

**DECENTRALISATION OF PLANNING:  
A Comparative Study of Experiences  
of West Bengal and Kerala**

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I hereby affirm that the research for this dissertation titled *Decentralisation of Planning: A Comparative Study of Experiences of West Bengal and Kerala*, being submitted to Jawaharlal Nehru University for the award of the Degree of Master of Philosophy in Applied Economics, was carried out entirely by me at the Centre for Development Studies, Thiruvananthapuram.

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# Chapter 1

## *INTRODUCTION*

### *1.1 About The Topic*

Decentralisation implies the transfer of decision making powers from the centre of an organisation to its subunits [Stiglitz: 1994]. So defined, decentralisation is not a static concept but a process. Notionally an organisation would cease to exist when its centre loses all the powers. However, in between the two extremes there can be varying degrees of decentralisation. Accordingly, one may speak of (a) deconcentration (b) delegation and (c) devolution [Feslar: 1960; Collins: 1974; Sherwood: 1969; Boodhoo: 1976].

Deconcentration is the least extensive form of decentralisation. At one extreme this merely involves the shifting of work load from central government or ministry headquarters to staff or offices located outside the capital, and the staff or offices may not be given the authority to decide how those functions are to be performed. Some specialists in the field of public administration have argued that though deconcentration may be efficient and convenient for the public, and may even promote a feeling that government is closer to the people, it may not provide the opportunity to exercise substantial local discretion in decision making, and hence not much of a decentralisation [Feslar: 1960]. However, in the case of highly centralised countries, even the shifting of work load from central offices of staff/office outside the capital may have an important impact on development and may become a crucial first step that highly centralised governments must take towards extensive deconcentration or decentralisation later on [Collins: 1974].

Delegation of decision-making and management authority for specific functions to organisations that are only under the indirect control of central government ministries mark the second degree of decentralisation. Often the organisations to which public functions are delegated have semi-independent authority to fulfill their responsibilities, and may not even be located within the regular government structure.

Delegation of functions from central ministries to such organisations as public corporations, regional planning and area development authorities, multi-purpose or single-purpose functional authorities and project implementation units represents a more extensive form of decentralisation than administrative de-concentration. Delegation implies the transfer or creation of authority to plan and implement decisions concerning specific activities or a variety of activities within specific spatial boundaries, to an organisation that is technically and administratively capable of carrying them out [Boodhoo: 1976].

Devolution is the extreme form of decentralisation in which independent levels and units of governments are created or strengthened through devolution. Some administrative theorists argue that devolution is a concept quite separate from decentralisation, because it denotes the divestment of functions by the central government and the creation of new units of governance outside the formal command structure of the central government [Sherwood: 1969]. They would use decentralisation to describe an intra-organisational pattern of power relationships while by devolution they imply an inter-organisational pattern of power relationships. Devolution in their framework is an arrangement in which there are reciprocal and mutually benefiting co-ordination of relationship between the central and local governments. The local government has the ability to interact reciprocally with other units in the system of government of which it is also a part.

Although there are differences among the various forms of decentralisation, they are not mutually exclusive in reality. The process of decentralisation often combines two or more separate forms.

In economic theory, the issue of decentralisation has its origin in the domain of fiscal federalism [Oates: 1972]. In that context, the notion of decentralisation is purely concerned with the structure of government which would have the greatest success in resolving the problems related to the three functions of public sector. viz., allocation, distribution, and stabilisation problems.<sup>1</sup> Oates puts forward a powerful argument for federalism from this

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<sup>1</sup> *In Public Finance, the three functions of the government mean, (i) allocation: to ensure an efficient use of resources, (ii) distribution: to establish an equitable income, and (iii) stabilisation: to maintain the economy at high levels of employment with reasonable price stability.*

perspective. He argues that, decentralisation, to a certain extent, may ensure better distribution and growth.

Another line of argument for decentralisation of planning is based on the premise that information cost is a monotonically increasing function of the distance between the action point at which the information is generated and the point at which the decision is made [Marshach and Marshach: 1959]. If the decision making is pushed down to lower levels, the smaller will be the units, better will be the situation, other things remaining the same [Chakravarty: 1972; Mathur: 1973].

It has also been argued that the total planning problem should be partitioned according to some criteria into sub system problems [Dutta Choudhury: 1973]. Some of these can then be pushed down to lower levels of decision making. Given that the basic purpose of this partitioning is to have different strategies suited to individual regions which differ from one another, it is important that the spatial unit of this lower level planning should be homogenous [Boudeville, 1961].

In the Indian context, the often cited argument for decentralisation of planning is that, given the wide regional variations in natural endowments, levels of development and potentials, no single strategy of development for the whole country is appropriate [Gadgil: 1967; Raj: 1971; Biswas: 1973; Mathur: 1973; Aziz: 1983; Jain et al: 1985; Ghosh: 1988; Gulati: 1994]. The above is particularly true for sectors such as agriculture, animal husbandry, inland fisheries, small and village industries, education, health, drinking water, housing and rural transport and so on. These sectors would have to be planned according to the specificities of local resources and local needs of the people. Standardised development schemes that are centrally drawn up cannot take into considerations these local variations.

Yet another advantage of decentralised planning is the possibility of tapping local resources and ensuring greater participation of the people in the developmental process. The present bureaucratic planning and implementation machinery is alienated from the people. Decentralisation is a method to overcome this alienation and to ensure a transparent and participatory development process. If the decision making is done at the lower levels, it is



easier to ensure an effective system for peoples participation in the process of the plan formulation [Raj: 1971].

An integrated approach is vital for sustainable development and poverty alleviation. The centrally sponsored so-called integrated programmes which were put forward to meet this need in fact degenerated very soon into yet another departmental programme. The only viable alternative of integrated development lies in the decentralisation of the planning process. It is only through decentralised area planning that the departmentalism that characterises the plan formulation and implementation in India can be overcome. [Aziz: 1991, Webster: 1994]

With this very brief survey of arguments for decentralisation of planning of the development process, we shall move on to study the evolution of official approach towards decentralised planning in India.

## ***1.2 In the Context of Planning in India***

The concept of decentralised planning is not new to India. In principle, it was accepted even before the beginning of the planning era. Vishveswaraya, as far back as 1942, visualised a four tier planning structure for his scheme of planned development of Mysore. However, the concept of decentralised planning in the country as a whole has emerged gradually over the five decades since independence, with variations in theory as well as practice across states.

The Indian Constitution is federal in nature. In Article 246 of the Indian constitution, the division of powers and functions between the centre and the states is clearly specified. However, there was no constitutional status for the administrative units below the state government i.e., the different tiers of panchayats in rural areas and municipalities in urban areas. Their promotion was enshrined in the Directive Principles of the constitution alone. With the recent Constitutional Amendments, the local bodies have also received constitutional status as local governments and their powers have been listed in separate schedules.

The First Five Year Plan does refer to the planning process at national, state, district and community levels. Needless to add, these references had little operational significance. The official recognition for integrated area development came only with the Community Development Programme (CDP) following the successful Pilot Project in Mahela district [Mishra and Sundrum, 1979].

In the later half of 1950s, Balwantrai Mehta Committee was appointed to review the functioning of local bodies in the context of the Community Development Programme. The issue before the committee was not only the revitalisation of the panchayati raj system but also identification of its possible linkages with the rural development structures and programmes that were being introduced in the five year plans. The recommendations of the committee contributed to a three tier Panchayat system in most states in India;-- Grama Panchayats at the village level, Zilla Parishads at the district level and the Panchayat Samitis at the intermediate level. The intermediate tier, in most cases, was coterminous with the Community Development Blocks.

The recommendations of the committee, for the first time, lent official support to popular participation in planning, particularly in the rural development programmes, through the Panchayati Raj institutions. The Third Five Year Plan also emphasised the importance of decentralised planning, but no clear operational strategy was evolved. In fact from mid-1960s, one notices a trend towards centralisation. The centralisation tendencies took on strength with the onset of crisis of mid-1960s. To mention the most dramatic of the centralised approach, one may point out the Green Revolution Strategy, which made a joke of all the integrated community development projects. Numerous centrally sponsored agencies, boards and programmes with no horizontal linkages with the local bodies came up as a consequence. Above all, was the absence of a political will to decentralise. Little power was devolved to the local bodies, though lot of lip service was paid. The few powers transferred were in the form of delegation with too many strings attached.

The Administrative Reforms Commission appointed to consider the issues of planning machinery at various tiers submitted its report in 1967 in which it mooted the idea of district planning authority. The Fourth Five Year Plan also spoke of the need for regional, district

and block level plans. In 1969, Planning Commission issued guidelines regarding the preparation of district plans. It also offered to meet half of the expenditure that states may incur to strengthen planning machinery at state and district levels. In late 1970s, when anti-poverty and employment programmes took the centre stage replacing the earlier CDP, the need was felt for micro level planning below the district so as to take care of the problem of identification. The Working Group on Block Level Planning, headed by Prof. Dantwala, which submitted its report in 1978 [GOI, 1978 a], stated clearly that the existing district level planning machinery was not able to undertake the task and identified the block as the appropriate unit to identify the poor and their needs. Block level antipoverty programming and planning was sought to be introduced in some selected 3500 blocks throughout the country [ibid, p-36]. Thus the Sixth Five Year Plan placed considerable emphasis on block level planning essentially to alleviate poverty.

The Ashok Mehta committee which was appointed in 1977 to review the problems of Panchayati Raj system, recommended that the task of district planning should be that of the Zilla Parishad with the help of technically qualified people. [GOI: 1978 b] In 1982, a letter was issued to the states seeking information about their preparedness for decentralised planning. The response in general was enthusiastic. A fresh look at the whole range of issues concerning decentralised district planning was needed to evolve a new set of guidelines to assist the states in this direction. The Working Group on District Level Planning, was set up in 1983 by the Planning Commission in this context.

The Report of the Working Group on District Level Planning, headed by C.H.Hanumantha Rao submitted in 1984, marks a departure from the earlier documents. To quote: "The experience gained in the country during the last more than 30 years of planning has demonstrated that merely wishing for decentralised planning would not be enough to be successful, it has to be backed up by sound practices". The Committee emphasised that there should be necessary technical and administrative changes including attitudinal changes among the bureaucrats and politicians. The Committee admitted that this would take time, but the process should start from clear thinking, determination and dedication. On the whole, the Report was extremely enthusiastic about decentralisation in general, and district plan in particular. They recommended specifically to take 'the stages' approach to the development

planning. District Planning, in their opinion, is a subsystem in the multi level planning mechanism.

The first volume of the Hanumanta Rao Committee Report(1984) is having a separate chapter on the concept and case for decentralised planning. It comments, "... it was true that the planning and decision making functions remained centralised and vertical around the two political levels, namely the Union and the States whose spheres of responsibility had been defined in our Constitution. Urban Local bodies like Municipalities or rural institutions such as the Village Panchayats are not only a State subject but have also, by and large, functioned as agencies of civic functioning and not as instruments of micro level-planning and development. Thus this design of political and developmental set up in the country had left a near vacuum so far as planning at the sub state levels was concerned." [GOI: 1984, p-21] The report gave a state wise analysis of the status of district planning in the second volume of the report (1985).

Both the 1969 Guidelines for District Plan and 1978 Guidelines for block level planning, following Dantwala Committee Report, had not visualised any serious roles for panchayati raj institutions in the system of decentralised planning. The Dantwala Committee Report did consider the involvement of the Panchayat Raj institution in block level planning but was generally skeptical of the out come. Even the block level plan was to be implemented by the district planning machinery. The District Collector and not elected representatives was the pivotal figure in its scheme. People's participation was limited and left to the involvement of voluntary organisations (NGOs). The NGOs, in fact were given greater role than the elected local bodies. Hanumanta Rao Committee in this context, noted that the district level planning was mooted in several states but not through Panchayat Raj System. The report states, "It is unfortunate that the existing constraints do not allow the PRIs to exercise the planning function." [GOI: 1984, p-29]

By this time, some states had already included planning as one of the functions of local bodies in the Acts. However, that was only in the formal sense. In actual practice the local bodies had not performed these functions. The observations of Ashok Mehta Committee report was significant in pointing out this situation. This criticism was further strengthened

by another report at this time which also settled the question in favour of the recommendations of Hanumanta Rao Committee. This is the Report of the Committee to Review the existing Administrative Arrangements for Rural Development and Poverty Alleviation Programmes jointly set up by the Planning Commission and Department of Rural Development, under the chairpersonship of GVK Rao. The committee said in clear terms : "The District is the proper unit for planning and development. The (elected)<sup>2</sup> Zila Parishad should, therefore become the principal body for management of all development programmes which can be handled at that level." [GOI: 1985 (b), p-iii]

Discussions regarding the need to amend the constitution to empower the local bodies started in this period, which ultimately resulted in the 73rd and 74th Constitutional Amendment Acts of 1993. District and local level planning by the local bodies became a constitutional imperative after that. The fallout of these Acts were to be fully effective from 1994. Still, it remains a fact that systematically worked out decentralised planning by the local bodies is yet to be operationalised in most of the Indian states.

### *1.3 Scope of the Study*

In the context of the above discussion, it would be no doubt interesting to observe the process of decentralisation of planning in greater detail which is the objective of this study. We have already pointed out that little was operationalised in reality, and that also varied from state to state. To understand the obstacles to decentralisation of planning, and to assess how far it was operationalised, it is essential imperative to examine specific cases.

As we have noted in the beginning of this chapter, decentralisation has to be viewed as a process with varying degrees of devolution. Again, decentralisation of planning in different countries or states may be assessed from the perspective of functional, administrative and financial devolution and the extent of people's participation. [FAO: 1984] The questions emerge is therefore- what is the comparative position of different states with reference to the

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<sup>2</sup> *Parenthesis added according to the other recommendations of GVK Rao Committee.*

above criteria? Is there a convergence of the process of decentralisation of planning in different states with different starting points, or does the process itself create divergence in the planning systems of different states? How are the processes different in degrees of decentralisation from the above four perspectives? The objective of this study also includes an assessment of decentralised planning that was undertaken in the two states. Finally, one has to look for any direction which may emerge from such a detail study of the process in different states.

For the purpose of this present study on decentralisation of planning, we shall, henceforth, focus on the aspect of devolution of powers related to development planning and compare the experience of decentralised planning in two Indian states,-- West Bengal and Kerala.

In the general political milieu, the left political parties have played a dominant role in the political evolution of both of these two states during the post independence period. But, while West Bengal has been well known for its effective Panchayat raj system from the late 1970s, Kerala presents one of the worst track records of the decentralisation of governance. There is a growing scholarly literature documenting and analysing the panchayati raj experiment that was initiated in late seventies in West Bengal. The assessments have varied; but no one can deny the unique record of regular and periodic elections to the local bodies over the last two decades. From the rather pessimistic attitude that characterised some of the earlier studies on West Bengal experience [Mallick: 1993], there has been a growing consensus towards greater optimism regarding the effectiveness and positive socio-economic impact in the more recent literature [Mukherjee, Bandyopadhyay: 1993, Webster: 1994, Dutta: 1995, Lietau: 1994 & 1996]. These studies focus more upon the political and administrative aspects of decentralisation and do not examine in depth issues related to decentralised planning even when developmental impact of panchayati raj system is discussed. In contrast, our discussion primarily focuses on the experience of decentralisation of planning. It may be interesting to note the process of decentralised planning in Kerala compared to that of West Bengal, which had regularised panchayati raj from late 1970s, and therefore it may be expected that greater decentralisation might have occurred there.

The State of Kerala has been widely acclaimed for its notable achievements in social sectors such as education and health, and for its re-distributive measures such as land reforms, minimum wage legislation, social security schemes and public distribution. The ongoing research regarding the causal factors that have contributed to the above remarkable achievements have sharply brought out the role of social mobilisation and demand from below in initiating public policies for social provision of the necessary infrastructure and legislative action for redistribution. [Isaac and Tharakan 1992; Frankie: 1993; Ramachandran: 1995] Despite the long tradition of local initiatives for development and the presence of an educated and vibrant civil society, it is a paradox that the state has remained one of the most backward in terms of decentralisation of governance till 1996. Between 1957, when the state was formed, and 1991, there were only three general elections to the local bodies. The history of panchayati raj in Kerala till 1996, has been one of aborted attempts, unkept promises and half hearted efforts [Raj: 1992; Gulati: 1991,1993 & 1994; Ramchandran: 1994].

We have chosen these two states as our case studies because they represent the two contrasting experiences despite their many similarities.

We shall take up the case of West Bengal in Chapter 2 and Kerala in Chapter 3. In the opening sections of these two chapters, we shall undertake an analysis of the evolution of local self governance in the two states from the colonial times to end of 1980s. This discussion, we hope, will shed light on this puzzle of varied history of panchayati raj in the two states. After discussing the evolution of the local bodies, the experience of decentralised planning shall be taken up in other sections of both the chapters. In the light of our analysis of the West Bengal experience in Chapter 2, we shall then contextualise our discussion on decentralisation of planning in Kerala in the <sup>fifth</sup> section of Chapter 3 in a common comparable framework. In the Chapter 4, we shall start with an examination of the provisions of the 73rd and 74th constitutional Amendments with particular reference to decentralised planning. Then we shall move on to discuss how Kerala and West Bengal have responded to the new possibilities provided by these Amendments. The salient findings of our comparative exercise are summarised in Chapter 5.

Our discussion will be mainly based upon secondary materials. Plan documents formulated at the district level, or for the district level can be taken as primary sources for looking into the details of the process of decentralisation of planning. We shall also make use of some of the key documents regarding the decentralisation process<sup>3</sup> of the two states. These untapped sources of information may enable us to reconstruct the history of decentralisation of planning in these two states than hitherto being attempted in literature.

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<sup>3</sup> *These are made available to us by the State Planning Boards of West Bengal and Kerala respectively.*



## Chapter 2

### *Decentralisation of Planning in West Bengal*

In the present chapter, we shall evaluate the experience of decentralised planning in West Bengal. As we have already noted in the introductory chapter, West Bengal is one of the few states where the panchayati raj system has been successfully institutionalised. The history of the evolution of the panchayati raj system in West Bengal and the factors that contributed to its success are briefly summarised in the first section of the present chapter. We shall then move on to document the procedures of decentralised planning as introduced in 1985 in the Section-2. In the third section we shall make an assessment of the effectiveness of decentralisation of planning in terms of effective plan formulation, local resource mobilisation and strengthening of self governance, before concluding in the fourth section.

#### *2.1 Evolution of Local Self government*

The history of modern local governments in Bengal may be traced back to the Resolution of Lord Mayo, the British Viceroy in India, dated December 14, 1870. Mayo observed that “... local interest, supervision, and care are necessary to success in the management of funds devoted to Education, Sanitation, Medical Charity and Local Public Works. ... this ... will afford opportunities for the development of self government, for strengthening municipal institutions, and for the association of Natives and Europeans to a great extent than heretofore in the administration of affairs.” [Hunter: 1875, Vol. II, pp.57-60] Accordingly, Bengal Village Chowkidari Act(1870) was enacted by which a body named Chowkidari Panchayat or Panchayat Unions was constituted only for maintaining watch and ward in the villages. But in spite of such noble thoughts regarding decentralisation of local development, all that was done was extension of colonial law and order in to the interior of vilage Bengal, through the Chowkidari Act. The District Collector or his subordinate representative was given the power to select not less than five persons as the office-bearers of Chowkidari Panchayats, who would asses and collect Chowkidari tax and maintain the village police. [Mukhopadhyay: 1977, p.-21; NIRD: 1980] This was however in no way local governance even remotely, but only decentralisation of the local law and order management of the colonial state.

