of beneficiaries for the individual beneficiary schemes in 1997-'98 in either of the panchayats. In Vithura, 51 per cent of the beneficiaries belonged to the ruling party- (LDF) and 31 per cent to the opposition (UDF). In Nanniyode 31 per cent belonged to the ruling party (UDF) and 35 per cent to the opposition (LDF). We contrasted this party-wise distribution of beneficiaries with the party-wise distribution of non-beneficiaries to know whether those belonging to the ruling party in either of the panchayats have received a disproportionately higher share of the benefits. Neither of the panchayats shows any significant disproportionality in the distribution except in the case of the non-party beneficiaries in Vithura (Table 5.1).

Table 5.1 Party-wise distribution of beneficiaries and non-beneficiaries (in per cent)

Party	Vithura (LDF)		Nanniyode (UDF)	
	Beneficiaries	Non-beneficiaries	Beneficiaries	Non-beneficiaries
No party	12	23	32	35
Ruling party	51	50	30	31
Opposition party	33	27	35	33
No response	4	-	3	-
Total	100	100	100	100

A few persons whom we talked to informally during the initial phase of our field survey

complained that distribution of benefits in 1997-'98 under individual beneficiary programmes was done in both the panchayats more on the basis of political considerations than based on eligibility criteria.

Our sample survey disproves the allegations about political discrimination, but we had no means to verify whether the persons selected were really eligible for the benefit according to the prescribed criteria. Possibility of some irregularities in determining the ranking on the basis of eligibility and priority is not ruled out because in the first year of the Plan, 1997-'98, consolidated applications and priority lists were not presented to the Grama Sabhas for scrutiny in many wards for want of time. Some of our informants in Vithura told us that many of the Plan activists - Resource Persons, conveners, and active members of *Ayalkkuttam* Committees and Ward Development councils - have received two or more benefits under different programmes. Our survey shows that there is some truth in this complaint.

A typical case we came across, as a chance information, during the course of field survey is that of one of the member of an *Ayalkkuttam* Committee in a particular ward in the Vithura panchayat, who was selected as a beneficiary of as many as six programmes - latrine, pepper cultivation, tuber crops cultivation, coconut cultivation, Plantain cultivation and poultry. There are several such cases of workers or supporters of the ruling party receiving multiple benefits. We have not come across such cases in Nanniyode. The panchayat authorities maintain that there was nothing wrong in granting multiple benefits to the same person in the case of agriculture programmes for which there were not many takers.

People's participation

Participative development is the buzzword of People's Planning and the participation envisaged is real participation of people in decision-making and not mere physical participation. A realistic assessment of the level and quality of public participation in the Plan activities of the two panchayats needs close observation of the Plan activities and intensive interactions with the local people. We should have followed a closer participative appraisal method rather than the questionnaire-based personal interview for this purpose but for time and resource constraints. Nevertheless, for a broad objective assessment of the level of people's participation, we have used, without going into the aspects of quality and effectiveness, two indicators:

- (i) the average number of persons who attended the periodic meetings of the Grama Sabhas as proportion of the total number of voters of the respective wards; and
- (ii) the number of persons on the various panchayat and ward-level activity groups/committees such as Resource Persons, Task Forces, Development councils, Implementation Committees, and Monitoring Committees.

Both measure only physical participation; the first, mostly of a passive nature, and the second, active to some extent. The participation ratio of members in the periodic Grama Sabha meetings in the two panchayats since 1997-'98 is given in Table 5.2; the number of members of activist groups/committees is given in Table 5.3.

Table 5.2 Participation ratio of members in Grama Sabha meetings
(As percentage of total voters)

Month	Vithura panchayat			Nanniyode panchayat		
	Average of all wards	Highest in any ward	Lowest in any ward	Average of all wards	Highest in any ward	Lowest in any ward
Sept/Oct 1996	12	23	7	11	26	7
Nov/Dec 1997	17	25	12	6	9	3
Oct 1998	17	25	10	13	22	10
Dec 1998/Jan 1998	8	16	4	14	17	11
May 1999	7	12	4	7	13	3

Source: Panchayat/Grama Sabha records

Table 5.3 No. of members (excluding panchayat members) in the activists' groups/committees
(1998-'99)

	Vithura	Nanniyode
Key Resource Persons (KRP)	2	Nil
District Resource Persons (DRP)	15	2
Local Resource Persons (LRP)	150	22
Task Forces	125	114
Panchayat Development council	63	10
Ward Development councils	30 in each ward	Nil
Implementation committees	15-20 in each ward	7-15 for each work
Monitoring Committees	40 in each ward	9 in each ward

Source: Panchayat/Grama Sabha records

These indicators suggest that the average level of participation in the Grama Sabha meetings was more or less the same in the two panchayats; however, Vithura had more Plan activists. But these are indicators of mere physical participation and do not tell us much about the real, qualitative participation. Similarly, the mere number of people listed as members of committees do not make much sense unless we know the frequency and effectiveness of their participation in the meetings of these committees. Attendance in Grama Sabha meetings shows a discernible pattern; meetings held for selection of beneficiaries of individual beneficiary schemes were well attended, mostly by people who have applied for some benefit or other; but meetings held for discussing Plan proposals and programmes were thinly attended. Most of the respondents, 24 out of 26, of our sample survey of Plan activists/rural elite also support the view that the majority of the participants of largely attended Grama Sabha meetings were persons who had applied for benefits under different individual beneficiary schemes. We have noticed that the majority of the participants of Grama Sabha meetings were women.

It is doubtful if many of them had any clear perception of the problems and development

prospects of the ward/panchayats, given their educational and social activity status. The rural elite who might be able to understand the problems and offer positive solutions keeps themselves away, in general, from Grama Sabha meetings. Except in a few wards in each panchayat, in which the participants, including women had boldly pointed out irregularities and raised local issues, the Grama Sabha meetings were, by and large, dominated by Plan activists.

Meetings of the Grama Sabhas held in May 1999 in both the panchayats to discuss the 1999-2000 annual Plan proposals were poorly attended as compared to earlier meetings. This might be partly due to the fact that these meeting were not concerned with the selection of beneficiaries and partly due to the pre-occupation of people with pre-monsoon agricultural operations. Only Grama Sabha meetings in the future would prove whether the decline in attendance is an indication of the wane of people's interest in Plan activities. If the observed high participation were motivated mostly by expectations of getting individual benefits, it is not likely to be sustained since the number of individual beneficiary programmes are being drastically curtailed in both the panchayats, starting with the 1999-2000 annual Plan.

The majority of the beneficiaries (81 per cent in Vithura and 72 per cent in Nanniyode) and non-beneficiaries (63 per cent in Vithura and 78 per cent in Nanniyode) covered under the sample survey had attended the meeting of Grama Sabhas as indicated in Table 5.4.

Table 5.4 Party-wise distribution of beneficiaries and non-beneficiaries who attended the Grama Sabha meetings (in per cent)

Party Affiliation	Vithura		Nanniyode	
	Beneficiaries	Non-beneficiaries	Beneficiaries	Non-beneficiaries
Ruling party	45.9	32.1	20.4	26.7
Opposition party	24.2	18.1	24.8	27.0
No party	11.3	12.5	26.6	24.7
Total response	81.4 (318)	62.8 (135)	71.9 (327)	78.4 (200)
No response	18.6	37.2	28.1	21.6
Total	100.0 (390)	100.0 (215)	100.0 (455)	100 (255)

Note: Figures in brackets are actual numbers of beneficiaries/non-beneficiaries in the sample

The survey shows that people of all political faiths attended the Grama Sabha meetings but those belonging to LDF dominated Vithura; people supporting LDF formed the largest group; surprisingly, in the UDF-dominated Nanniyode also, it is LDF sympathisers who formed the single largest group. Evidently people with affinity to LDF evinced more interest and participated more actively in the Plan campaign than those with UDF leanings. Obviously, LDF has a higher degree of political commitment to the programme. This evidence supports the political overtones alleged to of the programme and its implementation.

While exploring the reasons for the non-emergence of any original local-specific project ideas from the Grama Sabhas and the observed sullen passivity of the majority of the participants in the Grama Sabha meetings in the early phases of our survey one hypothesis we

were inclined to start with was that the majority of the participants are uneducated and incapable of understanding what this People's Planning is all about, and attended the meetings with the hope of getting some benefit from the government. But the sample survey proves this hypothesis wrong. About 88 per cent of the non-beneficiary participants of the Grama Sabhas in both the panchayats had school level or higher education (Table 5.5)

Table 5.5 Education-wise distribution of non-beneficiary participants of Grama Sabha meetings (in per cent)

Education	levelVithura	Nanniyode	Combined
Illiterate	-	2.0	1.2
Literate	11.9	10.5	11.0
School education (1-10)	71.1	76.0	74.0
Higher education (above matriculation)	17.0	11.5	13.7
Total	100.0 (135)	100.0 (200)	100.0 (335)

Note: Figures in brackets show actual numbers

Corruption

Findings of the survey on politicisation and other irregularities in the selection of beneficiaries for individual beneficiary schemes and bureaucratic corruption in the execution of public works project, have been discussed elsewhere in this report. Political and bureaucratic corruption in the selection of beneficiaries and disbursement of benefits is the other issue we tried to probe into in our field surveys. Some non-beneficiary respondents in both the panchayats told us of a veterinary surgeon, an Agricultural Officer and revenue and panchayat staff taking bribes for issuing mandatory certificates or releasing the subsidy amounts.

On the other hand, most of the beneficiaries we interviewed stated that they had not bribed any functionary for getting the benefits released. However, as far as we could gather, the general public opinion in both the panchayats has been that bureaucratic corruption is much less in People's Planning than had been the case with many of the earlier rural development programmes. In order to check the validity of this view empirically, we asked the beneficiaries of individual beneficiary programmes covered under the sample survey whether they had paid any bribe or commission to politicians, Plan activists or government officials to get selected as a beneficiary. Only 11 (2.8 per cent) out of the total 390 sample beneficiaries in Vithura stated that they had paid bribes – 6 of them to politicians/Plan activists, 2 to government officials and 3 to undisclosed persons. In Nanniyode, 16 (3.5 per cent) of the total 455 sample beneficiaries replied that they paid bribe, 4 to politicians/Plan activists, 3 to government officials, and 9 to undisclosed persons. Incidentally this was the most delicate question in our questionnaire. Some of the respondents refused to divulge to whom they had paid the bribe despite persistent coaxing.

The next question we asked was whether they had to pay bribe to anyone to get the benefit (cash or kind) after having been selected as beneficiaries. Only one person (0.2 per cent)

answered in positive in Vithura, but in Nanniyode the number of positive answers were as high as 20 (4.4 per cent). At both the stages – ie selection as beneficiary and disbursement of benefit – the level of corruption (bribery) was higher in Nanniyode than in Vithura. We were given to understand on further enquiries with knowledgeable local people, that corruption among the Panchayat staff was more in Nanniyode. Administrative supervision of the work of the Panchayat staff was not continuous. In a short span of two years from the beginning of People's Planning, panchayat secretaries have been changed thrice. A former secretary was removed from his post allegedly on corruption charges. We were told that the office staff including the office superintendent used to collect 'tips' for delivering cash or cheque for the subsidy/grant to the beneficiaries. The president and members of the Panchayat Committee being members or sympathisers of parties in opposition to the LDF in power at the district and block level administration, are apparently handicapped in exercising, even if they wished so, an effective control over the staff who are strongly unionised and enjoy powerful patronage. In Vithura, on the other hand, the president, members of the panchayat committee and the panchayat secretary, with the support of the Plan activists whose involvement in the Plan activities at the grassroots level is much more intense than in Nanniyode, were able to keep an effective check on the corruption by the panchayat staff. Recently, six members of the panchayat staff of Vithura had opted for transfers outside the panchayat because, as the president had put it, they could not earn any additional income as their counterparts in other panchayats could.

The highest level of corruption (measured in terms of the proportion of beneficiaries paying bribes to get the benefits distributed under People's Planning) observed in the survey (4.4 per cent) was in Nanniyode. We have to compare this level with the level which would have been reached by the prevailing social set-up and values had these massive beneficiary-oriented programmes been implemented through the departmental machinery in the conventional way. The corruption level (measured as percentage of beneficiaries who paid consideration to the government/bank staff for getting the benefit) observed in an evaluation study of IRDP in Kerala¹¹ was 5.3 per cent at the State level, and as high as 27.59 per cent in Pathanamthitta and 17.28 per cent in Idukki districts.

One of the arguments against decentralisation of Planning and more so, against decentralisation of power, has been that it will lead to proliferation of corruption. In a society in which corruption has been taken for granted as an integral part of the system, this argument seems to be somewhat preposterous. The real issue is whether People's Planning has aggravated corruption, political or bureaucratic, compared to that in the earlier system of Planning. There is no evidence to suggest that this has happened in the two panchayats. On the contrary, the awareness the Plan campaign has created among the people about their important and decisive role in People's Planning and the transparency introduced in the Plan activities have a deterrent effect on corruption though transparency itself becomes meaningful only when it is made use of by the people and people will exercise their right only if their participation in Plan activities is deliberate and voluntary.

Another area vulnerable to corruption is the purchase of assets/materials like cows, goats, and poultry, Planting materials, sewing machines and bicycles for distribution among ben-

efficiaries. Vithura panchayat has published the details of all purchases made in 1997-'98 and 1998-'99, indicating the value and quantity of each item. Nanniyode panchayat has not done so. But no one in either of the panchayats including the panchayat committee members belonging to the opposition parties, to whom we had close interaction throughout the field survey, did make any mention of corruption in purchases. We did not probe into this issue further. The performance audit-reports of the Panchayats for 1997-'98 have not pointed out any irregularities in the purchase of materials by either of the panchayats.