Later, in 1882, Viceroy Ripon felt that local institutions were necessary to make use of the “intelligent class of public-spirited men whom it is not only bad policy but sheer waste of power to fail to utilise.” [Palit: 1882, Pt II pp. 36-51]

In 1885, Bengal Local Self-Government Act was enacted. This Act provided for a three tier structure for rural areas with District Boards at district level, Local Boards at sub-divisional level and Union Committees for groups of villages. The electorate was extremely restricted by property ownership, education and gender criteria. [Ghosh: 1994] The higher officials who were exofficio members exercised real authority. The Union Committees and Local Boards were conceived as mere agencies of District Boards, which in turn were run by the District Collectors.[Mukhopadhyay: 1977] In fact Union Committees were never formed in most of the areas. The emergence of departmental district bodies such as District Education Board, made even the District Board redundant with respect to the limited powers that were assigned to them by the act. [Mukhopadhyay: 1977, Webster: 1992] These boards merely served the purpose of engaging the rural elite in the periphery of colonial state structure and creating an illusion of power sharing.

Initiation of urban local bodies dates back even earlier than rural local bodies. But as the former was restricted to Calcutta only, the panchayats can be taken as the historical starting point for modern local bodies. In 1726, during the regime of East India Company, Calcutta Corporation was established through a Royal charter. All the 10 executives, - a Mayor and 9 Aldermen were nominated in this first urban local body. The charter was replaced in 1793 by a statute which again went through several changes in 1817, 1840, 1847, 1852 and 1863 in order to introduce limited representation of selected sections of the citizens, with very little effect in practice. For the smaller towns, Acts of 1842, 1850, 1856, 1864, 1868 initiated similar process for which by 1873, altogether 184 municipal bodies were established in the then Bengal. The Act of 1873, which came as a fallout of Mayo’s Resolution, granted tax powers to urban local bodies. For Calcutta Corporation also, this Act instituted a 72 members’ body with two third of them elected and the rest remaining nominated. Under the Act of 1884 for the first time the post of Chairman of urban local bodies was opened to elected councilors.[GOB, SFC : 1995] Though the electorate was restricted like the rural

local bodies, urban bodies enjoyed more autonomy in terms of finance. Minute changes in legislation apart, the urban bodies did not go through serious changes for the first three decades of this century for this reason, that is they already reached some point of maturity in the given context of colonial rule.

For the rural bodies however, there were further changes. After the turbulent nationalist upsurge of 1905 against the proposal of partitioning Bengal, a Royal Commission for Decentralisation was constituted. The suggestions of this committee formed the basis of Bengal Village Self Government Act of 1919. It provided for a two tier structure of Union Boards at the lower level and District Boards at the higher level. The intermediate sub-district tier of Local boards was abolished. This Act also integrated Chowkidari Panchayats with the Union Boards. In a significant departure from the earlier Act, revenue village consisting of 8 to 10 villages with a total population around 10,000 was designated as the Union Board - the basic unit of local government. Thus the new Act more closely integrated the upcoming structure of local bodies with the administrative and land revenue structure of the colonial state. [Mukhopadhyay: 1977, Ghosh: 1994].

The Union Boards were vested with a number of municipal functions such as sanitation, water supply and maintenance of roads as well as some limited development functions such as establishment and promotion of cottage industries and establishment of primary schools and libraries. They also had certain regulatory functions including limited control over village guards.<sup>1</sup> The revenue of the Union Boards was limited to what they could raise from the local rates on buildings. With no financial support from above and payment for the salaries and equipment of rural police being the first statutory charge on their income, even municipal functions could hardly be exercised.

The above system survived nearly four decades and continued more or less unchanged during the post independence period also. Low resource capability of local governments, relative weakness of lower level local governments, emphasis on municipal functions, excessive official control and above all control by vested interests, particularly, landed gentry were the

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<sup>1</sup> *This, of course, was the inheritance of Chowkidari Panchayats.*

main colonial legacy with respect to rural areas [Khanna, 1994; Webster, 1992; P-14, 23]. However, with Bengal Municipal Act of 1932, further delegating wider range of civic responsibilities and increasing the proportion of elected members in urban bodies, the municipal bodies of the urban centres had greater autonomy, financial powers and functions than their rural counterparts.

It was only after a decade following independence, that the Act of 1919 was replaced by West Bengal Panchayat Act, 1957, reflecting the constitutional directive to promote panchayati raj. The Act provided for a Gram Panchayat in every village. It was conceived as the executive of Gram Sava consisting of all the voters on the electoral role in the village. The number of electorates were varying from 700 to 1200. The number of elected members of Gram Panchayats varied from 9 to 15. Also there was a provision for the State Government to nominate eminent persons from the locality. The Gram Panchayat had two elected executive posts namely Adhyaksha or president and Upadhyaksha or vice-president.

The Union Boards were replaced by Anchal Panchayat consisting of members indirectly elected by the gram panchayats. The earlier structure of District Boards was allowed to coexist with the emerging two tiers of local self government without having any organic linkage. It is also debatable to what extent the new system was operational: Even though, 19,662 Gram Panchayats were formally constituted only 50 per cent of them were actually formed up to 1963 [Dutta, 1993. P-39].

As for the functions of the newly constituted Gram Panchayats, there was no dearth of responsibilities, though the exact opposite was the case of their funds. The municipal functions of the earlier Union Boards were assigned to gram panchayats while the fund raising powers were allotted to the Anchal Panchayats. The Anchal panchayats were to devolve the surplus revenue to the Gram Panchayats under its jurisdiction.

The Act of 1957 was prepared before the publication of the Balwantrai Mehta Committee's report, which proved to be a major influence in shaping the panchayati raj legislation elsewhere in the country during this period. As a result, the Community Development Project (CDP) Blocks were not integrated in the panchayat system in West Bengal. Since the

Blocks of CDP were not coterminous with the Anchal Panchayats, it created problems in the proper implementation of CDP, and at the same time, hindered meaningful involvement of the panchayats in development activities.

In an endeavour to integrate the panchayat institutions with the CDP framework, Anchalik Parishads were created in 1963 by the West Bengal Zilla Parishad Act of that year. Zilla Parishads were to be set up in the place of the existing District Boards. Altogether fifteen Zilla Parishads and 325 Anchalik Parishads were formed. These two new institutions along with the 19,602 gram panchayats and 2926 Anchal Panchayats, formed under the 1957 Act, constituted the basis of a four tier system of rural local government.

Mid-1960s were a period of severe economic crisis in the state, particularly, in the sphere of food distribution generating severe social unrest. It also was a period of general political instability with a split in the ruling Congress Party in 1965, ascension to power of united front government in 1967, its dismissal and return to power in 1969 midterm elections, the president's rule from 1970 and installation of a new Congress government in 1972.

Many of the Gram and Anchal panchayats were formed way back, - between 1959 and 1963, and there was no elections after that. With elections to the local bodies long overdue, the United Front government that came to power in 1967 decided to hold fresh elections after reorganising the system. In 1969, the Zilla Parishads were disbanded. Even before the draft bill proposed by the second united front ministry could be enacted, the government fell. The elections could not be held.

Finally, in 1973, the West Bengal Panchayat Act was passed annulling the previous laws. The four tier structure was replaced by the emerging all India pattern of Gram Panchayat, Panchayat Samiti and Zilla Parishad. The new Gram Panchayats were similar to the Anchal Panchayats of 1957 Act and Union Boards of 1919 Act and consisted of a group of villages with a population of 10 to 12 thousands. Following Balwantrai Mehta Committee, Panchayat Samitis were coterminous with blocks, and Zilla Parishads were coterminous with districts.

The Act provided for direct election of members of all the three tiers for a five year term. The Pradhans of gram panchayats were exofficio members of Panchayat Samitis and Sabhapatis of Panchayat Samitis were similarly exofficio members of Zilla Parishads. The Act also provided for nominations of officials without voting rights into the standing committees of Zilla Parishad, and local MLAs and MPs as exofficio member of both block and district tiers.

As a framework for decentralised governance, the 1973 Act was a great improvement on the previous legislation in ensuring organic linkage between various tiers, improving executive efficiency through system of standing committees, and providing greater clarity regarding the functions. The municipal functions were obligatory for Gram Panchayats while development functions were mostly discretionary in nature, unless so assigned by the government. Some of the traditional functions like control over construction were continued. The functions of higher tiers were related to developmental activities. Very importantly for our purpose, the long list of functions also included planning.

Even though Congress government (1972-77) can take credit for the Act, it has also got to bear the onus of not holding the elections to the local bodies during its tenure. It was the Left Front government that came to power in 1977 that took determined steps to implement the law. In June 1978 elections were held simultaneously for all the tiers of the rural local bodies for the first time. The event heralded a new era for the panchayati raj system in West Bengal: Since then, elections to the local bodies were held at regular five years intervals in 1983, 1988, and 1993 as stipulated by law. More importantly, the powers and responsibilities of local bodies so constituted were systematically enhanced overtime as the new institutions gained greater and greater confidence.

In the first phase after 1978, the newly elected Panchayati Raj institutions were increasingly involved with execution of land reforms. The essence of land reform was to bring the illegal land under government acquisition, identify the beneficiaries, and distribution of vested land. Equally important preoccupation was the establishment of legal rights of the share-cropper, mostly named as *Bargadar* in West Bengal.

After 1978, the newly elected panchayats took the initiator's role at the grassroots level for the implementation of land reforms. Thus, while West Bengal with 3.5 per cent of agricultural land and only 1.8 per cent of the estimated surplus land of India had by 1985, contributed 19.2 per cent of declared surplus land of the country. From Table-1, we can actually see the progress of land reform in West Bengal. The following table brings out the outstanding progress in the period after panchayats got involved in the process.

Table 2.1: Progress of Land Reforms in West Bengal (Land in 1000 Acres, No.s in 1000)

	Pre-1967	1967	1972	1976	1977	1979	1981	1985	1990
Vested Agri. Land	337	628	925	1,025	1,057	1,177	1,249	1,236	1,259
Total Vested Land	-	1,911	-	-	2,578	2,761	2,847	2,864	2,870
Land under injunction	-	-	-	-	160	178	179	182	168
Land under possession	-	402	702	856	916	1,012	1,069	1,087	1,110
No. of Beneficiaries	-	238	-	897	977	1,018	1,324	1,650	1,828
Bargadars registered*					2	33	60	95	102

Sources: Ratan Ghosh [1976:43, pre-1976 figure 1981: A&O for Bargadar figures], H.Konar [1977: 29, 1979:5, figures for October 1967, vested land and January 1967, land in possession], T.K.Ghosh [1978:figures for September 1977]; M Bose 1981: 167-70: Board of Revenue, yearly. \*: refers to the numbers registered at the beginning of the year.

Panchayats took initiative in exposing *benami* or land holdings in disguise. They further ensured the identification of excess land and the declaration of vested land and finally they were in charge of ensuring a legal right of recipients of vested land and *bargadars* over land. The earlier block level Land Reforms Advisory Committee was replaced by the "Bhumi O Bhumi Sanskar Sthayee Samiti" (Land and Land Reforms Standing Committee) of the Panchayat Samiti. Between the period 1972 and 1976, 1500 to 2000 acres of agricultural land was vested per month on an average. Between August 1977 and December 1980, the average rate of vesting excess land increased to 3000 acres per month. [Dasgupta: 1981]. From the Table 1, we can see that vesting of agricultural land was more than 4000 acres per month between 1979 (117000 acres) to 1981 (1057000 acres). Panchayat's role was not limited to this only. They also initiated channelising institutional credit to assignees of vested land and bargadars. After the rural development projects were devolved to them for implementation, naturally the beneficiaries of land reform got priorities in their awarding of benefits from different rural development projects.

This was possible because through the panchayat election of 1978, a new leadership was established at the helm of the rural bodies. In the first panchayats elections, 60 per cent of the newly elected Gram Panchayat members were CPI(M) candidates. In Panchayat Samitis, more than 74 per cent were Left Front Candidates. More importantly, the occupational composition of the members showed very significant level of landless and poor peasants. They constituted 43 per cent of the elected members. Table 2 presents occupation wise distribution of Panchayat members between 1978 and 1988, over three five yearly elections.

On the basis of the the results of 1983 elections, Kohli observed as follows: "The new panchayats of West Bengal represents a break from the past political patterns in India. The panchayats in West Bengal or in most parts of India have seldom been so free of domination by landlords and rich peasants" [Kohli: 1983, p-794.]

The 1988 data refers to Birbhum district alone and that too for CPI(M) candidates who won 77 per cent of the seats. Fifty eight per cent of them belonged to poor peasants and agriculture labour category. This is in sharp contrast with the earlier picture of panchayats dominated by the landed gentry and moneylenders - as 70 per cent or more of them were supposed to be from such sections.<sup>2</sup>

This new leadership after 1978 on the other hand, came out of the tradition of peasant upsurge and struggle for land reform of three decades. It is very clear from Table 2, that the erstwhile village elite viz. the land lords and the money lenders lost their dominance over the newly elected local bodies.

While land reform was a natural choice for implementation through the Panchayats, another important task accomplished by them in those years was the work of distributing relief and reconstructing areas damaged by floods of 1977-78. As a result of the efficient performance of these task there was no visible influx to Calcutta, the megalopolis, from the rural areas under distress. Outmigration from the village to the city, either for natural calamity or for

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<sup>2</sup> *Before 1977, "...nearly 70 per cent of Adhyakshas and Pradhans came from the landowning cultivating families, and were known to have considerable annual incomes." [Mukhopadhyay: 1977, p.-186]*



joblessness of the rural sector, has virtually stopped after the panchayats were involved in relief works.

Table 2.2: Occupation-wise distribution of Panchayat Members

Occupation	1978-83*	1983-88#	1988-93\$
1. Landless agri workers	4.8	3.4	16.8
2. Bargadar	1.8	2.2	11.3
Landless agri. pop (1+2)	6.6	5.6	28.11
3. Cultivators below 3 ac	21.8	..	}
		..	}30.17
4. Cultivators 2-5 acres	14.3	..	}
Landless & small peasants	42.7	..	58.3
5. Cultivators 5-8 acres	6.6	..	}
6. Cultivators 8-10 acres	4.1	..	}28.5
7. Cultivators above 10 ac	4	..	..
Total owners cult (3 to 7)	50.7	51.7	58.6
8. Non agri workers	3.9	2.3	2.4
9. Unemployed	7.5	14.7	..
10. Student	0.6	0.47	..
11. Teachers	14.0	15.3	7.9
12. Doctors	1.1	0.23	..
13. Shop-owners	1.4	6.7	9.4
14. Others	14.2	3.0	1.57
Total non agri (8to14)	31.3	25.7	18.9
Total	100.00	100.00	100.00

*Sources:*

\* Results of a study conducted by the economic planning section of the Development Planning Department of the West Bengal Govt. The sample size was elected members of 100 Gram Panchayats in 1978.

# Results of a study conducted by the Panchayat Department of the W.B.Govt. The sample size was 200 Gram Panchayats (after 1983 election).

\$ Survey conducted by G.K. Lieten, 1988 in Birbhum. This is the distribution of 127 candidates of CPI(M), for all the members of the 8 GPs under a block. As 77% of these candidates won the election, this gives a fairly representative picture of the reality.

The panchayats were also entrusted by the State Government with the management of several rural programmes - Food for Works Programme (FWP) being first of them. The newly constituted Gram Panchayats were given Rs. 25,000 and 25,000 kgs of foodgrains in the Rural Works Project (RWP). During 1978-80, Rs. 119.80 crores and 3.95 Lakhs tons of foodgrains were provided in Food for Works project. Table-3 presents the creation of assets under these programmes. The Food for Work Programme (1977-80) was replaced by National Rural Employment Programme (NREP) with effect from December 15, 1980

[Misra, 1994]. Panchayats were also involved in implementation of Rural Landless Employment Guarantee Programme. Later, in 1989, both of these programmes were merged in to Jawahar Rojgar Yojna (JRY) and the involvement of panchayats was made mandatory by the Central Government of India for the implementation of JRY, as a result of West Bengal experience.

Table 2.3: Social Assets created under F W P in West Bengal

		197-8	198-9	199-0	190-0*
Soil Conservation (hectares)	462	5,754	1,495	2,878	
Irrigation (hectares)	42,137	45,210	7,500	23,681	
Flood Control (hectares)	82,600	75,520	24,518	11,245	
School Building Repairing and Construction (nos.)	935	1,890	588	417	
Road Repairing and Construction (kms.)	18,346	35,530	21,528	8,477	
Drainage (hectares)		1,214	1,135	901	
Miscellaneous (nos.)			2,440		

Note: \* Up to December, 1980.

Source: Dasgupta, 1981.

In 1980, West Bengal government entrusted the panchayats with the implementation of as many as 27 rural development programmes. Among the programmes devolved, some were of major national importance. The list included, Rural Reconstruction Programme, Rural Water Supply, Rural Housing Scheme, distribution of minikits for agriculture, and Programme of Reconstruction of School Buildings etc. In the implementation of NREP/RLEGP and also for the other programmes the panchayats made the most significant departure in the termination of contractor system.

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As in rest of India, the rural development activities in West Bengal also were dominated by the bureaucratic agencies that had emerged over the years in a somewhat haphazard fashion to administer the schemes and programmes sponsored by the Central Government. These agencies drew in officers from the departments but they remained autonomous bodies with little or no public accountability. For example, the Fourth Five Year Plan (1969-74) had identified small farmers, sub-marginal farmers, and agricultural labourers as targets for specific programmes. To administer these programmes the Small Farmers' Development Agency (S.F.D.A.) and the Marginal Farmers' and Agricultural Labourers' Agency

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(M.F.A.L.) were established during 1970-71. They were merged in 1974 and continued to function through the Fifth Five-Year Plan (1974-79). By 1979, 168 districts in India were covered by projects under these special schemes. The S.F.D.A. was an important agency for rural development because of its focus on the rural poor. It was merged with the Integrated Rural Development Programme (IRDP) in October, 1980, but here again a separate agency, the District Rural Development Agency (DRDA) was established and it continued to function in each district with the District Magistrate as chairperson. Each of these agencies had a governing body, drawn from district officers from the departments involved - generally agriculture, animal husbandry, co-operation and some times irrigation.

After the new panchayats proved to be effective in implementing Food for Works, they started getting responsibilities of implementing these schemes as well. The zilla parishad was given representation on the governing bodies of these institutions. Further, the Sabhadhipati was made the chairperson of the D.R.D.A. and the District Magistrate as vice-chairperson. The agency was thereby firmly tied into the panchayat framework.

NREP funds allocated to the districts were divided into two parts: around 20 per cent for big projects (Big NREP) and the rest for smaller projects (Normal NREP). The first one was under Zilla Parishad, sometimes who shared it with Panchayat Samittees. The Normal NREP was implemented by the Gram Panchayats. NREP funds were distributed among the panchayats in equal proportion to avoid discrimination. Money under this fund had to be spent according to specific guidelines. Most works undertaken by Gram panchayats, as observed by scholars, are infrastructural in nature, that is they were not productivity oriented. NREP fund was primarily spent for improving village infrastructure - particularly roads and culverts.

The actual receipts on this account was around twenty eight thousands to forty two thousands rupees in the GP of Kanpur II of Kanpur Panchayat Samiti of Bardhaman district during 1983-84 and 1984-85. Some 40-45 per cent of this expenditure was for wages (calculated from the income expenditure data of this panchayat). Another 10 per cent each was earmarked for wages on Scheduled Caste and Tribes and for forestations. Some 60-65 per

cent of the NREP expenditure was therefore spent on wages in total by the GP of Kanpur during this time. Material cost in total was around 35 per cent.

During 1980-85, a total of Rs.110.4 crores was spent under NREP through the panchayats in the state as a whole. Another 9.45 crores was spent on RLEGP only in 1983-84. IRDP fund, which has to be spent on beneficiary oriented programmes with a mandatory bank loan element, amounted to Rs.53.93 crores. [GOB, SFC: different years, Economic Surveys of West Bengal,]

NREP, and later JRY, constituted bulk of the funds spent by Gram Panchayats. Thus out of the total funds available to Kanpur-II Gram Panchayat in 1983-84 and 1984-85. (See Table -4) NREP constituted 35 per cent and 33.7 per cent. As is evident, bulk of the other grants was for establishment charges.

Table 2.4: Receipt of Funds of Kanpur 2 gram Panchayat (per cent)

Head	1983-84	1984-85
Opening balance	26.67	13.11
N.R.E.P.	37.01	34.52
Other Development Grant	6.85	2.93
Establishment	23.62	35.04
Own Income	5.85	14.40
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

Source: Calculated from Webster, 1992.

The own tax base of the panchayats continued to be extremely narrow, unlike the urban local bodies. As can be seen from the Table 5, the share of own resources (tax + non-tax) the rural local bodies in West Bengal, was only 3 per cent of the total revenue, which is well below the all India level (10.9 per cent). The dependence of panchayats on higher level of government for funds was more than 95 per cent. In the case of the urban local bodies, the disparity with all India average was relatively smaller. Thus on the eve of introduction of the decentralised planning, the panchayats in west Bengal, on the one hand reflected the maturity including political robustness gained through effective involvement in development

activities, particularly, the successful implementation of land reforms, on the other hand, weakness with regard to financial powers continued.

Table 2.5: Composition of Revenue of Local bodies: West Bengal and All India(76-77)

Revenue source	Rural		Urban	
	W.Bengal	All India	W.Bengal	All India
Tax	2.4	8.1	54.0	54.4
Non-Tax	0.6	2.8	12.1	27.1
Assigned/Shared Tax	9.9	7.3	10.2	3.7
Grants	87.1	81.8	23.7	14.8
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: Datta, 1992.

## ***2.2 The Decentralised Planning Process***

The Food for Work Programme, NREP, RLEGP and similar centrally sponsored poverty alleviation and rural employment programmes that constituted the mainstay development activities of the panchayats up to the mid eighties, did involve local level planning to a limited extent for their successful implementation. However, the scope of local level planning was severely limited given the nature of the above schemes being drawn up from above, absence of authority to integrate the mainstream development programmes implemented by the line departments at local level and absence of own plan resources for the local bodies. As the panchayati raj institutions stabilised and matured, their greater involvement in the planning process became an imperative necessity, if their capabilities were to be tapped for accelerating rural development. A number of reforms were introduced in the planning process from the mid eighties to ensure the participation of the local bodies in the planning process. In this section we shall discuss the evolution of the procedures established for decentralised planning; beginning with a brief discussion of the institutional structure that was set up for the purpose.

## The Planning Machinery

At the apex of the institutional structure were the State Planning Board (SPB) and the State Planning Department. Even though SPB was an advisory body to the for the formulation of the state plan, it played a leading role in guiding and coordinating the lower level planning machinery. A three tier local planning structure was by and large in position by the time decentralised planning was introduced in 1985. At the district level there are two tiers: the District Planning and Coordination Committee (DPCC), more of a deliberative body, and the District Planning Committee (DPC) its executive arm. The DPC prepares the plan and it needs the approval of the DPCC. Block Planning Committee (BPC) is the planning agency at the block level.

The key institution in the decentralised planning structure, the District Planning Committee (DPC), is headed by the Chairperson of Zilla Parishad and the district collector is its member secretary. It has a mixed membership of non-officials and officials. The non-official members include Chairpersons of the Standing Committees of the Zilla Parishad and also of Panchayat Samitis and Municipalities and a representative each from the key statutory development organisations of the district. District level officers, one each from each of the development departments are the official members. Sub-divisional officers are permanent invitees to its meetings. District level officers of banks are also invited if needed.

It is the duty of the DPC to integrate the local Plans prepared by block and municipalities within the overall guidelines regarding priorities and allocation of funds for the district indicated by the State Planning Board. The District Planning Committee is empowered to approve schemes up to Rs. 5 lakhs while schemes of higher value would require the approval of the State Planning Board. Similarly interdistrict schemes would also have to be submitted by the State Planning Board. The DPC is also empowered to review and monitor the district plan. It is to meet once in every quarter. [GOB No.3230/P-1S-6/85 Dt.d. 24-5-1985]

The DPCCs were formed by reconstituting the District level Coordination Committees with a minister as the chairman. The Chairperson of Zilla Parishad is its vice-chairman and district collector is its member secretary. All the other members of the DPCs are also members of the DPCCs also. The key difference in the composition of the two bodies lie in the membership of state legislators (MLAs) and members of parliament (MPs) belonging to

the district in the latter. Instead of the sub divisional officers, the commissioner of the division is a permanent invitee to the DPCC. It considers and approves plans put up by the DPC (expost). It is also empowered to review the progress of the implementation of the district level plan schemes. The DPCC is to meet at least twice a year [ibid]

The Block-Planning Committee (BPC) is headed by the Chairperson of the Panchayat Samiti. Its membership comprises Chairperson of all the Standing Committees of the Samiti and also of Gram Panchayats as well as the block-level officers of various development departments. The block development officer (BDO) is its member-secretary. The Committee prepares block level plans within the over all guide lines and financial allocations indicated by the DPC. It approves the block-level schemes, each with an estimated cost not exceeding Rs.50,000 Schemes costing more than Rs.50,000 each are submitted to the DPC for approval. The Committee may also formulate schemes relating partly to adjoining blocks as well. These schemes are also to be sent to DPC for approval. There is a small planning committee at the block level which prepares schemes and then sends it to the BPC for discussion and appropriate action. It reviews and coordinates plan schemes being implemented within the block .The BPC is to meet at least once in two months. [ibid]

At the level of Gram Panchayat, there is no planning body as such. Panchayats were to provide the BPC with a list of the most pressing problems or a “Basic Needs’ Statement”.

**Chart 2.1: Structure of Planning Machinery after 1985**

Level	Government	Planning Body	Plan
State	State Government	State Planning Board	Annual & Five Yr. State Plans
District	Zilla Parishad	Dist. Plg .& Coordination Committee (DPCC) Dist. Plg. Committee (DPC)	Annual & Five Yr. Dist. Plans
Block	Panchyat <sup>2</sup> Samiti	Block Planning Committee (BPC)	Block Plans
Village	Gram Panchayat	-----	Basic Need Statements

The preparations of Seventh Five Year Plan provided an opportune moment to make new beginning. A formal decision to introduce decentralised planning was made in October 1984 . But launching of the programme was held up by general elections and it was already March when the preparations began in earnest. The Sabhpathis of Zilla Parishads were urged “to formulate, quickly, district level plans for the year 1985-86, even without the support technical experts, to be appointed” thereafter and even pending the formal constitution of the DPCs. (WB-SPB: 12-3-1985).

There were to be three components to local plans:

- a) the district sector components of the developmental schemes of departments,
- b) the centrally sponsored anti-poverty and rural employment programmes (IRDP, JRY, etc.) and
- c) the projects prepared by the local bodies using the untied plan fund allocations.

The district plan was to be an instrument for the effective coordination of the departmental schemes that were being implemented at the district level. For this purpose the departmental plan schemes were divided into two types, State Sector Schemes and District Sector Schemes. State Sector Schemes were defined as those which were “non-divisible and capital intensive and confer benefit to the people throughout the state or in a number of districts” On the other hand, the District Sector Schemes “are divisible and operationally restricted to a district only, benefiting the people of that district alone.” [GOB No. 6299(30) / Dev. Dt.d. 23 -8- 1985]. The different departments were to convey to the district planners through their district level officers the details of the district sector schemes for the year 1985-86. Since the departmental schemes by and large would likely have been finalised by the time district plans were being formulated there would be very little by way of integration, modification or prioritisation by the districts. For the year 1985-86, the procedure adopted was merely intended to incorporate all the plans and programmes of different departments insofar as they operated within the district, in the relevant district plan. The district planners were to bear in mind these departmental programmes while drawing up schemes with funds under their control.



The major source of plan funds that was expected to be available for local level planning, was from the centrally sponsored schemes such as IRDP, NREP/RLEGP. It was expected to be significantly higher than the past. The expectation was that the allocation for West Bengal under RLEGP/NREP might be more than Rs.100 crores. IRDP funds though beneficiary oriented and therefore of limited use in area planning was expected to provide another additional 100 crores. The local level plan would facilitate more optimal use of these funds. ( WB- SPB : 12-3-1985)

An important innovation was the introduction of a new a separate budget head with effect from 1985-86 namely, "District Plan Schemes" (DPS). DPS Fund was the untied fund which the district authorities could utilise to meet the critical gaps between their fund requirements (according to the District Plan) and the available funds from diverse sources. For the first year, a sum of Rs. 20 crores was provided under this head for the whole state, which was to be distributed to the different districts according to a formula arrived at State Planning Board. The sharing was to be based on population, extent of under-development (e g, inverse of per capita power consumption), incidence of poverty ( e g, proportion of landless labourers and of *patta* holders of vested land), and a few similar criteria.

The State Planning Board also provided broad guidelines as to priorities to be born in mind in the formulation of the local plans: The first priority was to be development of agriculture and allied activities which would generate the maximum employment and secure the rapid rate of growth. The focus of attention had to be on the marginal farmer, on the assignees of vested land. The provision of irrigation through appropriate technology to this group was to be the key link. The importance of scientific agronomy, in the selection of crops etc. so as to optimize the limited land and water resources was also emphasised. The State Planning Board also drew up a scheme to provide all *patta* holders of around 8 lakh hectares of vested land with free minikits of seeds and fertiliser worth around Rs.100 per acre. The local plans were to provide complementary irrigation water and ensure measures to upgrade the soil. Construction of rural grain storage facilities, "small grain *golas*" was also to receive priority. The ancillarisation of agriculture and allied sector was also underlined.

Education and preventive health care was also to be on the agenda of the district plan. It was suggested that they could both be combined in a school noon meal feeding programme. The local bodies were asked to refer to PWD master plans so as to ensure an integrated network of transport. Overall, the suggestion of State Planning Board was that “at least 1/3 rd of the funds available for district planning be spent for irrigation programmes, that no more than 1/3 rd be spent on road construction, and that the balance approximately 1/3 of the funds spent on other programme.” [WB- SPB: 12-3-1985]

In order to create a data base for local level planning a block level questionnaire was devised by State Planning Board which could be compiled mostly on the basis of secondary data available. This proforma was meant to give a quick idea about:

1. “for whom to plan: who are to be immediate beneficiaries of the district plan outlay;”
2. “the priorities in respect of need;”
3. “the physical resources available, and the state of development, at a microlevel, in each block, on the basis of which to plan the implementation of diverse schemes”[ibid]

District planning authorities were also encouraged to use map formats to understand and compare the situation of different blocks by putting in collected and collated data in maps. The SPB also provided a hydrological map to help the district planning in understanding the ground water situation. The idea was that with the maps providing the basic information on the ground situation, perceptions of the local people were to be combined with the expertise of specialists attached to the planning bodies of each district, so that worthwhile plans could be formulated, consistent with the available resources of men and money, in the interests of the growth of employment, income and living standards of the weakest sections of the population”. (ibid)

The teething troubles in the first year proved to be too many. The promised posting of experts to district planning bodies were postponed.[Arun Ghose: 1989, p-319-20] The data collection process was prolonged. The departments failed to provide district-wise schemes’ break up even in the month of September. They showed no eagerness to interact with the

DPC. Still, plans of all districts were finalized and approved during the course of the year and reportedly, except for one or two districts, the district plans prepared for 1985-86 were of commendable quality.

The districts of Medinipur and Bardhaman were, perhaps, the best specimens of the process of the improvisation and local inovativeness that characterised the planning procedures of the first year. We shall here briefly sum up their experience, as reported in the chapters on methodology in the district plans [DPCM:1985; DPCB: 1985], supplemented by the description given by Arun Ghosh [Ghosh: 1988, 1989].

- a) Each Gram Panchayat prepared a statement of their most acutely felt needs and submitted it to the Panchayat Samiti at the block level.
- b) Taking into consideration of the above felt needs of the people and the resources of the block as revealed by data collected and maps prepared with the help of the officers, the Panchayat Samiti prepared schemes to be implemented. The ceiling for schemes was Rs. 1 crore.
- c) Since required information regarding district sector schemes within the block was not available for the year 1985-86, a statement of the going and proposed departmental schemes in the block was prepared relying on the actual expenditures of 1984-85 and discussions with the officials.
- d) The list of schemes in various sectors, both departmental as well as those prepared by the Panchayat Samiti, and the source of finance of each [viz. i. departmental outlay, ii. centrally sponsored sources such as DPAP, NREP, RLEGP, IRDP etc. iii. other sources such as Hill Area Development Authority etc. and iv. District Plan Fund for 1985-86] was drawn up in a matrix form. Needless to add, many of squares in the matrix remained incomplete. These were then forwarded to the planners at the district head quarters.
- e) Three subcommittees were constituted to process the documents from the Panchayat Samitis. A technical subcommittee examined the feasibility and estimated costs/benefits

of each scheme. An economic subcommittee arranged all schemes in order of priorities, ensuring the compatibility of and coordination between different schemes as well as consistency with the need based statements of the Gram Panchayats. A third subcommittee headed by the Sabhadhipati finally took the decision on the contours of the district plan, from the block plans. This implied that the block plans had to prune and some of the schemes prepared at the block level omitted.

f) The district level planning machinery integrated the block plans, municipal plans, area / notified area authority plans and other inter-block and district level schemes into a draft district plan. An outlay matrix showing outlay by each sector and scheme with source of funding was also drawn up.

g) A credit plan was also drawn up in consultation with the bankers seeking to integrate credit programmes of the banks with the sectoral development plans plan prepared through the process outlined above.

The district plan of Bardhaman consisted of seven volumes. The first volume, after a introductory statement on methodology and administrative arrangement, provided a profile of the district, broad outlines of the annual plan and the perspective for the development of the district. The second volume consisted of a number of maps providing essential spatial dimensions for district level plan regarding geology, hydrology, irrigation, land use, communication and other facilities. The Block and Municipal Plans of each of the five subdivisions were presented in separate volumes. Thus the district plan consisted of 33 block plans, 6 Municipal are plans, and five notified area plans. A total outlay of the Bardhaman Plan was Rs.62 crores, of which Rs.25 crores was to be departmental outlays and another Rs. 21.8 crores under different central government projects, area development authorities, etc. The DPS fund provision was Rs. 1 crore only. The major source of plan fund at the command of the local bodies was centrally sponsored schemes such as NREP, (Rs.3.6) crores, RLEGP (Rs.2.4 crores) and IRDP (Rs.4.4 crores). The credit plan estimated the credit requirements of the plan to be Rs.35 crores. [DPCB: 1985]

The district plans prepared by the DPC were examined and modified through mutual discussion before being submitted to the DPCC for approval. One common feature of the first year plans were their unrealistic outlays. No firm figures regarding any of the sources of the fund available could be provided when the planning process was initiated. Even the actual outlay of centrally sponsored schemes came to only half the amount that was initially expected. Nevertheless, the elaborate plan for 1985-86 provided a perspective and framework for local level development for drawing up and integrating the schemes of different development agencies, if not in the current year in future.. Schemes like IRDP, NREP, RLGEP, DPAP, etc. which have been traditionally implemented by the panchayats could now be fitted into a well-knit programme, even if modifications to the plan had to be made to accommodate the changes in outlays.

Above all, the educative value of the first year exercise can not be discounted. It laid a basis for the future of the decentralised planning in West Bengal. Many modifications were made in the planning procedures in the subsequent years but the basic frame-work has remained unchanged till to date.

### **Stablisation of the Decentralised Planning Process**

The major handicap in the first year of the decentralised planning process was the failure of the departments in providing information regarding the break up of their programmes by districts and blocks. Therefore guidelines were issued to the development departments to initiate consultation with the DPCs before departmental plans were drawn up and also to present their plan proposals in two parts- the state plan proposals and the district plan proposals, with the break up of district wise and block wise expenditure. This process of consultation was completed by the end of month of October, 1985. The DPCs were to formulate the DPS fund schemes only after the finalisation of location and priorities of departmental schemes and assessing the critical gaps therein and the needs and aspirations as reflected in the plans and proposals from below.

The priorities of the state government was also more clearly spelt out so that the basic approach of the plan is known to the DPCs while formulating their DPS fund schemes. The focal point was generation of employment opportunities and supplementary income for the

underemployed. It was to be achieved through provision of essential inputs and marketing facilities for agriculture and allied services and cottage and small scale industries. Health care, nutrition and sanitation was also accorded priority. Of course, the above did not exclude the DPCs from taking steps to fill up certain unavoidable critical gaps in infrastructure or pursuing social welfare measures. [GOB No.7593(30)/P-1 S-43/85 dated 15-8-1985]

The entire process including discussion of draft plan at the State Planning Board was to be completed by December, 1985. But even in March 1986, confusions as to what constituted a district sector scheme were holding up demarcation between state and district level schemes at the state level. [GOB:No.2237(12)/DP-2C-2/86, dated 31-3-1986] The irordinate delay of some of the departments in communicating to their district level offices the allocation for district sector schemes of the respective districts was once again jeopardising the local level planning process. The block wise break up for district sector schemes could not be prepared at the district level. Further, in the absence of prior consultation with the DPCs, the local priorities could not be incorporated in the departmental plan proposals. Therefore a time bound plan of action was initiated at the beginning of the financial year itself for the preparation of the next years (1987-88) annual plan (See Chart 2). The same schedule was followed for the preparation of annual plan for 1987-88 also.

### **Chart 2.2: Calendar for State Planning - 1987-88**

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Middle of May	Departments indicate the anticipated flow of funds from their budget to their district officers.
Middle of July	District/Block level officers sit with the DPCs/ BPCs and discuss about the priority, location and type of the schemes to be taken up at the district/block level.
1 <sup>st</sup> week of August	The Departments finalize departmental component of district and block plans.
2 <sup>nd</sup> week of August	The Departments forward the DP-I (state sector schemes) and DP-II (district sector schemes) statements to the Development and Planning Department with a copy to the DPCs.
Middle of August	Interaction with the departments commences in the State Planning Board.
After middle of August	Development and Planning Dept. interacts with the Finance Dept. for incorporation of the District levels schemes in the White Book.
1 <sup>st</sup> week of November	Completion of exercise for finalisation of the departmental plans - both divisible and non-divisible components.
2 <sup>nd</sup> week of November	Preparation of the state Plan Document - Vol. I & II - commences.
1 <sup>st</sup> week of December	Submission to the Planning Commission.

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Source: Compiled from GOB: D.O.No.2720(45)/DP/18-21/86.

An area where significant improvement in the planning process did take place was with respect to credit planning. Strict instructions were issued that no credit plan prepared by the lead bank should be put in to operation without the approval of the DPCC and to ensure this, representative of the lead bank of the district has to be invited to the DPCC. The guidelines for the executions for the same including earmarking of credit for specific sector and schemes mode of selection and the eligibility of the beneficiaries etc. were also to be finalised at the DPCC. Thus the district plan proved to be an instrument for greater effective linkage between institutional finance and development credit requirement.

The district plan is implemented by a number diverse agencies such as government departments, different tiers of local bodies, statutory authorities and so on. While RLEGP/JRY/IRDP schemes and DPS fund schemes are exclusively implemented by local bodies, there lack of clarity regarding the implementation agency for district sector schemes. A major proportion continue to undertaken by the concerned department itself. For small and non-technical nature of scheme particularly under the NREP, RLEGP etc. Gram Panchayats are the Executing Agency up to the sum of Rs.5000. For the schemes up to the estimated value of Rs.50,000 Panchayat Samitis are the entrusted agencies. For big schemes, however, Zilla Parishads are the Executive Agencies. Besides certain minimum needs programmes like upgradation of Primary School, construction / repair of Rural Health sub-Centres and the like are entrusted to Zilla Parishads. According to this distribution of work, commensurate fund is allotted to the Zilla Parishads/Panchayat Samitis/Gram Panchayats under intimation to the District Planning Committee. Normally no contractor can be engaged for utilisation of DPS funds.