Leadership factor

One of the hypotheses we tested through field surveys is that leadership is an important determinant of the success or failure of People's Planning. The president and members of Panchayat Committee, non-official conveners/chairpersons of panchayat and ward-level development councils and other Plan activists who have important roles to play in the Planning process at the panchayat level have been identified as 'leaders' for the purpose of this study. Our assessment of the quality of leadership is largely subjective, based on our discussions with common people, Plan activists, and government officials associated with Plan programmes, etc.

Panchayat Committee, the Planning authority of the panchayat, is a body elected on political lines. In a politically overcharged society like that of Kerala - functioning under a multi party system, it is not an easy task for local leadership to mobilise public support and co-operation for the cause of People's Planning, transgressing political differences. Based on our field enquiries and observations, we are inclined to conclude that a popular and effective leadership capable of accomplishing this task will be able to contribute substantially to the success of People's Planning.

Vithura panchayat has presented a better performance in the implementation of 1997-'98 annual Plan, in terms of financial, physical, and qualitative achievements. It has earned the award for the best panchayat in Thiruvananthapuram district for Plan performance in 1997-'98. A key driving force behind this success is the president of the panchayat, a local labour union activist, who could provide dynamic and effective leadership in organising and executing all the Plan activities in the panchayat. Showing good organisational skills, he was able to build up a strong cadre of dedicated Plan activists, both at panchayat and ward levels, mostly consisting of members or supporters of the ruling party. Vithura is perhaps the only panchayat in the district that has set up Grama Sabha offices in every ward manned by voluntary workers. Opposition members of the Panchayat also co-operate with Plan activities, though not as actively as the ruling party members do. In contrast, the President of Nanniyode panchayat, a lady with little exposure to social or political activities, was not able to provide effective leadership. Not much of public involvement, by even the cadres of the ruling party of that panchayat was visible in its Plan activities. Ideological dissension with People's Planning might be a factor. The dilemma faced by the members of the ruling party of the panchayat in implementing, out of compulsions, People's Planning as a government programme without ideologically reconciling to it because of its political overtones, was

obvious. The opposition members formally co-operate with the Plan activities, but the cadre of their party almost keeps away. After studying the two situations, we are led to the conclusion that a good local leadership with good organisational skill, irrespective of party, is an important determinant of the success of local level Planning.

One of the solid and sustainable achievements of the Campaign for People's Planning, that we have noticed in both the Panchayats is the emergence of a new, second line of leadership from among the Plan activists who were able to gain experience and acquire skills in organising and conducting development activities at local level.

Administrative support

One of the findings of our study is that efficient administrative support is a critical factor in the successful implementation of a massive development programme like People's Planning, involving lakh of rupees of government fund at the level of Grama Panchayat, the lowest echelon of the state's administrative set up. Both the Panchayats we studied were understaffed relative to the volume of additional administrative work involved. Even the existing staff are neither properly equipped to handle the work of maintaining all the relevant records and adhering to the rules and procedure governing the spending of public money, nor trained to do so.

In Vithura Panchayat, we observed that these handicaps have been overcome to some extent by an efficient and hardworking secretary with the support and cooperation of a dedicated group of Plan activists like KRPs, DRPs, and LRPs. He did not appear to be getting adequate support from the Panchayat staff, whose work culture, perhaps, does not match with his. In Nanniyode panchayat that also is relatively understaffed, the situation appears to be even worse. Panchayat Secretaries were changed thrice in the past two years with the result that neither the previous secretaries had, nor the present secretary has a full grip of the Plan activities going on in the Panchayat. Much of the clerical work and record keeping are done by the Panchayat members themselves. Performance audit reports of both the Panchayats have pointed out many administrative lapses. Such lapses are routine and not unique to people's Planning. So we did not cover this aspect in this study.

Neighbourhood groups

By promoting the formation of 'Neighbourhood Groups' (*Ayalkkuttams*) and 'Families' Club' (*Kudumbasabha*) below them, Vithura panchayat has taken decentralisation of planning to levels far lower than Grama Sabha, the lowest empowered institutional body envisaged in the Panchayat Raj Act. Neighbourhood Group is a gathering of the members of 50-80 neighbouring households in a geographically contiguous area of the ward. A 'Families' Club' consists of the members of about 10 neighbouring families within an *Ayalkkuttam*. For the purpose of implementing some of the agriculture and animal husbandry development programmes, *Ayalkkuttam* clusters' consisting of 4-5 *Ayalkkuttams* are also formed. Although *Ayalkkuttams* were already formed in some wards in the first year of the Plan, 1997-'98, when they provided some supportive services to the Grama Sabhas, they were formally assigned a functional role in the Planning process only in the second year, 1998-'99. About 129

Ayalkkuttams and 650 *Kudumba Sabhas* have been constituted so far. One of the immediate reasons for activating the *Ayalkkuttams*, according to the panchayat authorities, was the wide misuse by beneficiaries of the benefits distributed in the annual Plan 1997-'98 and a drastic decline in the number of applicants for agriculture development schemes in 1998-'99. The mode of distribution under the scheme for rearing of cows was changed in the 1998-'99 and one *Ayalkkuttam* in each ward was selected and supplied with five cows by giving the scheme fancy name 'Mini dairy'. The *Ayalkkuttam*, in turn, would distribute the cows to five chosen families within it. Later, if any family is found neglecting proper care of the cow or incapable of keeping it, the cow is taken back by the *Ayalkkuttam* and given to another willing family. Reasoning behind this system was that the family to which the cow is allotted couldn't sell it without the knowledge of *Ayalkkuttam*.

The declared objectives of *Ayalkkuttams* are to promote mutual help, co-operation and collective action among the member families not only in the implementation of the Plan programmes but also in resolving inter-family and inter-personal disputes amicably in a typical village self government (*Gramswaraj*) mode, rising above narrow political considerations. The extent to which these lofty ideals would be realised is yet to be seen. A preliminary review of the functioning of some *Ayalkkuttams* indicates that though their formation is a step towards more participative planning, they are not free from the danger of becoming instrumental for further politicisation of the system. Almost all the meetings of the *Ayalkkuttams* we attended were held in the local offices of the ruling party or its front organisations, giving a political colour to the functioning of the system.

People lenient towards opposition parties normally keep away from the meetings of *Ayalkkuttams* and even if they attend reluctantly, it is primarily to know the fate of their applications for benefits, decided in these meetings. Once they know that they are not selected they quietly leave the venue not to return for taking part in the further deliberations. Practically, only the activists and the supporters of the ruling party are left in *Ayalkkuttam* meetings to take decisions on other matters. By selecting the beneficiaries of individual beneficiary programmes, the *Ayalkkuttams* are in fact usurping the power and authority vested in the Grama Sabhas by the Panchayat Raj Act.

Though the Grama Sabha has to approve the proposal of *Ayalkkuttams* - endorsed by the ward Development Council (which itself is a body representative of *Ayalkkuttams*) it is a mere formality and the whole exercise appeared to be farcical. The Grama Sabha meeting itself is usually dominated by the most vocal of the *Ayalkkuttams* and the same people who make the proposals are the ones who take decisions.