On the whole, there was definitely substantial improvement in the process of decentralisation of planning over time. SPB also succeeded in getting the support of the Planning Commission for the appointment of an economist-cum-credit planner, sub assistant engineer and a couple of clerks for each District Planning Committee. The performance of different districts in decentralised planning naturally varied, depending on the ability, commitment, tenacity of Sabhadhipati and District Magistrate, the relation among them and their relations with other officials of different departments. The technical expertise that can be put to use also played

a role in this variation. Finally, the standard depended on a complex set of matrices representing the panchayats, their activity mobility, ability and relations with different departmental officials.



### 2.3 One Decade of Decentralised Planning: An Assessment

Having discussed the evolution of institutional structure and the procedures of decentralised planning from 1985-86, we shall now attempt to evaluate its performance on the basis of the limited empirical evidence available. We shall start with an overview of 14 district plans for the year 1991-92. A matrix of the broad sectoral outlays with the source of funding is presented in Table-6.

Table:-2.6 Outlay Matrix of Different Sectors according to Sources of the Aggregate of 14 District plans '91-92

Sectors 1	Sources:	District Sector	Central Schemes			D.P.F.	Bank	Others	Total
	of Departments	IRDP	JRY	Total	Credit	Others	Total	Outlay	
	2	3	4	5(=3+4)	6	7	8	9	
								(2+5+6+7+8)	
I. Agriculture and Allied	4.41	0.70	1.35	2.05	0.06	11.31	1.10	18.93	
II. Rural Development	0.92	1.96	5.26	7.22	0.01	3.63	1.16	12.93	
III. Special Area P.	1.09	0.00	0.00	0.00	0.01	0.00	0.01	1.12	
IV. Irrigation and F.C.	6.95	0.33	3.21	3.54	0.26	1.84	0.62	13.20	
V. Energy	3.46	0.00	0.00	0.00	0.00	0.17	1.85	5.48	
VI. Industry & M.	3.42	0.73	0.00	0.73	0.02	8.79	0.21	13.16	
VII. Transport	3.83	0.00	1.75	1.75	0.39	0.31	0.38	6.65	
IX. Sc.Tech.& Env.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	
X. G.B.S.	0.30	0.00	0.00	0.00	0.32	0.00	0.03	0.65	
XI. Social Services	16.63	0.00	1.54	1.54	0.31	3.78	0.94	23.19	
XII. General Services	1.28	0.62	0.05	0.67	0.14	2.46	0.12	4.68	
Grand Total =	42.29	4.33	13.16	17.5	1.53	32.27	6.42	100.00	

Sources: Compiled from District Plans of different districts, 1990-91.

The Table has been compiled from the district plan documents of different districts. The overall sectoral outlay shows that the social services claim as much as one fourth of the district plans. Agriculture and allied activities sector comes next in importance, with nearly 20 per cent. Along with related sectors such as rural development, special area programme, and irrigation, Agriculture as a whole accounts for as much as 45 per cent of the district plans.

It must be said by way of caution that the outlay figures include apart from the plan funds of the central and the state governments and the local bodies, 'bank credits' and funds from

“other sources” including contribution from beneficiaries. The legitimacy of including that proportion of bank credit extended to the private beneficiaries and the contribution of the beneficiaries in the plan outlay can be questioned. The bank credit contribute to nearly one third of the total district plan outlay. A sizable part of this is supplementary to the IRDP. But IRDP alone, being only 4.33 per cent, can not account for this big proportion of Bank Loan. Actually, the district credit plan is accommodated in the district plan. It has been already said in the earlier section that the Sabhadhipati of Zila Parishad was made the chairperson of district credit planning. The Zila Parishad could thus yield greater influence upon the district credit plan. Our data shows that, as a whole for the state, agriculture and small scale industry claims as much as 62 per cent of the total bank credit.

The district sector schemes of different departments contributed to 42.29 per cent, the DPS fund 1.53 per cent and JRY and IRDP around 17.5 per cent of the overall outlay of the district plans. If bank credit and other sources are excluded from the outlay, the share of district sector schemes rises to 69 per cent, JRY and IRDP to 28.5 percent and DPS fund to 2.5 per cent.

### *The District Sector*

A major objective of the decentralised planning was to coordinate the departmental schemes implemented at block and district level and make them more responsive to local level problems. The district sector schemes of the departments constituted the most predominant component of the local plans. The first question that arises in this context is the relative size of outlay on such district sector schemes that the departments were willing to place under local scrutiny and coordination. Another related issue is the sectoral allocation of the departmental district sector outlays. Has the pattern been changing overtime and can there be a rational explanation for these changes? Finally, perhaps most importantly, is the more substantial question of effectiveness of the local level involvement in the formulation of district sector departmental schemes. Has it been merely an exercise in mechanical aggregation of departmental schemes into one single document ? Or has there been substantial local autonomy in terms of prioritisation, selections of site and beneficiaries and implementation?

As can be seen from Table 7, the proportion of district sector schemes in the State Plan has tended to rise overtime. During the latter half of 1980s, the ratio fluctuated between 24 and 41 percent. Since then there has been a steady rise, reaching an all time high of 67 per cent in 1993-94. It must be noted however that this trend need not have been the result of any shift in the state plan formulation towards new local or district specific schemes. It might be only that, over time, more and more of the existing schemes have been redefined and identified and then included within the district sector.

Table 2.7 : Share (Percentage) of District Sector Schemes in the Sectoral State Plan outlay

	85-86	86-87	87-88	88-89	89-90	90-91	91-92	92-93	93-94
I. Agriculture and Allied	41.10	41.36	59.31	60.83	48.23	51.01	56.28	71.08	70.00
II. Rural Development	78.64	75.69	79.89	86.57	88.34	84.17	89.18	97.68	99.00
III. Special Area P.	51.54	65.40	87.89	81.27	50.44	91.19	85.46	82.47	60.00
IV. Irrigation and F.C.	23.64	51.34	73.90	21.63	23.65	93.91	63.52	85.79	90.00
V. Energy	12.14	13.11	29.63	16.10	10.87	13.92	13.44	30.00	32.00
VI. Industry & M.	9.66	7.23	4.19	7.60	9.94	11.17	74.01	48.00	63.00
VII. Transport	13.02	13.83	19.44	1.87	34.49	16.57	53.11	60.00	28.00
IX. Sc.Tech.& Env.	0.00	0.00	0.00	0.00	0.00	0.00	7.47	50.00	32.00
X. G.E.S.	74.94	96.86	96.09	93.67	89.27	90.94	95.34	87.98	100.00
XI. Social Services	18.32	25.63	38.40	31.56	20.04	60.37	61.49	58.00	49.00
XII. General Services	44.05	61.28	34.25	18.73	0.00	5.30	22.73	26.00	12.00
Grand Total =	25.27	31.12	41.62	29.21	24.44	42.68	50.23	53.00	57.23

Source: Data collected and compiled from Annual State Plan of West Bengal of Different years.

The General Economic Service (GES) is showing maximum decentralisation with 75 per cent to 100 per cent of the total sectoral allocation. But its share in District Sector Planning has declined sparsly. From around 10 per cent in mid-1980s, it was below 2 per cent in mid-1990s. The main component of GES from 1985-86 has been the District Plan Fund (DPF) which is entirely for the district sector.

The district sector ratio of Rural Development Department, Agriculture and Allied sectors and Special Area Programmes have been not only high but also rising. However, their share in the total district plan outlay has been declining from 38 per cent in 1985-86 to 22 per cent in 1996-97. The sector of Social Services constitutes the single largest component of the district sector departmental outlays with its share ranging from 20 to 35 per cent.

Table 2.8 : Share of Different Sectors in total outlay for Disaggregated District Sector Schemes

	85-86	86-87	87-88	88-89	89-90	90-91	91-92	92-93	93-94
1. Agriculture and Allied	12.58	10.10	9.83	14.31	12.98	7.31	6.74	8.04	7.02
2. Rural Development	22.86	15.31	11.20	16.79	19.18	12.94	11.82	12.48	12.94
3. Special Area P.	2.66	4.14	3.56	4.54	3.54	3.24	2.60	2.36	1.84
4. Irrigation and F.C.	10.18	18.25	19.21	7.82	9.95	22.32	13.20	16.97	14.06
5. Energy	12.18	10.93	19.28	15.10	15.41	10.20	8.17	17.15	17.92
6. Industry & M.	2.68	1.96	1.10	2.77	3.49	2.73	19.59	12.07	13.63
7. Transport	3.24	2.66	2.95	0.42	8.34	1.88	5.02	2.59	2.70
9. Sc. Tech. & Env.	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.15	0.11
10. G.E.S.	9.53	10.75	8.43	8.85	7.69	3.95	3.35	1.54	1.62
11. Social Services	20.95	22.58	23.26	28.46	19.41	35.17	28.97	26.37	26.21
12. General Services	3.14	3.32	1.18	0.94	0.00	0.27	0.51	0.29	1.94
Grand Total =	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
out of that District Plan	8.79	10.20	8.17	8.71	7.69	3.95	3.21	1.45	1.52

Source: Annual State Plan of West Bengal of Different years.

There is also yet another curious feature of the trend in the district sector ratios of various departments, namely, wide fluctuations from year to year. Thus on Irrigation and Flood Control, there was a very sharp increase from 24 per cent in 1985-86 to 74 per cent 1987-88. In the very next year the ratio declines to 22 per cent. But in 1990-91 the ratio shot at up to 94 per cent! Similarly, in Industry it rises from 11 per cent to 74 per cent between 1990-91 and 1991-92. We had already noted in the last section the confusion that existed regarding the concept. The demarcation of the schemes in to two sectors gave much scope for subjectiveness.

So far we have been discussing the exante allocation for district sector schemes. An analysis of their actual expost expenditure indicates substantial shortfalls.

The ratio of actual release of funds for district sector scheme is lower than the ratio of allocation for most of the years. More importantly, no continuous trend in actual expenditure is visible. During the latter half of 1980s, the District Sector has fluctuated around 25-35 per cent and during the 1990s at around 50 per cent of the State Plan.

Table 2.9: Disaggregated Actual Expenditure of different Sectors for District Plan as a percentage of the sectoral expenditure

	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94
I. Agriculture and Allied	61.49	53.17	47.71	55.30	0.52	65.47	75.00	54.00	60.00
II. Rural Development	73.92	67.08	69.18	81.48	93.06	98.05	97.00	92.00	80.00
III. Special Area P.	79.86	79.49	58.43	48.63	0.50	89.56	53.00	13.00	60.00
IV. Irrigation and F.C.	81.17	11.57	13.17	20.09	23.72	84.34	91.00	93.00	97.00
V. Energy	21.52	19.03	18.71	14.62	9.10	22.04	32.00	30.00	31.00
VI. Industry & M.	4.89	6.44	8.08	7.65	7.52	64.64	76.00	82.00	40.00
VII. Transport	10.19	0.00	19.46	15.14	15.92	57.00	29.00	60.00	40.00
IX. Sc.Tech. & Env.	0.00	0.00	0.00	0.00	0.00	50.00	43.00	0.00	43.00
X. G.R.S.	95.60	91.44	93.01	96.10	96.43	98.90	93.00	97.00	88.00
XI. Social Services	41.53	32.13	31.59	19.48	18.50	50.56	65.00	41.00	65.00
XII. General Services	2.32	16.17	18.48	0.00	0.00	67.00	23.00	25.00	21.00
Total Annual Plan	36.16	27.64	29.37	26.73	24.85	51.97	57.35	49.00	50.29

Source: Data collected and compiled from Annual State Plan of West Bengal of Different years.

Table 2.10: Sectoral Distribution of overall State Plan and District Sector Schemes' Outlays

	1984-85	85-86	86-87	87-88	88-89	89-90	90-91	91-92	92-93	93-94	95-96
1. Agriculture and Allied	13.27	12.12	13.26	11.26	13.23	11.71	8.32	8.41	5.96	5.73	5.76
2. Rural Development	34.43	15.18	18.83	19.98	22.54	25.49	15.62	13.43	18.14	16.88	22.83
3. Special Area P.	7.05	4.35	5.48	3.40	2.68	2.99	2.51	1.96	0.38	2.33	1.02
4. Irrigation and F.C.	7.33	23.72	4.85	5.23	7.27	8.46	19.67	17.48	20.93	29.04	23.53
5. Energy	11.76	17.04	15.62	16.12	17.25	13.07	14.86	20.97	19.61	16.98	4.13
6. Industry & M.	2.81	1.06	2.53	2.29	2.32	2.67	7.93	9.55	11.16	4.59	1.93
7. Transport	6.26	1.82	0.00	4.39	3.63	3.12	2.53	2.69	2.12	3.06	6.46
9. Sc.Tech. & Env.	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.10	0.00	0.06	
10 G.R.S.	0.70	8.05	6.30	6.86	13.35	15.55	9.42	1.79	4.90	1.59	2.68
11 Social Services	14.83	16.59	32.57	29.85	17.73	16.95	18.40	23.48	16.69	19.45	28.31
12. General Services	1.57	0.06	0.56	0.63	0.00	0.00	0.65	0.14	0.10	0.29	3.35
Grand Total =	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
out of that District Plan		7.84	6.26	6.86	13.35	15.55	9.33	1.63	4.78	1.46	2.68

Source: Data collected and compiled from Annual State Plan of West Bengal of Different years

The proportion of regionally divisible schemes being much lower in sectors like in energy and industry, their share in District Sector Outlay is much lower than their share in overall state plan. In contrast, the share of Agriculture and Allied, Rural Development and Special Area Programme is together around 45 per cent of the District sector Outlays, at significant level higher than their allocation ratio in the state plan.

Table 11 presents certain aspects of the per capita allocation of inter district distribution of district sector schemes for selected years. There is significant interdistrict difference in the

per capita district sector scheme outlay ranging from Rs 24.43 for Howrah to Rs.59.14 for South 24 Parganas in 1985-86, to Rs.55.43 for Nadia and 324.72 for Coochbehar. It was not possible for us get the definite formula or formulas by which the inter district devolution took place.<sup>3</sup> It was unlikely that there was any such formula. As evident from Table 11, per capita rank order has tended to change over time; the share of districts like Cooch Behar, Jalpaiguri, Darjeeling tend to rise overtime. Districts like Howrah, Hoogly, tend to decrease. The overall coefficient variation of per capita outlay on the whole remained the same.

Table 2.11: Per Capita District Sector Outlay (Rs.Per Capita)

	1986	1987	1988	1989	1990	1991	1992	1993	1994
Coochbehar	37.90	79.30	93.69	90.08	114.82	222.51	279.50	301.26	324.72
Jalpaiguri	31.69	80.83	94.88	98.10	174.80	205.64	220.96	237.42	255.10
Darjeeling	52.70	149.29	118.85	159.29	237.18	259.35	278.57	299.21	321.38
W.Dinajpur	43.54	86.26	129.44	122.47	137.32	147.14	96.03	108.78	143.02
Malda	40.37	66.22	69.42	73.10	98.86	160.77	172.29	184.64	197.88
Murshidabad	34.73	50.80	54.38	61.01	107.34	132.59	140.23	150.47	147.51
Nadia	30.31	42.80	48.95	61.44	71.69	60.55	64.88	51.72	55.43
N.24 Parganas	NA	29.00	34.17	NA	63.13	68.13	73.52	79.34	78.08
S.24 Parganas	59.14	57.67	66.00	142.48	98.59	135.41	146.13	157.71	170.20
Howrah	24.43	32.50	39.78	61.10	69.81	75.05	73.81	79.35	85.31
Hoogly	36.02	47.84	55.55	78.97	87.33	93.23	99.52	106.24	113.42
Medinipur	38.71	65.34	83.37	103.83	107.51	109.48	117.91	128.21	145.51
Bankura	40.01	68.89	91.53	115.04	136.99	148.20	160.33	173.45	187.64
Purulia	55.28	92.79	103.34	137.04	157.08	169.68	183.27	197.96	213.82
Bardhaman	30.91	51.21	59.92	71.14	78.42	84.35	90.73	98.77	106.24
Birbhum	50.36	70.17	85.55	86.14	107.08	115.47	124.52	198.16	213.69
All District	34.90	58.84	69.68	83.38	103.08	119.49	126.28	137.87	148.68

Table 2.11 A: Correlation of Per capita District Sector outlay and district development index

	Average Plan Exp.	Std. dev.	Corr. Coef. between Plan Exp. & Dist.Dev. Index	Rank Corr. Coef. between Plan Exp. & Dist.Dev. Index	Covariance between Per Capita and Development Ind.
1987-88	66.93	28.7	-0.342	-0.569	-160.84223
1988-89	76.80	27.8	-0.533	-0.566	-242.36836
1990-91	115.50	45.2	-0.389	-0.600	-288.44194
1991-92	136.72	57.3	-0.431	-0.519	-404.39409

<sup>3</sup> The formula of inter-district allocation we mentioned earlier was for the District Plan Fund only, exercised by the State Planning Board and Development Planning Department. No such formula could be found in the case of other departments' district sector allocation.

Even though, there was no definite formula for inter district devolution for district sector schemes, the actual allocation has met regional equity norm in the sense that generally, the more backward districts has received higher per capita allocation. As can be seen from Table 11, the per capita interdistrict allocation tends to be negative and statistically significant at 10 to 20 per cent. The rank correlation coefficient between the two is even more significant at 5 per cent level. But as we shall note later, significance in correlation is not as high as for DPF district-wise allocation.

How effective has been the local control over these departmental schemes that are supposed to have been devolved to the districts? It is really a difficult question to answer given the fact that for many reasons. Its effectiveness had varied overtime and across department. The district sector of departmental schemes has been more effective in some districts than in others. Arun Ghosh, reviewing the programme in 1988, wrote:

”More significantly, there is little progress in regard to the coordination and vetting of departmental plans - insofar as they affect a district - by the district planning and Coordination Committee. Power is not shed easily or voluntarily by any individual: and the departmental mandarins at the state headquarters have not in general relinquished their control or authority over departmental outlays.”

While narrating the evolution of district planning in West Bengal we have already noted how during the first year of 1985-86, not only there was no meaningful interaction between the DPC and the departments, but also departments could not indicate district and block wise estimates of the schemes even in the latter part of the financial year. There was no significant improvement in 1986-87. There was certainly some improvement in the subsequent years, but interdepartmental interdistrict variation in the quality of the programme continued to persist.

An important reason for the interdepartmental variation in decentralisation of planning was perhaps political. All but one of the district Zilla Parishad was controlled by CPI(M) while important portfolios for decentralisation eg, agriculture, Minor Irrigation, Cooperation, Small Scale Industry and Public Works were held by the non-CPI(M) parties in the Left Coalition. There was a lack of enthusiasm among the minor left front partners in transferring

departmental authority to DPCs headed by CPI(M). The departmental hesitation from above could be overcome in the districts where Zilla Parishad Presidents carried sufficient authority for effective implementation in district level departmental administration.

Even though prior consultations with the DPCs were insisted in order to fix the location and priority in the case of multiple schemes, the departments continued to have an upper hand in the decision making process. The DPCs had neither any control over the departmental officer to ensure the compliance of their recommendations nor sufficient own funds to influence the decision making processes in the departments. Departmental allocation was made to the districts in the form of narrow subsector or even scheme wise division leaving very little scope for local autonomy in planning. Most of the schemes were continued to be implemented by the departments themselves. There was very little scope for the local bodies to monitor the implementation or even less scope in directly getting involved. There was much departmental discretion in deciding what schemes would be given to the local bodies for implementation.