Another flaw we noticed in the procedure followed by Vithura panchayat in the selection of beneficiaries for 1998-'99 programmes was that the *Ayalkkuttams* were authorised to distribute application form and accept applications for benefits, process them and decide their priorities. We heard some people complaining that either they were not supplied with the application forms or their applications were deliberately suppressed by the *Ayalkkuttam* committees either for political considerations or for favouring some others. Several appli-

cations were not even acknowledged. Smooth and effective functioning of *Ayalkkuttams* depends on many factors like inter-personal and inter-family relationships within the group, socio-economic status of the families, caste identities, party affiliations, and behaviour patterns of the people. Too much of decentralisation may lead to disintegration of society.

Another potential danger of pushing the idea too far is that it may, in course of time, become power centres of the ruling party of the ward or even of the Panchayat and that the ruling party, if it chose, would be able to use them as insurance covers against any future change of political control over the panchayat. The working of the *Ayalkkuttam* system and its role in People's Planning, therefore, needs further study.

6. Summary and Conclusions

In the preceding sections, we discussed several specific issues such as the planning process, creation of awareness among people, public participation, infrastructure building, income generation, politicisation, misutilisation of resources and corruption in the People's Planning programmes of the two panchayats under study. The summary of the findings is furnished below.

(i) The campaign for People's Planning has created cognitional awareness among most of the people of the panchayat about the existence of a programme under which funds are given by the government to panchayats for carrying out some development works. They were not aware, however, of the exact nature and content of the programme. Among the sample non-beneficiaries, only 46 per cent in Vithura and 53 per cent in Nanniyode were aware of the details of the programmes implemented in their Panchayats in 1997-'98. The awareness level about 1998-'99 programmes was still lower, 30 per cent in Vithura and 40 per cent in Nanniyode, probably because the implementation of the programmes, including the selection of beneficiaries, was still on at the time we conducted the survey and many people were not by then sufficiently exposed to the programmes.

(ii) In terms of the programme mix and quality, relevance and local specificity of the individual programmes, the first two years' annual Plans of the two panchayats were not distinctly different from the earlier Plans and programmes. Almost all the programmes implemented in both the panchayats were mere replication of the various rural development programmes implemented earlier; the only difference being that earlier, the programmes had been implemented departmentally.

(iii) Decentralisation of Planning has created a situation in which infrastructure development continues to take place in a lopsided manner, as had been the case under the earlier top-down planning. For example, since local level, rather than higher level, requirements receive priority, panchayat level feeder tracks are kept in sound repair; at the same time, highways which pass through the panchayat and have heavier traffic on them, remain dilapidated - a case in point is the Vithura-Nanniyode road.

(iv) Though the functions of the three-tiers of the Panchayati Raj Institution are clearly earmarked, in several instances encroachments of one tier on the other take place, due mostly to narrow personal or sectarian interests. In the over-enthusiasm to distribute favours among own supporters and constituencies, elected representatives often flout functional jurisdictions and allocation principles.

(v) Plan benefits - common as well as individual - are distributed among all the wards of the panchayats more or less equally. No evidence exists of any political discrimination or parochial considerations shown against any ward in the distribution of benefits. But this system of 'equal sharing of funds by members', which had been the pattern followed in the utilisation of untied funds in the past, is still followed and has led to spatially inequitable distribution of Plan funds and inefficient allocation of resources on non-priority and non-essential projects.

(vi) The level of misutilisation of benefits by the beneficiaries was significantly higher than the level observed in the earlier IRDP, but the practice is not rampant. Only about 15 per cent of the sample beneficiaries of individual beneficiary programmes of 1997-'98 in Vithura and 28 per cent in Nanniyode had misused the assistance. The funds so misutilised are estimated at Rs 2.5 lakh in Vithura and Rs 2.1 lakh in Nanniyode. Misutilisation as per cent of the total amount spent on individual beneficiary schemes comes to 9.0 in Vithura and 6.4 in Nanniyode.

(vii) More than a quarter of the funds/assets distributed under individual beneficiary programmes in the production sector in 1997-'98 has turned out to be unproductive. Eighty-five per cent of the beneficiaries of production sector schemes in Vithura and 84 per cent of those in Nanniyode do not get any additional income from the schemes. Plan funds spent on the unproductive schemes in the production sectors are estimated at Rs 7.8 lakh (28 per cent of the expenditure on individual beneficiary schemes and 15 per cent of aggregate Plan expenditure) in Vithura. It is Rs 8.4 lakh (25 per cent of total expenditure on individual beneficiary schemes and 18 per cent of the aggregate Plan expenditure) in Nanniyode. This finding casts serious doubt on the efficacy of People's Planning in energising the near-stagnant production sector of the State's economy.

(viii) The organisational set-up on non-governmental lines for the conduct of Plan activities is highly politicised in both the panchayats, more conspicuously in Vithura. But, there is no evidence of any significantly disproportionate political discrimination in the distribution of benefits under the individual beneficiary programmes in either of the panchayats. Political allegiance-wise, 51 per cent of the beneficiaries of 1997-98 programmes belonged to the ruling front (LDF) and 31 per cent to the opposition (UDF) in Vithura and in Nanniyode, 31 per cent belonged to the ruling front (UDF) and 35 per cent to the opposition (LDF). The rest of the beneficiaries in both the Panchayats have no political affinity.

(ix) Bulk of the benefits under individual beneficiary programmes have gone to the poor: 84 per cent of the beneficiaries in Vithura and 81 per cent of those in Nanniyode were in the income bracket of below Rs 500 per month.

(x) Distribution of multiple benefits to the same person was more rampant in Vithura, 14 per cent of the beneficiaries of the panchayat received benefits from more than one scheme as against 7 per cent in Nanniyode.

(xi) The Quality of more than half the assets/materials distributed under the individual beneficiary programmes was bad or poor in both the panchayats. However, the quality level was better in Vithura (42 per cent) than in Nanniyode (24 per cent).

(xii) Ward members of the panchayats were the best disseminators of information about the Plan programmes among the people - 60 per cent of the beneficiaries in Nanniyode and 42 per cent in Vithura came to know of the programmes from the ward members. Plan activists' share in spreading the information was higher in Vithura (24 per cent) than in Nanniyode (4 per cent).

(xiii) The majority of the sample beneficiaries of both the panchayats are of the view that the People's Planning system is better than the earlier system of Planning. But, the perceptions of people about People's Planning are found to be coloured by their political allegiance. Nearly 92 per cent of sample beneficiaries of Vithura, the majority of them (47 per cent) belonging to the ruling party, think that People's Planning system is better than the earlier Planning systems. In Nanniyode, 56 per cent think so, but only 17 per cent of them belong to the ruling party, UDF, indicating the probability of a political bias among the UDF supporters of Nanniyode against the programme.