### **District Plan Funds**

A major drawback of decentralised planning in West Bengal has been extreme paucity of untied funds which the local authority can utilise to fill critical gaps to supplement departmental schemes, or independently pursue their perceived priorities. The district plan funds which was to be the basis of financial autonomy of the local planning authorities, were too meager to make any significant impact. In the first year (1985-86), the district plan fund released came to about 3 per cent of the Annual Plan. In the subsequent two years though plan provision was significantly increased, the actual release came to only half of the targeted amounts. Even though during the next three years, i.e. between 1988-89 and 1990-91, the allocation remained as in the past around 20-24 crores, the actual releases were substantially higher. During the next three years there was a sharp decline in untied plan funds released to the districts reaching an all time low of Rs.7crores in 1993-94. In the more recent years even the formal allocation has been reduced. In 1994-95 the allocation under this head was only Rs 8 crores i.e. 0.47 per cent of the annual plan for the year. More than the relatively small size of the untied fund what has been creating problems for the district and block



Table 2.12: Expenditure and Allocation of District Plan outlay

Year	Actual	%	Allocation	%
1985-86	1985.54	2.84	2000.00	2.96
1986-87	1237.85	1.73	2400.00	3.20
1987-88	1580.35	2.02	3000.00	3.43
1988-89	3520.32	3.57	2440.00	2.57
1989-90	6597.73	5.71	2157.00	1.93
1990-91	5272.34	5.02	2326.00	1.69
1991-92	858.33	0.95	2400.30	1.61
1992-93	2074.75	2.59	1267.42	0.78
1993-94	705.00	0.58	4351.780	3.76

Source: Plan documents of different years:

Table 2.13 : District wise allocation of District Plan Fund: Formula, 1985-86 and 1992-93

District	Allocation & Realease of DPF 1st instalment in 1985-86 by SPB <sub>1</sub> (Rs. Lakhs)	%-age weightage according to 1992-93 SPB Circular <sub>2</sub> (%)	Actual Release in 1995-96 by Dev.Plg. Rs.Lakhs	% -age of given Department total release
Coochbehar	77.67	7.7	357.55	6.17
Jalpaiguri	47.53	4.75	281.24	4.86
Darjeeling	33.73	3.37	281.44	4.86
West /North				
Dinajpur	68.20	6.82	233.06	4.02
South Dinajpur	-*-	-*-	265.59	4.59
Malda	57.13	5.71	321.09	5.54
Murshidabad	64.80	6.48	--	--
Nadia	36.27	5.11	--	--
24 Parganas	163.27	16.33	--	--
Howrah	43.67	4.37	--	--
Hoogly	58.33	5.83	--	--
Midnapur	117.40	11.74	--	--
Bankura	56.60	5.66	--	--
Purulia	41.20	4.12	--	--
Burdwan	74.40	7.44	--	--
Birbhum	45.00	4.50	--	--
Total	1000.00	99.93	5791.00	100.00

Note: (-\*-): The district of West Dinajpur was bifurkated later in to North Dinajpur and South Dinajpur. The allocation pertaining to the undivided district is given under the first one of the later two districts entered in this table, as West/North Dinajpur. (--): Details are not available.

Source: <sub>1</sub>: G.O. No.6372/P/1F-B/85, Deputy Secretary to the Accountant General of West Bengal. <sub>2</sub>: Circular on Allocation of District Plan Fund, 1992-93, From SPB to Planning Section of Development Planning Department.

authorities has been the dichotomy between the allocation made and the actual amounts released and the consequent uncertainties.

It was noted in the last section that the DPF was distributed on the basis of a composite criterion of population and backwardness. Table 13 presents the weightage allotted by State Planning Board to the different districts and estimated per capita DPF allocation for the year 1990-91. The coefficient of correlation and rank correlation shows much higher statistically significant negative relationship with district development index than in the case of district sector scheme fund distribution. However, it may be noted that our discussion has been with reference to allocation and not with reference actual release. There could be significant difference between the two. Thus, for example, the weightage for the combined Dinajpur districts was 6.82 but in 1995-96 the share of actual release came to 8.61 (Table: 2.13).

### **Centrally Sponsored Schemes**

These funds which were traditionally within the ambit of the local bodies, in terms of their target group and scope of activities, were ideal for decentralised planning. However, the centrally drawn up rigid norms of these schemes were sometimes inconvenient for local level implementation of these schemes as part of an integrated plan. However, with getting maturity in the formulation of local plan, local bodies later showed considerable innovativeness in utilising these centrally sponsored schemes for local specific projects drawn up as part of plan. In the first year RLEGP action plan had been sent for the approval of the central government even before the programme of decentralised district and local plan was unveiled. Later, the centrally sponsored schemes were integrated as part of local plan at or in most cases even below the district level, depending upon the executing agency. Zila Parishads sometimes have utilised these schemes, partially or totally for even building bridges, and more often for constructing roads or check-dams. Given the meager untied funds provided and the departmental control over the District Sector Schemes funds there is a high degree dependence on these centrally sponsored funds. From around Rs.100 crores in 1985-86, the funds on this account increased to around Rs.235 crores in 1990-91, the first year of the eighth plan. (See Table 14)

JRY allocation is to be divided between Zilla and gram panchayats, the major share going to the latter.(Appendix: Table-15) In Kanpur Panchayats studied by Webster in the mid-

eighties the NREP accounted for 85-90 per cent of the development funds received. (Table 4 in Section 1) Later, as we have found out in Ruppur Panchayat of Birbhum district, JRY constitute around 55-65 percent of the total expenditure of the Grama Panchayat. Such extraordinary dependence is dangerous for the health of panchayats. "Salbari GP in Dhupguri

Table 2.14 : Rural development Programmes in West Bengal (Rs. Crores)

	1985-86	1986-87	1987-88	1988-89	1989-90	1985-90	1990-91	1991-92	1992-93	1993-94
NREP	28.39	44.42	40.86	42.57		156.24				
RLGEP	21.33	46.37	37.52	30.96		136.18				
JRY					199.75	199.75	170.19	193.42	206*	214*
IRDP	1					> 251.14	65.15	65.13		
	49.72 #	90.79 #	78.38#	73.53#	199.75 #	743.31	235.32	258.55		

Note: \* - Allocation. only. # -Without IRDP, which would be Rs.50.228 Crores on an average in each year of Sixth Plan (See column 7 of above table. Source: Economic Surveys of West Bengal, different years.

PS of Jalpaiguri district, for example, received Rs. 4,26,872 in all for JRY in 1991-92. The money came in seven installments of varying amounts between 12 April, 1991 and 20 March, 1992. The Prodhan never knew how much would come when." [Mukherjee, Bandyopadhyay: 1993, p-12] The fault may lie with the delayed arrival of central funds, or negligence on the part of state government to forward the files timely, the result is the same for the local bodies - uncertainty about fund. They do niether have enough own funds to persue the planned schemes of central schemes, to be latter getting reimbursed once the funds arrive. This is specially so because, once the fund arrive, that may be largely in difference with the allocation.

Our discussion of the sources of finance for district level planning has sharply brought out the limitations of the autonomy as enjoyed by local planning authorities. The success is lying in influencing the departmental decisions to conform to their perceived priorities, a daunting task given the reality of coalition politics and rigidity of the departmental hierarchy. A number of key departments rested with the smaller partners of the coalition, who did not want to part with their power to the CPIM dominated panchayats. The situation was further complicated by the the officials of state level, who enjoyed undue freedom.[Arun Ghose: 1989] The administrative and technical capabilities of local planning authorities was too

limited to stand up to the departments. The planning bodies neither at district nor at the block level has provision for inclusion of non-official experts who in many districts through their voluntary service played an important role in preparation of the plan documents.

Yet another weakness of the institutional structure constituted for planning is the neglect of Gram Panchayats. Even for the needs statements drawn by them, there was no initiative of decentralising the planning set up for that level. The mass participation in the planning process is limited to participation of the representatives. At the same time, at the district level DPCC with a minister as chairperson and with membership of all the MLAs and MPs has been set up above the DPC. Perhaps this was done because the District level Coordination Committee could not be dismantled without providing some alternative for MPs and MLAs at the district level. But at the same time, this has created unfavourable conditions for the participation local bodies representatives in the district planning process.

#### ***2.4 Summary and Concluding Remarks***

The panchayati raj system provides a basic framework for decentralised planning in West Bengal. Our discussion in the opening section covered more than a century of history of evolution of the local bodies in the state. The key turning point came in 1978, with the elections to the local bodies and the implementation of the Act of 1973.

The colonial frame work of local administration had survived through the first decade of independence without much change. Even after the Act of 1964, was passed, the colonial legacy in terms of low resource capability of local governments, relative weakness of lower level local governments, emphasis on municipal functions, excessive official control and above all control by vested interests, particularly, landed gentry continued to haunt the panchayats. As in rest of India, not even regular elections to these bodies were being held. The reason of the continuation of the colonial legacy may be traced to the particular state of rural Bengal.

The commitment of Left Front government, that came to power in 1977, for decentralisation provided the political will to overcome the vested interest that so far had thwarted the attempts so far. The successful linkage established between the rising tide of peasant movement and the reforms in local administration contributed to a total transformation of the Panchayat raj system. The social composition of the membership in the local bodies shifted sharply in the favour of rural poor. It enabled the panchayats to play a key role in the implementation of the land reforms and subsequently, to provide the necessary inputs and assistance to the peasants who benefited from land reforms. Thus, over a period of time, the panchayats were transformed into truly participatory agencies for development. It was at this juncture that the process of decentralised planning was introduced in West Bengal in the year 1985. Greater involvement of the local bodies in the planning process became an imperative necessity if their capabilities were to be tapped for accelerating rural development.

In Section 2 we discussed the three-tier institutional structure introduced for decentralised plan. The composition of planning committees at block and district level was certainly such that it brought together the elected representatives and officials as a function. But our discussion also reveal certain structural weaknesses terms of -- (a) insufficient involvement of gram panchayats in the planning process (b) lack of provision for including non-official expert in these bodies and (c) the avoidable cumbersome two tier structure at the district level. The DPCC can have an inherent tendency towards unnecessary duplication of work and intervention from above.

The main focus of the decentralised planning introduced in West Bengal has been on integration or coordination of district locale specific schemes of the departments at district and block level. Major initiative in the scheme of things as it started, was from above. The department would always have an upper hand in drawing up sectoral and sub-sectoral schemes whatever may be the priority for the local bodies, till the local bodies gain the expertise, planning bodies at the block level get powers in terms of sanctioning authority, and the local bodies gain authority over the local officials. The autonomy of the local planning authorities is thus limited to choosing the location within the district, selection of beneficiaries, or in a choice between various schemes sponsored by the departments. However, with the process

continuing, the local bodies can also insist and sometimes ensure that schemes are drawn up according to their need as indicated earlier.

We also saw the very limited financial autonomy of the local bodies. Their dependence upon centrally sponsored schemes was great. The DPS funds was not significant enough to make any major impact. Though the incentive scheme had given them some leverage, it can not be a solution of their financial problem.

However, it is apparent that the district planning could exert some influence to help their district departments in clinching their due share of schemes from the state headquarters. It has been reflected in the district plans, specially less developed districts of North Bengal, Medinipur, Bankura in the form of statement showing the related indicator and the allocation together, to solicit for more departmental allocation, or as a protest for allotting less in the previous years.[DPCM: 1990-91; DPCJ: 1989; DPCCoach: 1988; etc] The strong negative and slightly increasing correlation of district sector expenditure in the period of district planning of West Bengal and district development index, confirms the success of coordination of departmental schemes to the extent of ensuring the due share for the districts rather than more arbitrary allocation by the state officials.

During the initial phase of the new panchayats, they were more agencies of the state government in the implementation of land reforms and certain other essential development programmes. With the district planning introduced, the local bodies have been gradually getting an experience in coordinating schemes of different departments with their own initiatives. No doubt this has furthered their maturity to think in terms of planning, rather than scheme-specific projects. Earlier the local bodies had to seek help from the local officials and the officials were enjoying power of meeting their needs or neglecting it. Now the local bodies have come to be at least equal, if not more powerful. At least the chairpersons of local bodies do preside over the meeting of DPC and BPC, where all the officials of that level should be present and submit their departmental proposal for district sector schemes. Further, the DPF, whatever meagre may be, has yielded some result in the sense that for a district officer willing to get sanction of schemes from that fund, has no other way than to cooperate with the local bodies. On the whole, certainly, the process of

decentralised planning from 1985 was a major step forward, but still, it fell short of the ideal of self governance.

### Appendix

Table 2.15 : Allocation of JRY, 1992-93

	Division of JRY %	Allocation in Rs.crores	(%)
Among 17 Zilla Parishads			
1. India Awas Yojna	6.0	15	( 7.3)
2. Million Well Schemes	20.0	46	(22.3)
3. 20 % of Normal JRY	14.8	29	(14.1)
Among 3300 Gram Panchayats			
1. 80 % of Normal JRY	59.2	116	(56.3)
	100.0	206	(100.00)

[Source: GOBRD:1994]

Table 2.16 : JRY allocation for Bolpur subdivision of Birbhum district, 1993-94

Subdivision	Allocation of JRY for GPs	Allocation of JRY Normal for PS	
Illambazar	33,24,300.00	11,72,279.00	
Lavpur	45,43,300.00	16,29,200.00	
Bolpur	49,89,700.00	24,09,200.00	
Nanur	28,85,000.00	7,00,000.00	
	157,42,300.00	59,10,679.00	[Source- DPC Bir: 1993-94]

Table 2.17 : Income of Ruppur GP under Bolpur PS Birbhum dist. from different sources as per cent of total income

Income	1994-95	1995-96	1996-97
1. Initial Balance	33.98	20.58	8.18
2. Establishment Grant	4.71	12.01	15.44
3. Own Resource (income)	3.5	15.34	19.54
4. Resources from beneficiaries		6.4	2.4
5. Departmental District Sector	0.05	0.4	6.95
6. Other Sources (SSDA)	40.08	15.34	19.54
7. Central Schemes	17.62	32.26	54.04
Out of (7) JRY alone	17.62	32.26	22.86
Grand Total	100.00	100.00	100.00

[Source: GOBRD:1994]

Table 2.18 Shortfall percentage in disaggregated expenditure from outlay of Sectors

	85-86	86-87	87-88	88-89	89-90	90-91	91-92	92-93	93-94
1. Agriculture and Allied	-43.09	-11.11	27.73	12.33	-6.37	-9.32	13.14	62.89	20.85
2. Rural Development	1.41	-4.13	-12.65	-27.29	-56.69	-15.94	20.83	27.22	-10.11
3. Special Area P.	-142.47	-12.02	39.67	43.96	0.35	25.38	47.55	91.87	-53.24
4. Irrigation and F.C.	-245.99	77.51	82.83	11.81	-0.30	15.34	7.70	38.26	-51.95
5. Energy	-107.67	-21.00	47.20	-8.32	0.00	-39.85	-78.86	42.77	-0.48
6. Industry & M.	41.24	-9.48	-31.07	20.61	9.89	-179.34	66.03	53.70	66.58
7. Transport	16.38	100.00	6.24	-723.71	55.87	-29.55	62.67	58.95	1.26
9. Sc.Tech.& Env.							-102.19	100.00	40.41
10. G.E.S.	-25.49	50.36	48.62	-43.06	-138.38	-129.39	62.76	-59.64	97.76
11. Social Services	-17.58	-22.13	18.98	40.91	-2.96	49.75	43.54	68.33	10.52
12. General Services	97.16	85.60	66.28	100.00	BRR	-132.59	80.55	82.61	-17.63
Grand Total =	-48.46	15.33	36.87	5.16	-17.93	3.95	30.33	49.95	41.26
Out of that District Plan-	32.37	48.02	46.95	-45.36	-138.38	-127.26	64.60	-65.35	97.95

Source: Data collected and compiled from Annual State Plan of West Bengal of Different years.

Table 2.19: Shortfall percentage in Plan outlay and expenditure of sectors

	85-86	86-87	87-88	88-89	89-90	90-91	91-92	92-93	93-94	95-96
1. Agri. *	-4.37	-13.57	-10.15	-3.56	-13.63	-14.83	-35.06	-51.15	9.77	-63.62
2. Rural Dev.	4.88	17.50	30.09	35.24	69.39	-0.47	-30.90	-22.73	34.67	-4.29
3. Special A.P.	56.48	-7.83	-9.26	-6.34	-3.53	-24.03	-16.19	-48.44	50.95	-69.49
4. Irrigation	0.76	-0.25	-3.65	-4.95	-7.81	-5.73	-35.86	-43.04	34.58	-10.62
5. Energ	17.14	-16.63	-16.36	19.31	-0.01	-11.70	-25.38	-42.77	7.16	-96.08
6. Industry	16.15	22.90	-32.00	-21.11	-13.50	-51.73	-66.72	-72.90	-33.70	-94.51
7. Transport	6.86	16.48	-6.31	1.63	-7.02	-62.34	-31.89	-58.95	26.71	-73.92
9. Sc.Tech.	-38.58	-41.74	-46.83	-53.14	-46.56	-74.31	-65.53	-100.00	-26.46	-100.00
10. G.E.S	-1.63	-47.41	-46.91	39.46	187.17	110.92	-61.64	44.80	-97.93	-18.83
11. Social Services	-7.11	-2.57	-1.53	-4.27	-2.21	-40.00	-46.24	-55.20	1.68	-69.97
12. General ,,	-46.19	-45.41	-37.52	-36.61	-2.48	-81.59	-44.64	-81.91	17.21	-47.08
Grand Total	3.75	-4.68	-10.52	3.63	3.64	-23.79	-38.98	-50.95	-21.48	-70.48
out of th	-0.72	-48.42	-47.32	44.28	205.88	126.67	-64.24	63.70	-98.38	-3.34

Source: Data collected and compiled from Annual State Plan of West Bengal of Different years.



Table 2.20: Shortfall in actual Release of District Sector Allocation for the District of Coochbehar, for the years of 1985-86, 1986-87

Department/Sector	Allocation in 1986-87		% of shortfall from Alloc.	Allocation in 1987-88		% of shortfall from Alloc.
	Actual			Actual		
Agriculture	56.16	53.22	-5.24	102.18	99.84	-2.29
Health	113.75	N.A.	-100.00	144.49	N.A.	-100.00
Fishery	9.85	7.10	-27.90	11.75	7.01	-40.33
FFDA	11.52	7.00	-39.24	12.75	8.50	-33.33
DIC	6.40	6.40	0.00	12.65	N.A.	-100.00
Handloom	5.34	13.52	153.19	12.48	7.35	-41.11
Sericulture	5.00	6.14	22.76	10.19	12.10	18.77
Khadi Board	20.00	19.23	-3.84	33.23	18.58	-44.10
PWD(Rd.s)	40.18	40.18	0.00	36.10	32.08	-11.14
Education(Sec.)	3.21	3.21	0.00	3.21	3.21	0.00
Co-op.	14.66	11.21	-23.53	17.05	7.57	-55.60
SC/ST.W.	330.27	208.27	-36.94	350.83	209.86	-40.18
Forest	6.377	6.377	0.00	6.482	5.50575	-15.06
Social Forestry	9.34	9.34	0.00	21.43	13.24	-38.22
Total	632.05	391.19	-38.11	774.83	424.85	-45.17
Total-H	518.30	391.19	-24.52	617.69	424.85	-31.22
PWD	N.A.	167.10		N.A.	288.82	
PWD(Torsa)	N.A.	41.27		96.25	97.50	1.30
SC/ST Dev. & Finan	N.A.	50.00		N.A.	44.00	

[Source : DPC Cooc: 1988-89]

## Chapter 3

### *Decentralised Planning : the Experience of Kerala*

In the opening section of the chapter we shall attempt to briefly discuss the evolution of the panchayati raj institutions in Kerala, which have a different history altogether, compared to West Bengal. Section 2 is devoted to the documentation of experiments in District planning. These efforts have been more theoretical experiments. From the point of view of practical implementation, certain sectoral/special component planning such as Tribal Sub-plan, Special Component Plan (SCP) for scheduled castes, have been of greater significance. In Section III we shall attempt a critical review of these experiences. In the fourth section, we shall take up the attempted decentralisation for the 8<sup>th</sup> Plan(1990-95), and the Untied Fund Scheme that followed it, before having our concluding remarks in the fifth section.

#### ***3. 1 Evolution of Local Bodies in Kerala***

Tracing the early history of the modern local bodies in Kerala is rendered difficult by the fact that before independence the region was under 3 different administrative systems. The Northern region, roughly up to the present day district of Thrissur constituted the Malabar district of Madras Presidency. The evolution of local bodies in northern Kerala was moulded by the legislation in the Madras Presidency. In contrast, the central and southern Kerala were not directly under British rule but constituted two princely states, the state of Travancore in the south and the state of Cochin in the central region. Even in these regions, the history of modern local bodies pre-dates the independence. It was only in 1960, that a uniform system of local body administration came into being through out the three regions following the enactment of the Kerala Panchayat Act and Kerala Municipality Act in that year. We shall first discuss the development of local bodies in the three regions separately before taking up the course of their evolution from 1960.

##### ***Malabar District of Madras Province***

As in the rest of British India, in Madras province also the local self governments were urban in origin. The recommendations of the Royal Army Sanitary Commission regarding the urgent need to redress the filthy urban conditions and the financial constraints of the

provincial governments to meet these civic requirements were important factors that contributed to the Madras Towns Improvement Act of 1865 [Santha: 1993]. Within two years, under the provisions of this Act, municipalities were established in the major urban centres of Malabar namely Calicut, Kannur, Tellichery, Palakkad and at Fort Cochin - an enclave which was directly governed by the British in central Kerala. These were nominated councils and, therefore were dominated by the bureaucracy.

The Town Improvement Act of 1871 provided for election of some of the councilors by the tax payers and for an elected vice-president. Following the famous Ripen Resolution, Madras Municipal Act of 1884 was passed which further extended the scope of elected councilors to three fourth of the total membership. Council Chairman was also to be elected by the members. Further, the Act enlarged the taxation powers and functions of the municipalities. However, the district collector continued to enjoy extensive discretionary powers. Through subsequent amendments in the law in 1920 and 1930, scope of both the democratic process and functions of municipalities were further enlarged.

The discussion of local self government in Malabar is usually centered around the Malabar district board. It had its origin in the Local Fund Circle, with a nominated local board under the president-ship of the collector constituted under the Local Funds Act of Madras 1871. The local boards that managed the local funds were to attend to construction and maintenance of roads and other ways of transport, hospitals and schools, drainage and water supply and other local works [GOK: 1958, p.15]. The Madras Local Boards Act of 1884 introduced the three tier structure and provision for elected representation. A revenue village or group of villages constituted the lowest unit, called Union. Above the Unions were the taluk boards and at the district level was the district board. Their expenses were to be met from taxes on land, houses, carts and animals.

It was only after the First world war that the rural local bodies took firm roots. In 1920 the Madras Village Panchayat Act and the Madras Local Boards Act were passed. Initially, the taluk boards were presided by a revenue officer of the division and the district board by the collector. It was in 1930, that the Malabar District Board became an elected body with a elected president. The first president was one of the local land lords. But soon the district

board became a focal point of nationalist activity and was captured by Indian National Congress in 1934. In the next election, the leftists also gained a significant presence and in 1954 a clear majority.

An important development that may be noted was the abolition of the taluk boards. It was found that "there were no services performed by a taluk board which could not be taken over by either district board or Panchayat board. It was also considered that the abolition of the taluk boards would give an incentive to the development of village panchayats . . . ." [Menon: 1962a] The abolition of the taluk boards also enhanced the importance of the district boards.

After independence, the powers of the local bodies were considerably enhanced by the Madras Village Panchayat Act of 1950. A Panchayat was constituted in every village with population of 500 and above and reservation were made for scheduled castes and tribes in the membership. It provided for direct election for the office of the president. The number of panchayat members varied according to the population of the panchayat. On the same criterion the panchayats were divided into class I and class II. [Menon: 1962].

Under the Village Panchayat Act of 1950, the panchayats were supposed to discharge variety of functions, some of which were listed as obligatory such as construction and maintenance of public roads, public lighting, drainage, sanitation, drinking water, and preventive health measures. The voluntary functions were fairly large list related to education and health. The panchayats also had certain amount of limited judicial powers. The main sources of revenue were taxes on buildings, professions, vehicles and entertainment. It was also entitled to grant from the government.

The last of the elections to the panchayats and local boards were held in 1954 which gave a clear majority to the leftists. The leftist's ascendancy heralded a period of vigorous activity for the local bodies in Malabar. The nationalist and leftist presence in the district board was a significant influence in shaping its activities. The Malabar district board made monumental contribution to the spread of education in Malabar. The single teacher schools and

exclusively Muslim schools were important institutional innovations of the district boards. It also encouraged non formal education through village libraries. [Santha: 1993, P-26].

### ***Local Bodies in Travancore and Cochin***

Town Improvement Committees were formed in Trivandrum, Nagercoil, Alleppy and Kottayam following the Town Improvement and Conservancy Regulation of 1894. It was only in 1912 that the principle of election, though limited to tax payers, was introduced. The sanitary arrangements were the main focus of the activities of the committees. Sanitary inspector or health officer to advise the committee was a feature of Trivandrum Committee right from its inception. Apart from sanitation, construction and maintenance of public wells, roads and market places were also undertaken by the committees. [Menon: 1962a, p.626]. The Municipal Act of 1920 expanded the scope of urban local bodies to education and health sectors. Duties were divided into obligatory and discretionary. The capital city of Trivandrum had an official nominated by the government as its president. But other councils elected their own presidents. In 1941, Trivandrum was made into a corporation with an elected Mayor.

In rural areas local self government was formed only from 1930s and, even then, never were fully operational. The Travancore Village Panchayat Act of 1935 empowered the government to declare any revenue village or group of villages to be a Panchayat with an elected or nominated committee to perform a variety of civic duties. These civic duty functions such as sanitation, maintenance of roads, and provision of drinking water were considered obligatory duties. While the promotion of primary education, agriculture, cattle and cottage industries were considered as discretionary functions. In 1940, Travancore Village Union Act was also passed, giving rise to a type of rural local bodies slightly less powerful than the village panchayats.

In the state of Cochin also, the urban local bodies emerged in the last decades of 19th century essentially to look after the sanitary arrangements. In 1910 Municipal and Sanitary Improvement Regulations were passed under which a number of town councils were set up with representation for elected members. The government could nominate the presidents. After a decade, the scope of elected representation and powers of the councils were

substantially enhanced even though franchise was limited to the tax payers. Significantly, the gender discrimination was also removed: Women could vote and be elected. [Menon: 1962a]. The earliest legislation with reference to the rural areas was the Cochin Village Panchayat Regulation of 1914. Accordingly a nominated Panchayat Committees were constituted on experimental basis in selected villages. In 1922, the principle of election was introduced for the rural local bodies also.

In 1949 at the time of integration of Travancore and Cochin states there were 197 village unions and 7 panchayats in the former and 100 panchayats in the latter. The pre-independence period legislations both in Travancore and Cochin were superseded by Travancore Cochin Panchayat Act of 1950 under which elections were held in 1953. At the time of formation of Kerala state there were 495 thus reconstructed panchayats in Travancore-Cochin area and 399 panchayats in the Malabar area. However, it may be noted that for some time even after the integration, the local bodies in the two regions continued to function under widely different legislation - two tier arrangement in Malabar and single tier in Travancore-Cochin.

### *The Perspective of 1957*

In 1957, communists won the first elections held to the newly constituted state assembly and decided to overhaul the system to the extent possible. A number of basic reforms were initiated in agrarian relations, education, industry relations, police, and also in development administration. An Administrative Reforms Committee (ARC) headed by the Chief Minister himself was set up with wide terms of reference which included suggesting "measures for decentralisation of powers at various levels with a view to expeditious despatch of government business;... methods for democratisation of the organs of government at various levels with a view to effective participation of local self governing institutions or other representative bodies in the administration".[GOK: 1988 p.9]

The Panchayat raj system recommended by the ARC Committee was essentially a two tier system - village Panchayat at the bottom and district councils at the district level, both directly elected. The report of the committee strongly urged for village panchayat as viable

and basic grassroots level unit of administration and development. Another notable feature of the recommendation was the emphasis given to integration of revenue and development functions. The local bodies were not merely agents of development but self-governing units. Village panchayats would be empowered to collect land revenue to be remitted to the government. The revenue taluks and development blocks were to be made coterminous. With an indirectly elected council, the middle tier was envisaged to be only a weak advisory body. As regards the role of the district council, some members of the committee preferred the district council to be an advisory and coordinating agency with collector as the chair person. But the dominant view, including that of the chief minister's, was for a district council with such wide executive functions as would merit the characterisation of a district government itself.

The above transformation of the district council into virtually a district government was to be undertaken in a phased manner. In the first phase, district councils would act merely as agents of the governments and would have otherwise only a coordinating role. In the second phase, they would assume full control and responsibility over the social sectors. In the third stage "They will assume full authority over development work in the district except the very important schemes which may be specifically retained in Governments direct control and function as full-fledged local self-governing units for their area". [GOK: 1958 p.69]

The district council was not merely a part of the panchayati raj system. It was to be a comprehensive body encompassing both rural and urban areas. Given the rural urban continuum that characterises the settlement pattern of Kerala, any kind of rigid compartmentalisation of rural and urban areas would have been totally unrealistic.

### *The Acts of 1960 and 1961*

The recommendations of the ARC laid the basis of the Kerala Panchayat Bill and Kerala District Council Bill of 1958. The latter accepted the perspective of a strong district level self governing body which had to be developed in a phased manner, as was recommended by ARC. However, the bills could not be enacted, as the legislative assembly was dissolved consequent upon a violent anti-communist "liberation struggle". This lapse did exert a decisive influence on the future course of development of local bodies in Kerala: the new

government that came to power through the mid term election largely ignored most of the recommendations of ARC, while passing the Kerala Panchayat Act 1960 and Kerala Municipal Corporation Act 1961.

Though the above Acts fell short of the vision of ARC, the functions and financial resources of the local bodies were significantly enhanced. The declared objective was to ensure that no government activity would take place in any locality without the Panchayat being involved either in an advisory capacity or as direct executing agent [GOK: 1988]. The village office was to be merged with the Panchayat. All the government staff working at Panchayat level in education, public health, agriculture, animal husbandry and cottage industries were to work under the control and supervision of the panchayats. The list of duties and functions enumerated in the Act was long and impressive one, starting from revenue functions such as maintenance of survey and village records, collection of revenue and village statistics to a wide variety of development functions connected with the sectors already referred to.

The actual experience turned to be very different. Only the traditional civic functions of local bodies, which the Act had defined to be as the compulsory functions, could be exercised by the local bodies. As per the Act, the government had to authorise the panchayats to exercise any of the numerous optional development duties that were listed; but no government ever exercised these provisions. Another major defect of the 1961 Act was that there was no intermediate tier between the state government and the grass root level local bodies. The absence of intermediate tier at the district or at the block levels was a major hindrance in integrating the development activities with the panchayati raj system. Given the wide gulf that existed between the stature of the political leadership of the grama panchayats and the state government, the latter could wantonly exercise arbitrary powers.

An attempt was made by the Congress ministry in 1964 to pass a new legislation on the model recommended by Balwantrai Mehta Committee. Panchayat Union Councils with vital planning and development functions at the block level was proposed to be established by election. In contrast, the zilla parishad was supposed to be an advisory board only, with the collector as the chair- person, officials and the presidents of Panchayat Union Councils as the members. Before the bill could be enacted, this ministry also fell.



Now it was the turn of the left. The new left government that came to power in 1967, after more than two years of President's rule, introduced a new Kerala Panchayati Raj Bill. The approach now reversed that of 1957. A two tier structure with panchayats as the basic unit and zilla parishad at district level was mooted. The zilla parishad was now visualised to be executive agency. The recommendations of the legislative select committee further strengthened the district tier which was renamed as district council. The district council was not a mere development agency. It administered the district. Government could delegate to the district council duties such as collection of taxes, registration, inspection of factories, labour welfare and even police administration. But even this bill lapsed with the fall of the left ministry and dissolution of the Assembly. It was reintroduced, with certain changes, as Kerala District Administration Bill, 1971. This Bill also was allowed to lapse. In 1978, the Kerala District Administration Bill was once again introduced after removing reference to police functions and restricting the district administration to revenue functions and was passed in 1979. The new left government that came to power in 1980 issued a number of notifications and rules as a prelude to the implementation. But before more could be done the government fell.

The new Congress government that took charge in 1982 wanted the Act to be modified before implementation. A committee for proposing the necessary revisions was also set up. But there the matters rested till 1987 when the political pendulum again swung to the left. The new government appointed a special advisor to advice on measures to be undertaken for democratic decentralisation at district and lower levels. The Report submitted by him in July 1988, was a comprehensive review of the provisions of 1979 Act and suggestions for rectifying the anomalies in the Act, complementary legislation and also the administrative changes that were to be urgently undertaken. The recommendations were not fully implemented but formed the basis of 1991-92 experiment in District Councils.

### ***The District Councils, 1991-93***

The serious defects that remained in the District Administration Act 1979, even after such a long record of legislative scrutiny, is indeed a sad commentary on the legislative process

in the state. Leaving aside a number of certain obvious errors, correction of which through an appropriate amendments did not pose any serious conceptual problem, there were certain other serious anomalies with regards to the listing of powers and function of District Councils. The latter consisted of 152 items under 19 different heads. "The items vary in scope from those which are very general in nature like the subject of expert promotion to the very specific function of construction and maintenance of the office buildings of the District Council . . . . It is also a matter to be considered whether the extent of powers indicated under certain subjects' appropriate to the district level, from the point of view of the subjects complexity, sensitivity and the need for a common approach throughout the wide powers to those conferring very limited powers, while some important items to be done at the district level are altogether omitted".[GOK: 1988, pp.20-1]

Thus, for example, Housing being eminently suitable for decentralisation, the only role in housing allotted to District Councils, was identification of "houseless families". In education, the powers extended to "opening and establishment of new schools", a right which if not judiciously exercised was fraught with serious consequences in the context of Kerala. Omission of planning from the purview of the district councils was another major anomaly. This was surprising, when we consider the fact that right from the inception of the discussion on Panchayati Raj system in Kerala, planning was considered as an subject for local level participation on almost every occasion. There was also criticism regarding the correctness and adequacy of the instrumentality adopted in the Act for delegation of powers and functions to the District councils under different statutes. They were inappropriate or insufficiently defined.[GOK: 1988 pp.21-22] The Acts of statutory bodies such as Kerala Water Authority, Command Area Development Agencies and Khadi and Village industries were left untouched. Emergence of such boards and authorities on subjects that could eminently be operated at the local level became an important factor against the involvement of the local bodies in the development process in India at large. Kerala had been no exception to this. The worst offender in this case was Kerala Water Authority Act which gave the water authority monopoly in the supply of piped water and compulsorily transferred even water supply systems that were being efficiently run by the municipalities to the newly constituted body.[Ramachandran: 1994, p.110]

The approach suggested by the Advisor on Decentralisation, in a sense, was to scale down the powers of the local bodies, and at the same time, give them maximum freedom to them in the exercise limited of the powers with only a minimum control by the state government. But the actual approach adopted by the government was the opposite: The list of powers and functions were left untouched (In fact, planning was added to the list). But the scope of these powers was restricted by preserving government's arbitrary right to interfere and lay down conditionalities [Ramachandran: 1994, p.111]. The populist stance adopted might have been politically expedient but gave large scope for an unsympathetic administration legal means to arbitrarily throttle the local bodies .

On January 29 1991, the first ever election to District Councils were held. The ruling left front swept to power in all but one of the district councils. The District Councils were to have one President, one Vice-president to be elected from the members. Besides President and Vice-president, each District Council were to have 6 Standing Committees as follows:

- i. General Standing Committee dealing with establishment matters, legal matters, local authorities, revenue, maintenance of revenue records, weights and measures and all miscellaneous and residuary matters.
- ii. Finance Standing Committee to deal with finance.
- iii. Development Standing Committee dealing with industries, agriculture, animal husbandry, community development, dairy development, inland fisheries and soil conservation.
- iv. Welfare standing Committee dealing with Harijan welfare, health services, indigenous medicine and social welfare.
- v. Public works Standing Committee dealing with irrigation, public health engineering, roads, buildings and bridges.
- vi. Education Standing Committee dealing with education, culture and sports and games.

The new government had little sympathy for the opposition led district councils and it faced little difficulty in interfering and seriously restricting the powers of the district councils in a perfectly legal manner. [Gulati:1993]

An amendment was quietly passed in the assembly to empower the government with the right to amend the list of powers through notifications and delinking the office of district collector from the ex-officio secretary-ship of the council. Most of the district offices and institutions of the agricultural and allied development department were taken back. Starved of resources and without technical staff (the total staff of the district councils were are only around a dozen), the district councils were rendered totally ineffective. The final blow came with the

new legislation subsequent to the 73<sup>rd</sup> 74<sup>th</sup> amendment, when the district councils were formally disbanded.

Before we conclude this section, certain brief remarks may be made with respect to the financial situations of the local bodies of Kerala. The extent of financial devolution to the Grama Panchayats has been relatively higher in the case of Kerala. One important reason is the fact while in most states the resources for the local bodies had to be divided between the three tiers unlike in Kerala where only one tier existed. However, more than the total quantum of funds, (the decentralisation ratio) the major contrast between Kerala and other states lies in the composition of its revenue (financial autonomy ratio). This is evident from the data presented in the table below. While in India at large only around 11 percent of the revenues of the rural local bodies are from their own taxes and non-taxes revenues in the case of local bodies in Kerala the proportion is as high as 60%. A similar difference exists in the case of urban local bodies also. This is because panchayats in Kerala have enjoyed, from the 1960s right to impose taxes on building, provisions and entertainment. However, nearly around 45% of the revenue are expended on establishment charges after the expenditure on mandatory civic duties and maintenance charges. An average panchayat in Kerala normally does not have much surplus left for new development work (State Finance Commission 1996). And unlike West Bengal devolution of plan funds either on account of various centrally sponsored schemes for state governments own plan schemes have been more limited in Kerala.

### 3.1

Table: Composition of Resources of Local Bodies : Kerala and All India

Revenue source	Rural		Urban	
	Kerala	All India	Kerala	All India
Tax	2.4	8.1	54.0	54.4
Non-tax	0.6	2.8	12.1	27.1
Assigned/Shared Tax	9.9	7.3	10.2	3.7
Grants	87.1	81.8	23.7	14.8
Total	100.00	100.00	100.00	100.00

Source: Datta, 1992.

### *3. 2 Experiments in District Planning*

The process of evolution of decentralised planning in Kerala can be categorised into two phases. While in the first phase attempts were primarily marked by experiments of plan formulation, in the second phase there was actual implementation of decentralised planning, albeit in a limited way. The process can also be divided into two broad periods from another angle, the first one corresponding to the decentralisation of the planning machinery without any involvement of local governments (in the beginning they were not in place, later they were not involved) and secondly when the attempts at decentralised planning started through the local bodies. We shall take the former framework for documentation and discussion of the process, and we shall also attempt to observe whether any relation exists between the two. In this section we shall concentrate on experimental attempts only, while experiments with implementation in reality will be discussed in the next section.