(xiv) The majority of the beneficiaries were women in both the panchayats - 51 per cent in Vithura and 61 per cent in Nanniyode - because the criteria followed were women-friendly ie preference to widows and destitutes over and above the 10 per cent reservation for women in all the beneficiary-oriented programmes.

(xv) Sudden flooding of the panchayats with Plan funds to be spent within a short span of time in the first year of the Plan and the rigid sectoral pattern of allocation thrust upon them were the two underlying factors that abetted the misuse and wastage of the Plan fund.

(xvi) Approximately two-thirds of the beneficiaries of individual beneficiary schemes were given the assistance in the form of cash and only one-third, in kind. Cash assistance is seem to have been more prone to misuse than the assistance in kind.

(xvii) A large majority of the beneficiaries (82 per cent in Vithura and 96 per cent in Nanniyode) did not experience any difficulty in receiving the benefit from the concerned implementing authorities. This is definitely an improvement of the delivery system over that of the earlier rural development programmes.

(xviii) Under the People's Planning, the magnitude of corruption in the delivery system has come down marginally. Only 0.2 per cent of the beneficiaries in Vithura and 4.4 per cent in Nanniyode reported that they had to bribe the functionaries for getting possession of the benefits. The level of corruption in the past under IRDP in Kerala had been estimated at 5.4 per cent.

(xix) People who have actively participated in the programme are mostly those owing allegiance to the ruling parties in the panchayats concerned. They have participated in organis-

ing and conducting the Plan programmes, but more conspicuously in Vithura. Participation in Grama Sabha meetings (ranging, on an average, from 4 to 25 per cent of ward-wise voters in Vithura and 3 to 26 per cent in Nanniyode) was by and large passive and motivated primarily by their self interest in beneficiary-oriented programmes. The recent trend in the level of participation in Grama Sabhas has been one of decline.

(xx) Voluntary services (including donations from the public) have remained one of the weakest links in the execution chain of common/public works projects, belying the State Planning Board's expectation that it would be around 25 per cent of the Plan grants of the panchayats. But for 2 of the 10 construction projects in Vithura and one out of the 35 such projects in Nanniyode, none received any significant voluntary services from the local people. Realisation of targets in voluntary services was 13 per cent in Vithura and 9 per cent in Nanniyode.

(xxi) Seventy-three per cent of the beneficiaries in Vithura and 38 per cent in Nanniyode did not spend at all from their pockets to implement the schemes for which they were given financial assistance by the panchayat.

(xxii) The quality of the programmes included in the current year's (1999-2000) annual Plans of both the panchayats has remarkably improved in terms of local relevance and development orientation. Individual beneficiary programmes like poultry, goats, cows, vegetable cultivation, kitchen garden, and cultivation of medicinal plants and tapioca have been dropped. Priority is now given to housing, sanitation, irrigation for homestead cultivation, calf rearing, supply of cattlefeed, manufacturing etc. However, individual beneficiary programmes still dominate with a share of 68 per cent of the Plan fund in Vithura and 73 per cent in Nanniyode.

(xxiii) In the annual Plan 1998-'99, Vithura panchayat had introduced some changes in the delivery system of individual benefits by routing them through neighbourhood groups or co-operatives. Co-operatives continue to be the principal route of distribution in 1999-2000 also. Ideologically, this change-over is for the better; but given the present politically overcharged scenario of the co-operatives in the State, this change carries a potential danger of further politicisation of the People's Planning programmes and squandering of public funds by the party/front ruling the panchayat, through their pocket co-operatives.

(xxiv) Subjective views and opinions of the people of the panchayats, belonging to both categories - beneficiaries and non-beneficiaries - about People's Planning in general as revealed by the sample survey are the following:

- (i) The majority of the non-beneficiaries (51 per cent in Vithura and 53 per cent in Nanniyode) expressed the view that the functioning of the Grama Sabha has been helpful for the development of their respective wards.
- (ii) Seventy-one per cent of the non-beneficiaries in Nanniyode (23 per cent of them belonging to the ruling party) think that the ongoing People's Plan programmes may help the development of their wards, but only 29 per cent (17 per cent of them belonging to the ruling party) of the non-beneficiaries in Vithura hold this view.
- (iii) Twenty-one per cent of the sample beneficiaries in Vithura (12 per cent belonging to the ruling party) and 18 per cent in Nanniyode (6 per cent belonging to the ruling

party) stated that they know of cases where persons have been selected as beneficiaries in violation of the norms on political, personal, and other considerations. Six per cent of them in Vithura and 8 per cent in Nanniyode stated that such irregular selections were due to political pressure. Among the non-beneficiaries, 26 per cent in Vithura (14 per cent belonging to ruling party) and 56 per cent in Nanniyode (18 per cent belonging to ruling party) stated that there were irregularities in the selection of beneficiaries.

These views of the respondents, we caution, are purely subjective and not necessarily well-informed or based on facts. Many, especially the rural women whose understanding of People's Planning programmes is meagre are often swayed by the opinion of the people in their closed circles. Therefore it may not be sound to draw definitive and valid conclusions about People's Plan programme and its implementation based on such ill-informed and subjective viewpoints.

Conclusions

Two areas of serious concern that the study has identified are the widespread misutilisation of the benefits distributed under individual beneficiary programmes and the unproductiveness of a substantial part of the investments made in the production sector. Both have caused wastage of public funds and the seriousness of which cannot be slighted and dismissed as infantile aberration, natural of any unconventional innovative system, at its introductory stages. In the People's Planning programme, causes of these wastage and misuses are, in part, those built into the system, wittingly or unwittingly, by the two crucial decisions of the government: first, to launch the Plan with a big bang by devolving 35-40 per cent of the State Plan funds to the PRIs, virtually flooding them with funds and secondly, to stipulate a uniform, standardised pattern for the sector-wise utilisation of the funds by the PRIs. As we discussed earlier, Kerala, unlike some other States such as Karnataka and West Bengal, has very little experience in decentralised Planning. Whatever limited exposure the local bodies had to development Planning for a short period in recent years was through their involvement in the implementation of Centrally/State-sponsored schemes and utilisation of untied funds. Both the panchayats under study were functioning with modest budgets. In 1995-'96 (the latest year for which audited accounts are available), the total income of Vithura panchayat was Rs 20 lakh (of which Rs 15 lakh was government grants) and of Nanniyode, Rs 16 lakh (of which Rs 8 lakh was government grants). With the allocation of the annual Plan grants, in 1997-'98 (Rs 54 lakh to Vithura and Rs 48 lakh to Nanniyode over and above the usual sponsored programmes and untied funds) there was nearly a four-fold increase in the income of both the panchayats.

They had neither the expertise nor adequate manpower to utilise these funds within the elaborate guidelines and time frame prescribed by the government. Vithura was, however, better placed in both these respects than Nanniyode. Driven by the government threat that if a minimum percentage of the fund (75 per cent initially) was not spent within time, the panchayats would not get the next instalment of Plan grant, they were under tremendous pressure to spend as much money as possible on whatever schemes became handy. They selected the schemes mostly from the handbooks published by the State Planning Board without going deep into their relevance, quality, feasibility, and possible impacts. By biting

off more than they could chew, the panchayats naturally faltered in the implementation of the schemes landing themselves, inevitably, in a state of substantial misuse and wastage of funds. What fails one's understanding is the reasoning behind the decision of SPB to devolve at one stroke as high as 35-40 per cent of the Plan fund to the PRIs. Would it not have been more prudent to start with a lower share, say 10 or 15 per cent, so that the local bodies could spend it more selectively and more efficiently? The allocations could have been raised gradually in the subsequent years of the Plan to reach the targeted goal of 35-40 per cent by the end of the Ninth Plan (The sanctity of this 35-40 percent norm itself seems to be debatable as it is not based on any sound premises established by specific studies; apparently it was lifted from the Eighth National Five-Year Plan norm of 40 per cent outlay for rural development). A cautious approach with a modest level of deployment of funds would have minimised the wastage and given some time to the panchayat members and other Plan activists to gain practical experience in local-level planning, identify programmes relevant to the development of the panchayat, and streamline the delivery system of individual beneficiary schemes.

The other decision of the government which abetted wastage of Plan fund was that in each panchayat at least 40 per cent of the Plan grant under general category should be spent on productive sector schemes like agriculture, minor irrigation, animal husbandry, fisheries, manufacturing etc not more than 30 per cent should be spent on infrastructure and 10 per cent should go for women development programmes. This guideline, in its literal sense, does not prohibit a panchayat from spending the entire Plan grant in the production sector if they choose to do so. But both the panchayats have broadly followed the guidelines in its intended meaning, by allocating general Plan grant in the ratio of 40:30:30 among production, service, and infrastructure sectors. Sector-wise proportions of allocations and actual spending of the Plan grants by the two panchayats in the annual Plan 1997-'98 and 1998-'99 are furnished in Table 6.1 below.

Table 6.1 Sectoral allocations and spending of Plan grant (in percentage)

Sector	Vithura				Nanniyode			
	1997-'98		1998-'99		1997-'98		1998-'99	
	Alloc- ated	Actually spent	Alloc- ated	Actually spent	Alloc- ated	Actually spent	Alloc- ated	Actually spent
Production Sector	30	30	40	50	41	38	40	42
Service Sector	34	35	37	35	40	43	32	38
Infrastructural Sector	36	35	23	15	18	19	28	20
Total	100	100	100	100	100	100	100	100

Note: (i) Includes SC-ST category grants also in which are outside the conditions on sectoral spending
(ii) We have followed the commonly accepted classification, slightly different from the one followed by the Panchayat: Construction of Krishi Bhavan, Veterinary Hospital and minor irrigation tank are classified under infrastructure instead of production sector.

Restrictions in sectoral spending notwithstanding their justification on grounds of national or State-level priorities and sectoral balancing of economic growth have two implications.

- (i) It severely restricts the freedom of choice of the panchayats in determining sectoral priorities according to the local needs and conditions and negates the very essence of democratic decentralisation of Planning - the right of the local people to decide their own development Plans. For example, the priority needs identified and highlighted in the Development Reports are drinking water in Nanniyode and transport facilities in Vithura. Many areas of Nanniyode face acute scarcity of drinking water in summer. In Vithura, many areas, particularly in Kallar and Anappara wards, are not accessible by motorable roads. One has to trek several kilometres on foot (as we did during the course of survey) to reach the SC/ST settlements there. Even if these panchayats wanted to spend more of the Plan funds on drinking water wells or on roads they could not do it because of the limits set in sectoral spending. Nanniyode panchayat has ingeniously come over this restriction by distributing subsidies for drinking water wells from the fund allocated for the agriculture production schemes for irrigation wells and pump sets for homestead cultivation. The national priority or sectoral balancing argument put forth as justification for the restrictions on sectoral spending by the panchayats seems to be weak as such a prioritisation and balancing has relevance only at the national level and not at the micro level.
- (iii) The government direction to spend 40 per cent of the Plan grant on production sector consisting of agriculture, animal husbandry, fisheries, manufacturing, etc further compelled the panchayats to pick up whatever schemes were readily available in these sub-sectors to fill the quota. All conceivable familiar development programmes in these sub-sectors at panchayat-level were beneficiary-oriented programmes, mostly in agriculture and animal husbandry sub-sectors. Nanniyode could not identify any feasible programme in manufacturing and fisheries; but Vithura had a few. In their eagerness to spend the Plan fund, they pushed these programmes too far without considering the utility, viability, and even the relevance of these programmes to the development of the panchayats. Even some of the basic factors like the absorbing capacity of these sectors in the panchayat, availability of marketing resources, capabilities of the beneficiaries were ignored. In the final analysis, the major underlying cause of the wastage and misuse of Plan funds observed in the production sector programmes of both the panchayats was the government directive that 40 per cent of the Plan grant should be spent in this sector. Wastage was only marginal, as the survey reveals, in the other two sectors - service sector and infrastructure sector - for which there was no minimum share of allocation fixed. This does not mean that the Plan fund should be spent more on these two sectors to minimise the level of misuse and wastage. Removal of the rigid prescriptions for sectoral allocations of funds and giving more freedom to the panchayats in deciding their own sectoral priorities, may lead to some inter-panchayat imbalances and distortions in sectoral allocations; but there is no reason to apprehend a massive decline to happen in the allocations to the production and service

sectors because the feasible programmes in these sectors are, predominantly, individual-beneficiary-oriented and individual beneficiary schemes which have virtually become the back bone of public participation in the Planning programme or even the hallmark of the programme. No panchayat can afford to ignore these schemes. Before concluding, we hasten to add that these conclusions, based on a limited study of only two out of about 990 village panchayats in the State, cannot and should not be taken to be representative of the general situation.

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End Notes

² Government of India (1996), Guidelines for the Formulation of District Plans, Planning Commission, New Delhi.

³ Government of India (1978), Report of the Working Group on Block-Level Planning, Planning Commission, New Delhi.

⁴ Government of India (1984), Report of the Working Group on District Planning, Planning Commission, New Delhi.

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⁶ Budhadeb Ghosh: Select Reference. 5

⁷ Thomas Isaac, T M People's Planning: Towards a Handbook', Kerala State Planning board, Trivandrum May 1999 p.14.

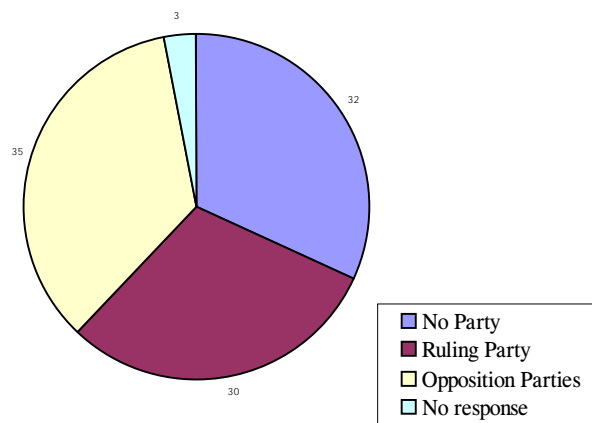
⁸ "All persons whose names are included in the electoral rolls relating to a village (specified under the Act as a constituency, i.e., ward of a village Panchayat) comprised within the area of a village panchayat shall be deemed to be constituted as Grama Sabha of such Village" (section 3(2), chapter II, The Kerala Panchayati Raj Act, 1994). West Bengal also follows this definition.