The lineage of district planning exercises in Kerala, in a sense, may be traced to the custom started in late sixties, early seventies, to bring out a document giving district wise break up of the annual plan. Each department prepared district wise break up of the divisible schemes<sup>4</sup> and they were consolidated into a single document at the State Planning Board (SPB). The only purpose served by these document was, perhaps, to facilitate the better monitoring of the state plan at the district level. The procedure adopted provided little scope for district level planning or even integration of the sectoral schemes at the district level.

A departure from this tradition was made possible with setting up of a district planning unit at the SPB in 1976. Later, a separate decentralised planning division under a chief was also created at the SPB headquarters. [GOI PC: 1985, P-39] District Planning Offices (DPOs) were functional by 1979 in all the districts except the newly formed district of Wayanad. Each DPO was assisted by two Research Officers, one Research Assistant and a small contingent of ministerial staff. The DPO in each district though attached to the district collector for administrative purposes, was finally responsible to the SPB.[GOI PC: 1985, P-42].

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<sup>4</sup> *Schemes which are divisible among the districts according to their location of implementation and accruing benefit.*

The district planning offices were conceived to perform the following responsibilities:

- 1) To prepare resource inventory and data base of the district and make an assessment of the development potential and constraints to development.
- 2) To identify the priorities and to formulate programmes/ projects/schemes within spatially and temporally integrated frame-work.
- 3) To devise a plan for maximum possible utilisation of manpower resources.
- 4) To assess the resources availability and to match the sectoral outlays with specific needs of the region.
- 5) To monitor and undertake concurrent evaluation of the development plans and undertake the necessary modifications.
- 6) To draw up Block level plans as part of the overall district plan.

[GOKSPB;Undated Draft : November, 1981?]

The first task that the DPOs took up was creation of a data base for each district through the compilation of the available secondary data. A Status Paper, as a bench mark report, was also prepared for each district. In Quilon district where a resource potential survey was also had been carried out, it was decided to go ahead with the preparation of a district plan in order to evolve a scientific methodology appropriate to the state and also gain experience before initiating a state-wide programme for decentralised planning. Surprisingly, very little has survived of this pioneering experiment in the state, even by way of documentation.

### ***The Model Plan for Quilon District***

In the absence of elected local administration at block and district levels and dormancy of the grass root level grama panchayats, a local level planning machinery had to be set up for the experiment. At the apex of this local planning machinery was the District Development Council (DDC), an advisory body of officials and non officials including all the MLAs and MPs of the district headed by the Collector, that was already in existence in all the districts. DDC met regularly once a month mainly to review the development activities in the district. A District Planning Committee (DPC) was set up with the District Collector as chairperson to formulate the plan on behalf of the DDC. Eleven Technical Committees were also constituted at the district level for each of the major development sectors, including one for employment planning and another for financial resources. Block Planning Committee (BPC) at every block comprising the Presidents of all the Panchayats in the block, the Chairperson of Block Development Committee, and officials of different development department of the concerned blocks was also formed.

The planning exercise was divided into two stages (i) Stage one comprised of making an assessment of resource endowments and development potential of the district which included: (i) identification of the local resources like land, water, minerals, forests, etc.; (ii) a survey of infrastructure such as road, markets, irrigation facilities, banks, schools, hospitals etc. (iii) a review of development of the different sectors and ongoing schemes in the district. As a supplement to the district data base already prepared by the DPO a resource potential survey was carried out in Quilon district. Questionnaires were prepared for each sector to collect the required data from each block. The local officials were imparted with a brief training in data collection. After a resource inventory of the district was completed the deliberations for actual plan formulation could begin.

Stage two comprised of actual preparation of the plan, involving the people's representatives and local government officials. At a meeting of the DDC planning bodies already referred to were set up. Meetings of BPCs were convened where two officers from the SPB explained the planning procedures. The presidents of panchayats were requested to convene meetings of their panchayat bodies to discuss their resource endowments, the development problems of their area and to evolve schemes and projects to be included in their plan. They were at liberty to involve other knowledgeable people of the area in the process. Apart from the traditional avenues of developmental involvement of the panchayats, such as roads and other minor public works, they were to make suggestions on all development sectors particularly local resource based productive activities.

Schemes suggested by the panchayats could be financed by any one or a combination of the following sources: (a) exclusively by the government; (b) local contribution including voluntary labour /bank finance; (c) institutional finance and private finance; and (d) solely private finance. Obviously a very broad approach to plan formulation was being attempted, some components of which was more significant as tools for popular education and enhancing peoples' contribution and participation in planning than in any operational sense. It may be noted that financial resources were not reckoned as a serious constraint during this exercise. The approach was problem oriented and need based.

Panchayats were able to complete the above tasks in two to three meetings. Thereupon the BPCs met again, after a month or so, to review the proposals from the panchayats. In many cases they were found to be incomplete in coverage and with technical imperfections so that they had to be modified and supplemented before they were passed on to the respective technical committees at the district level. Meanwhile, the technical committees devoted their attention to make critical appraisal of the ongoing schemes with a view to determining which of these can be continued or extended with or without modifications. After receiving the proposals from the BPCs the technical committees had several rounds of discussions. Officers of the SPB were also present in most of these discussions. The main focus was to transform the proposals so as to conform to the patterns of the State level schemes and programmes and to examine the benefit cost relationships and technical feasibility. If necessary, new proposals were added. The technical committees also drew up projects and programmes of district level importance. The responsibility of evolving appropriate strategies of development in the concerned sectors, keeping in view the levels of development and problems and potentialities of the district also vested with the Technical Committees.

The procedure developed through this experiment was the basis for the guidelines issued for the preparation of district plans by the SPB. [GOIPC: 1985] It has not been possible for us to gain a copy of these guidelines. No such guideline are referred to in the subsequent efforts to introduce decentralised planning during the Sixth and Seventh Plan periods.

### ***Other Pilot Studies on District Planning***

The 7<sup>th</sup> Five Year Plan visualised decentralisation of planning from the state to the districts in the first phase, and then further down to the block level, to ensure effective implementation of the antipoverty programmes and balanced regional development. In this context, the Planning Commission suggested to the State government to formulate comprehensive district plans in two or three districts as experiment on the basis of a 9-point guideline. [GOIPC, D.O.No.PC(P) 27/1/87-MLP, dated May 7, 1987]

Planning Commission's guideline about the "Sequence of steps in operationalizing the concept of district planning" suggested that the exercise of district planning should start with a resource survey and preparation of a resource inventory based on secondary data as well



as through primary survey for both natural and human resources, to be followed by an assessment of the felt needs of the district and formulation of a set of priorities consistent with the state and national priorities. This being done, an assessment of the financial resources covering 'untied funds', flow from the state plan, centrally sponsored/central sector schemes to the district, and institutional finance was to be made. It suggested preparation of a perspective plan depicting the long term development needs and the development potential of the district. The next step was to draw up five year and annual plans. Such district plans was then to be integrated with the State Plan. The Planning Commission guideline also suggested not only an effective monitoring mechanism at the district as well as State levels to monitor the implementation of the district plan, in terms of both finance and physical achievement, but also delegation of appropriate administrative and financial powers, and preparation of district budgets. The last item of the 9 point guideline envisaged "involving Panchayati Raj Institutions (PRIs), and enlisting the cooperation of the voluntary agencies in the process of decentralised planning." [ibid]

Two districts, Kottayam among the developed and Kannur among the backward districts were selected for the pilot exercise in district planning and necessary orders were also issued entrusting the DDC with the overall responsibility of drawing up district plan. A small executive committee was to be constituted with district collector as the chairperson, DDC as the member secretary, and selected district officers as members to assist the DDC in drawing up the plan. Blocks were proposed as the primary units for the district planning exercise, and Block Planning Committees (BPCs) were to be constituted with one of the District level officers of the development departments as Chairperson and BDO as member secretary. Non-officials of the BDC and DDC members of 20 point Programme review committee and "knowledgeable persons from the different panchayats". The DPO was to help the DDC in preparing the block-wise inventory of resources and infrastructure availability and report on prospects of development. The BPCs was to assess the felt needs of the different panchayats through discussion and dialogue with representatives of local people. However, as the Panchayat elections were yet to be held, they were not associated with this project of decentralisation. The procedures to ensure peoples' participation and details of studies to be conducted were to be finalised by the concerned DDC. [GOK, SPB: 7-7-1987]

All the above instructions had to be set aside however when the Planning Commission amended the earlier guideline to limit financial assistance for the exercise only if the study was entrusted to private consultancy organisations.<sup>5</sup> So, Institute of Management in Government (IMG) and Kerala Statistical Institute (KSI) were entrusted with the responsibilities of drawing up district plans, respectively for the districts of Kannur and Kottayam. [GOK: GORT. No.181/88/ Plg.: 27/4/1988] The exercise was however kept outside the purview of planning in the state or in the districts for the matter of Five Year Plan and Annual Plan formulation. That is, the exercise was undertaken as a 'model' experiment, and the output district plan was not to be incorporated in the state plan.[GOK: D.O. No.6039/88/DP/SPB, 22/11/1988]

### *The Kottayam District Plan*

KSI started to work on the district plan of Kottayam from December 1988. The preparation of the resource inventory was limited to secondary data. While the focus of the exercise was to be on the preparation of schemes from below in consonance with the felt needs of people in different localities, it is worthwhile remembering that since there were no elected bodies at block and district levels, meetings of the BDCs which had elected MLAs and Panchayat Presidents as members along with officials and other non-officials and municipal councils were convened for the purpose. They were called upon to put forward proposals taking in to consideration the overall development needs and overall development potentials of the region and felt needs of the people in the locality. By that time, the official preparations for district level plans as part of the 8th Plan of the state started in earnest in the districts. The Eighth Plan district outlay for Kottayam was indicated as Rs.90 crores. KSI decided " to utilize the list of schemes which was being prepared for the government" and invite proposals from the panchayats on the basis of that list and dovetail the output to fit a financial outlay of Rs.100 crores, - the expected total outlay of the public sector according to the calculation of KSI.[KSI: 1990 p-65]

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<sup>5</sup> The name of Kerala Sashtira Sahitya Parishad was also considered for this. However, they required three months time, ie. up to December 1987, to begin the work. So, the Kerala State Planning Board went ahead with other organisations. Finally the work could start only in December 1988. [Note of SPB: dated 8-10-1987, p-3]

It was expected that after the discussions in the BDCs, the panchayat presidents would take initiative to hold discussions at the panchayat level before making suggestions regarding the schemes. The block level discussions were over by January, 1989 in all the 11 blocks of the district. By February, meetings were also over in the municipalities. Altogether nearly 700 people attended these meetings throughout the district. [KSI: 15 th March, 1989] By July 1989, around 40 panchayats had submitted their proposals in the prescribed formats. [Note Appended with D.O. No.6039/88/DP/SPB, 11/7/89, pp-2-3] According to the final report however, proposals ultimately came from all 73 Panchayats.

In regard to data collection on the main problems and priorities of the panchayats, particularly with reference to infrastructure and facilities, information was collected from the panchayat presidents on the basis of a questionnaire. To supplement this input, KSI also undertook a sample household survey to understand the felt needs of the people. Four panchayats and one municipality were chosen out of the 73 panchayats and the four municipalities for the sample survey . [KSI: 18 May, 1989]

The schemes collected from the panchayats and the blocks were supplemented by the data from Krishi Bhavans, panchayat questionnaire and household survey, and these altogether formed the basis of the district plan report. The quality of the proposals varied: some were of good quality, based on an indepth analysis of the local situation, where as some others were the "usual type" roads and bridges. KSI dovetailed them within the fixed total outlay of Rs.100 crores and prepared the final district plan. Being a methodological exercise, the presented plan was not exactly a compendium of finally selected projects, rather an account of the understanding of the consultants regarding the felt needs of the people as expressed by different actors involved in the planning process and the formers assessment of the resource endowment of the district.

Table 3.2 gives the sectoral division of the proposals received from below and the district level schemes proposed by the DDC compared with the sectoral division of the actual allocation for 1987-88 and 1988-89. It is noteworthy that the proposals from below asked for a lower allocation for agriculture while proposing higher outlay for the allied agricultural sectors such as animal husbandry, dairy, and fisheries compared to the actual district sector

outlay of the state plan. The allocation demanded for rural development which perhaps covered anti-poverty and employment generation schemes is much higher than the actual allocations. What is most surprising is the substantially lower allocation proposed from below on roads. On the other hand, housing figures much more prominently in the KSI plan than it does for the actual allocation for the district. At the same time, the allocation for SC/ST welfare is much smaller, less than half of that actually provided.

Table 3.2: Sectoral Allocation of State Plan District Sector for Kottayam and the Proposals from Kottayam

	Dist.Schemes 1987-88	Dist.wise breakup 1989-90	Proposals Received from Panchayats/ Municipalities and DDC
Agriculture	6.5	4.82	3.57
Soil and Water Conservation	1.8	0.71	0.79
Animal Husbandary	0.9	1.34	2.26
Dairy Development	0.2	0.31	2.05
Fisheries	0.1	0.34	1.47
Forests	4.1	3.73	0.29
Rural Development	9.6	15.41	22.69
Cooperation	2.0	0.99	1.91
Com.& Panchayats	0.2		
Minor Irrigation	4.5	4.54	7.85
Power	8.8	12.38	3.71
V & S S I	3.4	9.20	3.21
Roads and water transport	30.4	22.80	19.96
Water supply	15.1	17.61	17.96
Housing	1.3	2.76	7.61
Urban Development		0.17	0.76
Welfare of SC ST	2.9	2.81	1.21
Social Welfare	2.5	0.02	2.24
Education	0.8		
Med.Health Sanitation	1.9		
Tourism			0.27
Others (Public Works 2.8=)	3.0	0.06	0.19
Total	100.00	100.00	100.00

Source: KSI: 1988, "A Note on Preparation of a district plan for Kottayam" - Note submitted to KSPB for discussion. KSI: 1990, "A District Plan for Kottayam" and KSPB: District wise Breakdown of annual Plan Funds.

Although the KSI plan for Kottayam district had a number of positive features. Still, the conclusion reached at the end of the exercise was that in the task of "identification of schemes and projects of local significance and presentation of the same along with adequate details such as importance, costs and benefits. . . . the general public can make very little contribution. However, there should be a suitable mechanism to ensure that the felt needs

of the people get translated into projects for consideration. The responsibility for assessing the felt needs of the people necessarily has to be entrusted to the local level viz. the members of the panchayat. Other knowledgeable citizens and representatives of voluntary agencies working in the area may also be associated with this exercise. The extent of people's participation at the panchayat level has to be limited in this manner for the present." [KSI:1990, p-15] Obviously, the authors of the plan were not satisfied with the extent of people's participation they could secure in their plan formulation exercise. The question whether people's participation could extend to the masses was, evidently, not even raised.

### ***The Kannur District Plan***

The Kannur District Plan was submitted on December, 1992, almost two years after the Kottayam Plan. By then the first elected district councils of Kerala had also been constituted. This plan was also a "methodological exercise than as an operational (medium/term/annual) plan" .The methodology for preparation of the district plan involved seven steps.

The first step was of situation analysis. It included preparation of district profile, resource inventory through secondary data collection and mapping techniques and also primary survey if needed, specially using RRA techniques. A district development index was also constructed using 15 variables for inter district comparison. While Kannur district is 12 th in terms of per capita allocation of district sector of the State Plan, is third in the ranking of the districts according to the development index used for the study. If we apply the development index which was used as a proxy for district income for West Bengal analysis, Kannur ranks fifth.

The second step involved a sectoral and spatial analysis of the district which included identification of water shed, geoclimatic typologies, spatial profile of poverty and unemployment, sectoral review of potentials etc. The format used to collect panchayat-wise data is instructive in elucidating the data requirement for local level planning.

The third step involved formulation of objectives and strategies based on the situation analysis done in the first step. This encompassed an assessment of the felt needs of the panchayats, NGOs, and then formulation of long term and short term objectives, as well as sectoral strategies. It is interesting in this context to examine the preferences or the priorities of the

panchayats as revealed by the survey. The most preferred sector of the panchayats was Social Services with drinking water being the most important component (see in Table 3.2). This pattern of preferences significantly varies from the expenditure pattern of seventh plan in the district. Thus creating or improving drinking water facilities was considered as one of the five important sectors by 52.8 per cent of the panchayats, while 30.3 percent of the panchayats saw it as the number one priority sector. But the allocation for Kerala Water Authority was 7.7 percent of total outlay, and actually only 4.9 per cent was spent by it during the 7<sup>th</sup> Plan for the district. Fisheries sector was counted as one of the five important sectors by 21.8 per cent of the panchayats, and 3 percent of the panchayats saw it as the number one priority sector. But the expenditure on Fisheries remained only 1.35 per cent of the 7<sup>th</sup> Plan in the district. The allocation and expenditure pattern of the district for the 7<sup>th</sup> Plan shows Rural Development (centrally sponsored) schemes accounted for around 30 per cent of the allocation or expenditure. Agriculture came next in order of importance, followed by Social Services and Transport (roads) and buildings.

Table: 3.3 Pattern of Development Preference Of Kannur Panchayats

Sectors	Order of Preferences				
	1	2	3	4	5
1. Agriculture	27.3	12.1	14.3	6.9	8.3
Soil and Water	-	12.1	3.6	6.9	-
Animal Husbandary	-	3.0	17.9	3.4	4.2
Dairy Development	3.0	6.1	3.6	6.9	4.2
Co-operation	-	-	-	3.4	-
2. Fisheries	3.0	-	3.6	6.9	8.3
3. Rural Development	-	3.0	3.6	-	-
4. Irrigation and F.C.	-	12.1	-	6.9	12.5
5. Energy	-	-	10.7	-	4.2
6. Industry	6.1	9.1	14.3	3.4	16.7
7. Transport	18.2	15.2	3.6	6.9	8.3
8. Social Services	(42.4)	(27.3)	(25.1)	(48.2)	(33.4)
Education	3.0	6.1	3.6	6.9	-
Health	6.1	15.2	7.1	13.8	4.2
Drinking Water	30.3	3.0	3.6	3.4	12.5
Social Welfare	3.0	3.0	10.8	24.1	16.7
	100.00	100.00	100.00	100.00	100.00

Source: Kannur District Plan, P.166.

Industry got around 5.5 per cent of plan expenditure, while Irrigation was generally ignored at less than 3 per cent, [IMG: 1993, p-166] though it was regarded one of the five most important sector by a total of 31.5 per cent of the panchayats.

The fourth step of Kannur district plan was the preparation of programmes and projects. The District Plan report elaborately discussed the development perspective and broad sectoral programmes for each the development sectors in separate chapters. It was stated at the start of the exercise that a quantitative and spatial schematic plan would be drawn up on the basis of a 'development dialogue' with the District Council regarding the financial resource position and their views regarding development priorities. This promise however, never materialised.

### ***3.3 Decentralisation of Special Component Plan and Tribal Sub-Plan***

Though comprehensive district planning did not go beyond the experiment in plan formulation, Kerala has had relatively better success in decentralised planning for certain target group oriented special programmes, particularly the special component plan (SCP) for scheduled castes and the tribal sub-plan(TSP). As per 1991 census, the scheduled caste population constitutes 10.02 per cent of the population and scheduled tribe population accounts for around 1.03 percent. Even though these groups have been historically subjected to worst forms of caste oppression, during the recent decades SCs have been increasingly drawn into social main stream through various social movements and agricultural labourer unions. As a result, in terms of education and health indices, the social distance between the SC population and the rest of society have tended to narrow. The SC population in Kerala are today in better position with regard to education, participation in organised sector employment, health and social status than those in other parts of the country. The same cannot be said of the ST population in Kerala. They continue to be isolated from the main stream. It cannot be said that the development efforts so far have had any significant impact on their standard of living. [Kunjaman: 1984] Still, the SCs and STs constitute the poorest of the poor in Kerala, with proportionately much higher per cent of the identified poor families in Kerala, according to the IRDP survey, belonging to SC/ST families. They continue to suffer from double disabilities of severe economic exploitation and social discrimination. This being the situation it was only appropriate that these social strata were made the focus of special plan efforts through various welfare programmes.