⁹ This guideline has been revised and fixing of ward-wise targets in proportion to eligible applicants/families was allowed in the annual Plan 1998-'99.

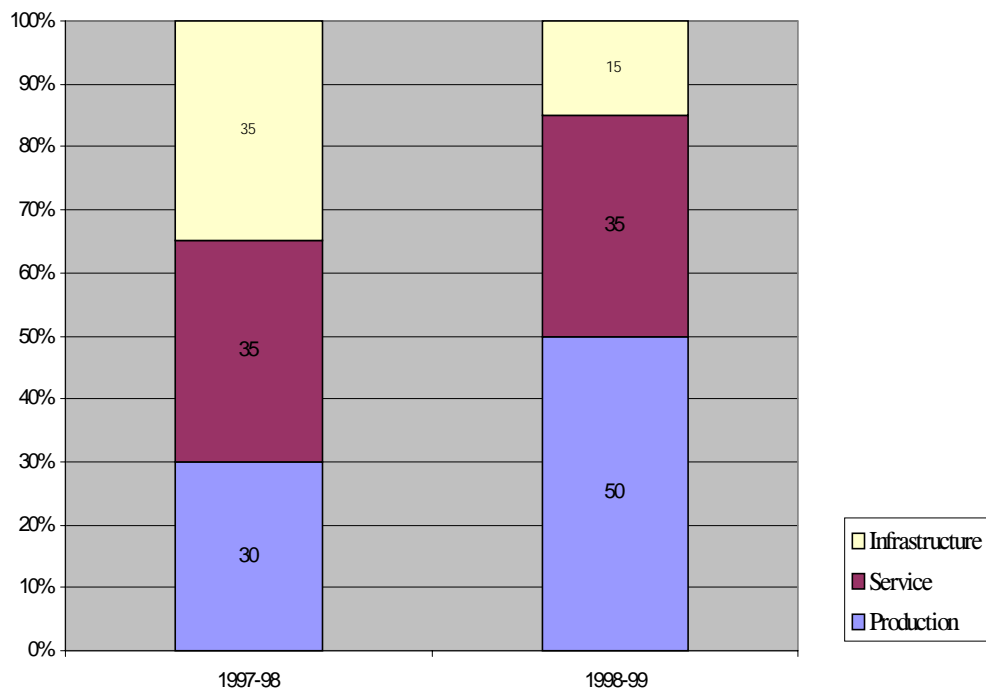
¹⁰ Thomas Isaac T. M. (Ed.) (Undated), *People's Planning: Theory and Practice* (Malayalam), Kerala State Planning Board , Trivandrum, p.128.

¹¹ Kerala Statistical Institute, *Concurrent Evaluation of IRDP Fifth Round -Kerala*, Trivandrum, July 1997

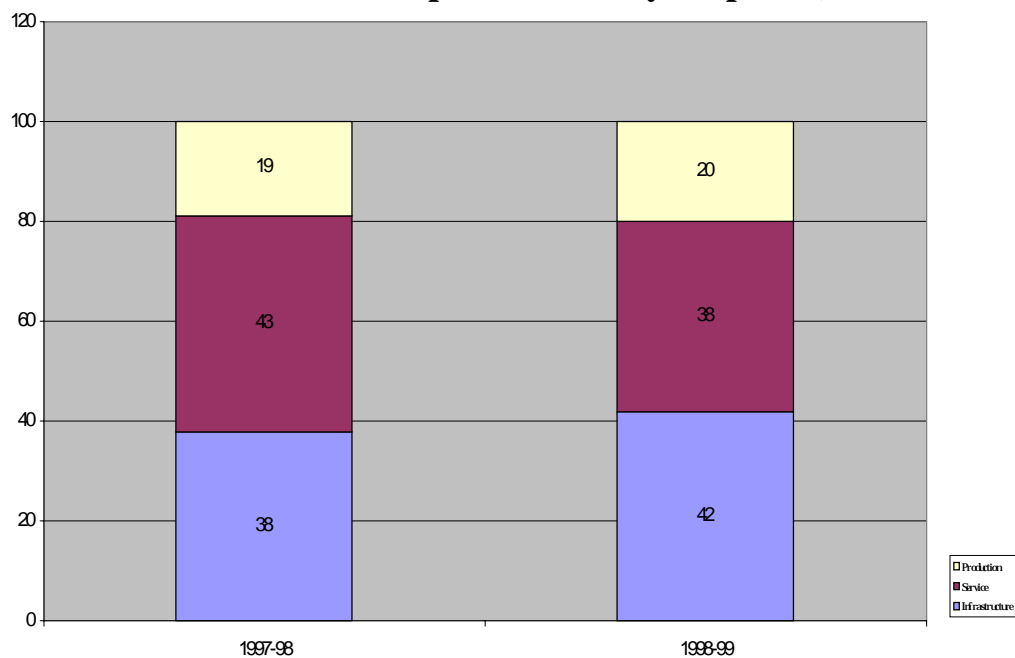
**Political affinity of individual beneficiaries
(1997-'98) Nandiyode (in percentage)**



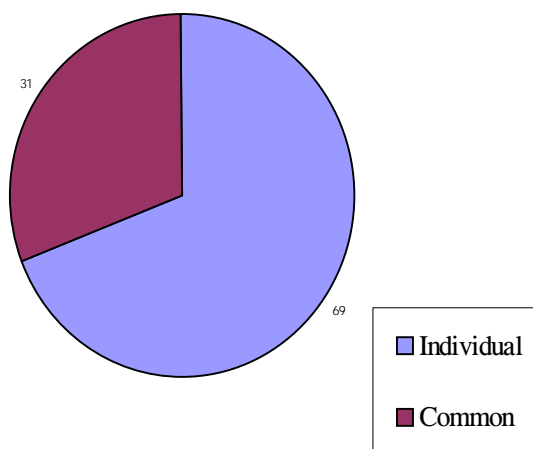
Sectoral distribution of plan expenditure Vithura (in per centage)



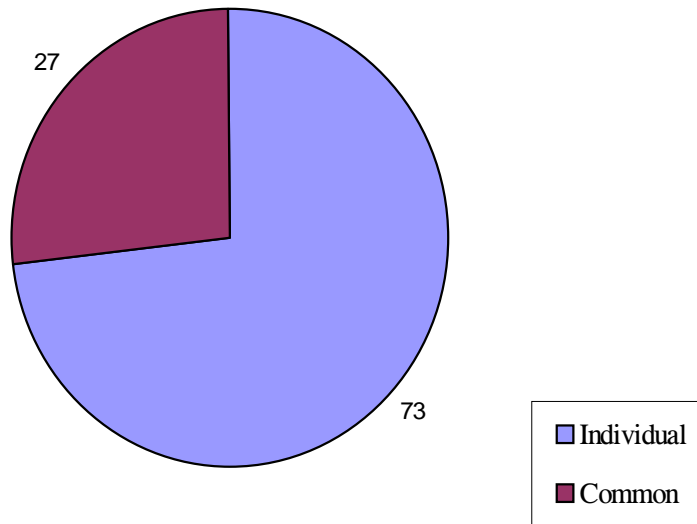
Sectoral distribution of Plan expenditure: Nanniyode (per cent)



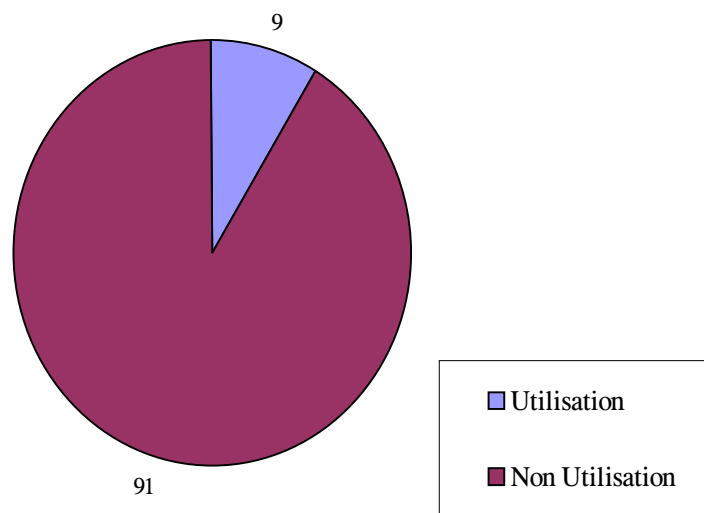
Direction of benefits (Plan expenditure in percentage) Nanniyode 1997-'98



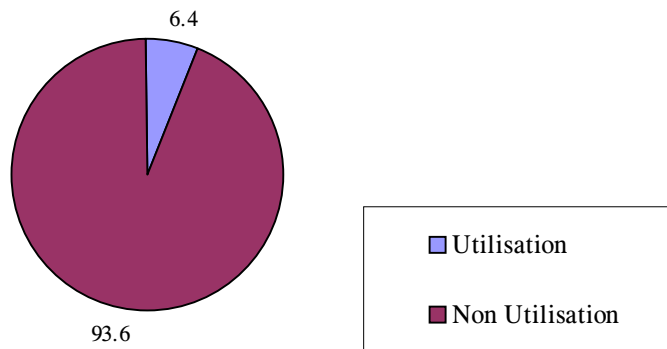
**Direction of benefits (Plan expenditure in percentage):
Nanniyode 1998-'99**



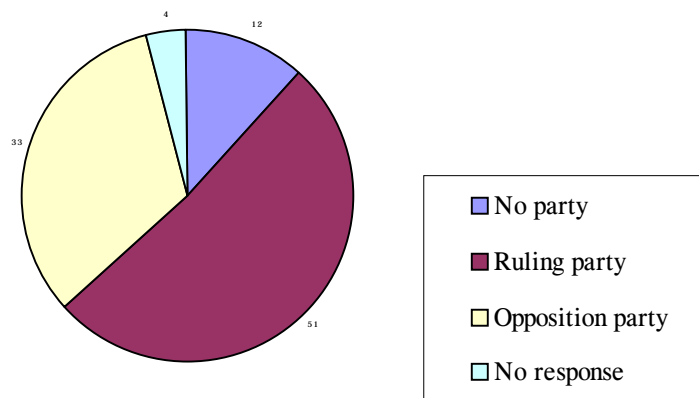
**Misutilisation of individual benefits (as proportion of total expenditure)
Vithura 1997-'98**



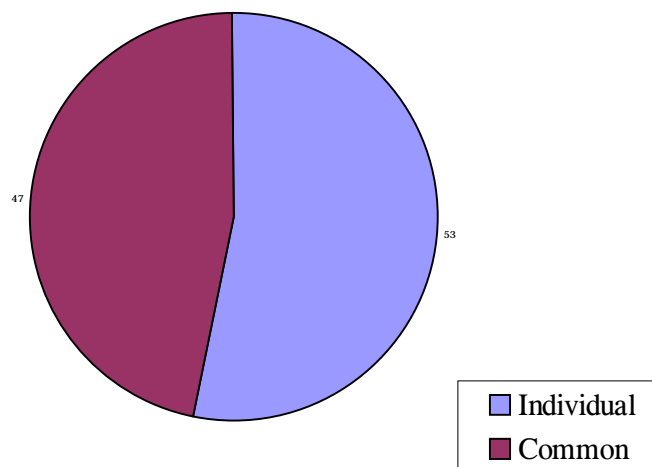
**Misutilisation of individual benefits (as proportion of total expenditure):
Nanniyode 1997-'98**



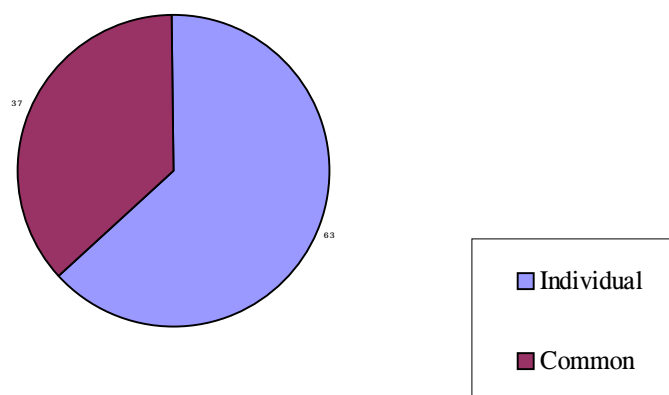
Political affinity of individual beneficiaries (1997-'98): Vithura (in percentrage)



Direction of benefits (Plan expenditure in percentage): Vithura 1997-'98



Direction of benefits (Plan expenditure in percentage): Vithura 1998-'99



Average Participation in Grama Sabha Meetings (Vithura)

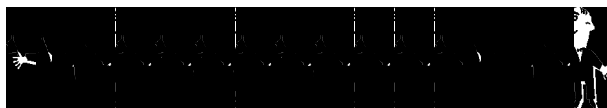
- Sept/Oct 96)



- Nov/Dec 97



- Oct 98



- Dec 98/Jan 99



- M ay 99
-



- Legend
20
persons

Average Participation in Grama Sabha Meetings (Nanniyode)

- Sept/Oct 96)



- Nov/Dec 97



- Oct 98



- Dec 98/Jan 99



- M ay 99
-



- Legend
20
persons

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