A major change in the approach towards SC/ST development occurred in 1975 when the Conference of State Ministers in charge of Backward Classes Welfare recommended that each

every development department should have special schemes for SC/ST and the benefits from such schemes should be quantified. To operationalise the new concept or of special schemes for SC/ST development, a list of indicative schemes that could be taken up by the different departments was drawn up by the Central Home Minister [D.O. Letter No.BC/11013/3/76-SCT-II/5397: 19th September 1976].

This was followed by a reorganisation of the SC/ST development programme according to the recommendations by the review committees. An expert committee appointed by the Education Minister suggested: i. precise definition of the total developmental effort at the national level; ii. an integrated area plan at an appropriate level comprising all developmental inputs with focus on the problem of the tribal communities; iii. a suitable simple administrative and personnel structure within the comprehension of the people. The Task Force of Planning Commission on Development of Backward Classes suggested a three-tier developmental structure at 'micro', 'meso' and 'macro' levels. The 'meso' unit was to be the main building block of the strategy. Area development and tribal development were to be suitably intermeshed in an integrated development programme.

The strategy for development of areas of tribal concentration culminated in the concept of a sub-plan for those areas of the states and union territories where tribal population is below 50 per cent. Accordingly the states were asked to prepare Tribal Sub Plan (TSP), combining resources of all different departments into a single ST development plan for the state. Similarly, the guidelines on the formulation of the Fifth Plan (1978-83) suggested earmarking schemes and outlays that could be identified to target in every sector the SCs for integrating them in the general development programme.<sup>6</sup> The strategy was to ensure SC development through the schemes under the general sectors with special programmes playing a supplementary role. By the end of Fifth Five Year Plan, however, it became apparent that

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<sup>6</sup> *In a letter the Home Minister wrote to all Chief Ministers: ". . . I am told that some states and Union Territories have been experiencing difficulties in identification of beneficiaries, on the ground that members of Scheduled Castes live interspersed with the general population. In this connection I would like to point out that in cases of all schemes which are individual oriented, the various departments should find it easy to identify the Scheduled Caste beneficiaries. In cases of group-oriented or community oriented schemes, there may be some difficulty in locating a development block with concentration of Scheduled Caste Population. In such cases, it would be advisable to reduce the area of operation to a mouza or a village or even to a smaller compact area . . ." [D.O.Letter No.BC/11013/3/76-SCT-II/5397: dated 19th September]*



attempts to quantify financial and physical benefits to SCs had not achieved the desired results. This realisation led to the formalisation of a modified approach of insisting up on a Special Component Plan consisting of (i) identified schemes in each sector of development which can directly benefit the SC families and (ii) earmarked provisions within the sectoral plans in proportion to the SC population in the target groups. Provision of institutional credit and marketing facilities was also to be part of the exercise. All these activities were to be undertaken in an integrated manner so that each SC beneficiary family receives a package of developmental assistance. The State Governments were requested to prepare the Special Component Plans for SC for the first time for the Annual Plan 1979-80. Schemes benefiting the SC had to be identified by areas and beneficiaries and funds earmarked to the target group through a sub-plan approach. These provisions had to be made under separate minor budget heads so as to make the allocation non-divertable. It was also suggested that it would be appropriate to earmark for them (SCs) at least 50 per cent of the benefits of individual and family oriented schemes and correspondingly a good share of the Plan provision. Furthermore, the states were asked that a reasonable share of schemes pertaining to whole villages or whole hamlets may also be earmarked for villages or hamlets of which the majority of inhabitants are Scheduled Castes, along with corresponding provisions". [D.O. Letter No. B.C14011/2/78-SCT.II dated 3rd November 1978].

However, a review of the Annual Plan 1978-79 revealed that "Most of the Special Component Plans which were submitted were mere segregation of outlays under the various sectors of development; moreover total outlays thus earmarked were far below the proportion of scheduled caste population in the State. In fact the main objective to give positive thrust to their development by covering maximum number of scheduled caste families has not emerged. Exercises for apportioning funds were not attempted in a number of sectors. It was also noted that most of the States had not taken into account all the schemes which could benefit necessary linkages with marketing; credit needs were also wanting. There were not linkages also with the state agencies like the various Development Corporations." [GOK: 1978:p-106-7] A number of corrective measures were suggested and a new scheme of Special Central Assistance as an additionality was instituted. Even the allocation for the SCP continued to remain below the population share: In 1979-80 it was only 4.5 per cent and 6.9 per cent in the next year. The schemes under SCP were being drawn up and implemented

by the different departments. These were decided at the state level and implemented at the district or block level. The schematic outlays were distributed to the districts by the departments themselves. Most of these schemes, as was recognised later, "were routine, stereotyped schemes of the departments which they had been implementing in the previous plan. The only difference was that in the budget the outlays set apart for schemes under SCP were shown separately." The programmes were being formulated and implemented vertically by different departments without being integrated at the local level and they could not produce results to the desired extent.

In a 1982, review of the state of decentralisation of planning it was decided that instead of aiming at complete decentralisation at one stroke, it should be carried out in a phased manner.<sup>7</sup> In the first phase, the preparation and implementation of coordinated programmes at the district level in respect of Special Component Plan was recommended. [KSPB: 1988 January, p-2]. the decentralisation process was not carried forward into subsequent phases as to cover other district sector schemes so that it remained limited to the formulation of SCP and TSP at the district level. Thus the effective functional decentralisation of development planning in Kerala thus started only with the delegation of planning power of Special Component Plan and Tribal Sub Plan to the District Planning offices.

Both SCP and TSP envisaged the "integration of services to the delivery point". But the machinery at the state level was quiet unequipped to do so and the problem surfaced with identification of beneficiaries. Naturally, it was impossible to locate the lakhs of SC and ST families at the state level without a decentralised system to locate them at the district/sub-

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<sup>7</sup> *The different phases of decentralisation as envisaged at that time were:*

*Phase I (1985-86)*

*\*Beneficiary-oriented economic development schemes of all departments to be sanctioned and implemented in the district as in Special Component Plan.*

*\*In 'infrastructure schemes', priority to be fixed and works undertaken at the district level.*

*\*In establishment of institutions, locations to be recommended at the district level in accordance with guidelines.*

*Phase II (1986-87)*

*\*Beneficiary oriented and infrastructure district and local schemes to be prepared, sanctioned and implemented at the district level in accordance with the guidelines.*

*GOK: No.(MS) 70/84/Plg: 4 th September 1984]*

district level. This was a matter of concern right from the inception of the programme. It is in this context that the decision for decentralisation of SCP/TSP have to be viewed.

In the new procedure for "better implementation of SCP", keeping 25 per cent of the SCP fund for the headquarters's schemes for the first year of new procedure, the rest was distributed among the districts according to specific norms. [GOK: (MS)27/83/P.&E.A.: 16th April 1983] After 1983-84, SCP and TSP outlays in Kerala were budgeted as lump-sum provisions against separate sub-heads of accounts. The funds thus earmarked for each sector were then distributed according to the specific norms for each sector. The District Planning Office then played the key role to coordinate the formulation and implementation of schemes under SCP and TSP. A working group (DWG) chaired by District Collector and coordinated by DPO, consisting different departmental officers, was put in charge of SCP and TSP. This Working Group had to ensure that each scheme was properly coordinated with the rest of the plan and that the habitat level and family level coordination were properly worked out. The District Planning Officer played the Key role to coordinate the formulation and implementation of schemes under SCP and TSP. The technical sanction for the schemes were to be given by the district level officer of the concerned department. The Working Group was empowered to sanction schemes costing up to Rs.10 lakh and implement them. The District annual programme had to be placed before the District Advisory Committee on Scheduled Castes for advice before its approval.

The identification of the schemes was envisaged to be essentially guided by local needs and aspirations of the SC population. District Planning offices carried out a Scheduled Caste Habitat Survey in each district to identify habitats with 10 or more SC households clustered in one area. Basic data, such as infrastructural facilities available in the habitat, occupational characteristics of SC workers, educational qualification etc. were collected in a prescribed format. Based on that, package of family oriented programmes were to be identified through discussions with the beneficiary families, panchayat members, knowledgeable persons of the locality, representatives of SC associations etc. Programmes for the development of the areas or habitats were then drawn up. A medium term habitat development plan for each district was formulated by the district planning units of different districts by 1984-85. A second round of survey was initiated in 1987 to identify more SC habitats.

Before decentralised planning for SCP was introduced, shortfalls and lapses were usual in implementation. After this elaborate process of identification of the beneficiaries and decentralisation of for mulation of SCP, there was a significant increase in allocation and expenditure. Finally, the outlay of SCP from the state's share of Annual State Plan more or less stabilized around 9 per cent of the total allocation, which can be seen from Table 3.4.

Table 3.4: Allocation and Expenditure of SCP

Year	Share of State in - State Plan	SCP	Plan % of State's share of SCP	Allocation of total SCP for DLWGs	% of state SCP given to DLWGs
1979-80	23526.06	938.75	4.0	0.0	0.0
1980-81	31131.20	1942.3	6.2	0.0	0.0
1983-84	32000.00	2299.81	7.0	1756.68	76.3
1985-86	35500.00	2982.60	8.4	2586.95	86.7
1986-87	39000.00	3583.35	9.1	3065.55	85.0
1987-88	44000.00	3976.45	9.0	3395.52	85.3
1988-89	50000.00	4761.70	9.5	3786.18	79.5
1989-90	52600.00	4943.40	9.4	4477.85	90.5
1990-91	63500.00	5983.95	9.4	NA	
1991-92	80700.00	7725.85	9.6	8403.85	108.7
1992-93	91300.00	8823.50	9.7	11117.82	126.0

Note: e relates to actual expenditure.

Source: Documents of State Planning Board, Trivandrum.

It is also noteworthy that in 1979-80, against the allocation of Rs 938 crores, the actual SCP expenditure was only Rs.752.43 lakhs, -- nearly 20 per cent less than the allocation. In contrast, in 1990-91, the actual expenditure was 10 per cent higher than the allocation for SCP in the Annual Plan of that year.

Column 5 and 6 of Table 3.3 give the amount of SCP allocated among the districts. As we can see the share of the districts was around 85 per cent during 1980s. During the present decade even this has changed : The share of the headquarters of different departments were significantly declined, to even less than the central share of SCP, so the districts' share has become more than 100 per cent of state's share of SCP.

The plan expenditure for tribal population saw an 50- per cent increase in the last year of Fifth five Year Plan, once TSP has emerged as an institutional arrangement. As can be seen from the Table 3.5, the TSP expenditure further increased from 0.4 per cent to 0.7 per cent

of total Annual State Plan between 1978-79 and 1980-81. After 1981, there was a quantum jump in the share of TSP. In the nineties, TSPs share has been close to 2 percent, which compared to the population share of 1.03 percent, is significantly higher.

**Table 3.5: Allocation and Expenditure of TSP**

Year	State Plan	TSP total	% of TSP	Dist.s'share
1976-77	12660.17	34.48	0.27	0
1977-78	15862.08	42.46	0.27	0
1978-79	19343.77	77.70	0.4	0
1979-80	23526.06	121.25	0.5	0
1980-81	31131.20	224.15	0.7	0
1981-82	32422.34	370.79	1.14	0
1982-83	29179.72	386.56	1.32	0
1983-84	32000.00	391.70	1.22	0
1984-85	35500.00	488.69	1.38	92.6 %
1985-86	35500.00	670.30	1.89	85.0 %
1986-87	39000.00	639.66	1.64	82.6 %
1987-88	44000.00	760.95	1.73	72.7 %
1988-89	50000.00	883.50	1.77	64.3 %
1989-90	52600.00	922.70	1.75	77.2 %
1990-91	63500.00	1147.68	1.81	
1991-92	80700.00	1742.60	2.16	
1992-93	91300.00	1600.50	1.75	80.8 %
1995-96	155000.00	2472.38	1.6	79.7 %

Note: Data upto 1980-81 is expenditure, while after that it is allocation only. Source: Tribal Sub Plan of different years, Finance of Kerala State, District-wise break down for SCP and for TSP, Annual Plan, etc. State Planning Board, Kerala.

As for the share of TSP allotted to districts, it appears to have come down. Even for the devolved allocation, the District Collectors or the DWG however, could not alter the sectoral distribution of TSP, once it was passed by the SPB.

Concurrent monitoring and evaluation of SCP/TSP made it possible to overcome the bureaucratic delay and negligence, and dilution of objectives that government initiatives usually suffer from to a great extent. District SCPs and TSPs were to be formulated with quarterly target in terms of finance as well as physical achievement. Physical target specified the actual progress in terms of relevant units.

Decentralisation of SCP and TSP was undertaken to ensure better formulation and effective implementation. However, it was limited to functional devolution, without a certain financial devolution with guarantee and supporting administrative devolution. To summarise, financial devolution was limited to the extent of administrative devolution. Though there was some non-officials including MLAs/MPs as member of the DLWG, no representatives of the local bodies were included in these exercises. People's participation was not virtually envisaged. All that can be said that, planning to the extent of SCP and TSP was decentralised for bureaucratic management in a decentralised way. Instead of finalizing these schemes from Trivandrum, the district offices of line departments were given the charge to do it under the co-ordination of District Planning Officer and District Collector. The experiment was totally devoid of any association with peoples' representatives. Still, expenditure for TSP increased from 0.27 per cent in the Fifth Plan to 1.52 per cent in the Sixth Plan and further to 1.86 per cent in Seventh Plan, the credit for which largely goes to the decentralised formulation.[NIRD: 1996; p-259]

### ***3.4 Decentralised Planning and Kerala's Eighth Plan (1990-1995)***

The methodological insights, particularly from the Quilon experiment and the practical experience gained there, formed the basis of a major attempt to adopt decentralised approach for the formulation of 8<sup>th</sup> Plan (1990-95). The Draft Approach Paper for 8<sup>th</sup> Plan (1990-95) laid great emphasis on people's participation for the preparation of plan: "Only their creative insights can ensure unerring guidance; their vigilance and energy in action, implementation. In short, only the whole hearted participation of the people in the planning process can ensure its success." [KSPB: 1989] Decentralisation of the planning process, it was recognised, was a precondition for participatory planning. This signalled a major break with the past.

There were a number of other factors that created the conditions conducive to the adoption of the decentralised approach to planning. The most important among them was imminency of implementation of District Council Act (1979). The report of the advisor on decentralisation on the necessary amendments to the acts and rules and administrative changes had already been submitted. Among his suggestions, one was that District Planning for Development should be one of the important functions of the District Council -- the local

self government institution of the district level; and it should be appropriately autonomous and empowered to discharge its duties and responsibilities as representative of local people to undertake management of local affairs and development programmes. To assist the council in this regard, a District Planning and Development Advisory Committee with broad-based membership was suggested. The District Rural Development Agency (DRDA) concerned with special anti-poverty programmes like IRDP, was to be merged with the District Council. Another additional reason must have been the enthusiasm regarding the decentralisation of planning that had started in West Bengal. It was hoped that the preparation and subsequent implementation of the state's 8<sup>th</sup> Five Year Plan would elicit such participation from the people.

Till then, departmental heads of the state level used to prepare the plans and give them to the district offices. But in the proposal of decentralised planning in 8<sup>th</sup> Plan, it was envisaged that all divisible schemes would be formulated at the district level and compiled at the state level. [G.O. (MS) No.1/86/planning, dated 2nd January 1989] All the schemes of Annual State Plan were divided among four categories. Category-I consisted schemes with no specific location benefiting the whole state; Category II denoted schemes located in one district but intended to serve the whole State; Category III included schemes benefiting a local area and located in that area because of specific advantages obtaining in that area which are not available elsewhere; and Category IV comprised schemes located in all or most of the districts in the state.

In Table 3.5. the composition of these different categories as calculated from the Annual State Plans of 1981-82 to 1995-96 is presented. A total of category- III and category-IV schemes gives the share deemed for district planning. Though they total more than 50 per cent of the total outlay, the trend in the ratio is characterised by wide fluctuation. Category-I has varied between a wide range of 19 per cent to 36 per cent, category-II has varied from 10 per cent to 30 per cent, category-III has varied from 13 to 15 per cent, and category-IV fluctuated between 28 to 46 per cent of Annual Plan. It is evident that there was lack of uniformity, if not confusion, in the categorisation procedure among different departments.[KSI: 1990, pp-18-9]

**Table 3.6: Division of Fund between 4 categories of Schemes**

	Total	C-I	C-2	C-3	C-4	Total
1981-82	27844.01	36.38	10.98	21.30	31.34	100.00
1983-84	32930.00	25.49	17.58	25.79	31.15	100.00
1984-85	36785.00	25.10	16.30	20.87	37.73	100.00
1985-86	36933.00	19.73	16.42	17.12	46.73	100.00
1986-87	40966.63	19.82	18.36	15.95	45.87	100.00
1987-88	48674.75	22.70	26.16	13.23	37.91	100.00
1988-89	47046.57	22.56	23.35	17.96	36.13	100.00
1989-90	54280.95	17.03	22.56	19.67	40.74	100.00
1990-91	63500.00	16.44	22.05	25.39	36.13	100.00
1992-93	91300.00	25.02	14.62	25.24	35.12	100.00
1993-94	76827.71	34.64	12.14	24.09	29.13	100.00
1994-95	126000.00	25.80	23.88	13.97	36.35	100.00
1995-96	155000.00	25.62	30.03	15.56	28.79	100.00

Source: Calculated from SPB documents.

Generally speaking, projects requiring bulky investments such as under power generation programmes, major and medium irrigation schemes, major industrial projects, establishment of engineering / medical colleges, research institutions etc. were clubbed together for the state sector. Annexure II of that order gave an elaborate list of all topics for district sector plan. It is to be noted that, all centrally sponsored schemes were given to the district sector, which added up with the district sector, as was the case for West Bengal, to generate the total fund available for the district plan.

In the absence of District council, DDC was assigned the duty of designing the district level plans would be 'assisted' by the District Collector. DDC was to chalk out the district plan, with the help of subcommittees and facilitate planning from below through BPC, and Panchayat Level Committee comprising elected people's representatives.

In order to fix the share of each district, an analysis of the last ten years' annual plan outlays was made to arrive at the average percentage share of each district. Based on that exercise, the tentative outlays for each district were estimated and indicated to the districts in the same government order [G.O. (MS) No.1/86/planning: 2nd January 1989]. This is presented in the Table 3.6.



**Table 3.7 : Draft Proposal of Outlay for Districts in Eighth Plan of Kerala**

District	State	Central	Total	Per Capita		Index of District Income	
		Sector	Sector	Outlay per year	Rank	(comparable to West Bengal)	Rank
		-----Rs. Lakhs-----		-----Rs.-----			
Trivandrum	10620	2008	12628	85.71	6	125	11
Kollam	8302	1632	9934	82.52	5	119	11.5
Pathanamthitta	6112	920	7032	118.35	11	117	7.5
Allappuzha	8257	1091	9348	93.42	9	119	11.5
Kottayam	8017	1008	9025	98.72	10	131	13
Iddukki	7312	995	8307	154.10	13	118	9
Ernakulum	9120	1698	10818	76.79	3	188	14
Thrissur	10125	1758	11883	86.82	7	117	7.5
Palakkad	9000	1946	10946	91.90	8	82	2
Malapuzham	8475	1392	9867	63.73	1	63	1
Kozhikode	9105	1496	10601	80.93	4	97	4
Wyanad	5490	603	6093	181.30	14	114	6
Kannur	6960	1256	8216	72.98	2	106	5
Kasargode	5605	782	6387	119.21	12	94	3
Total	112500	18585	131085			117	

Source: GO (MS) No.1/86/plg, dtd.2/1/1989.

The rank correlation of the per capita district sector allotment and the income-proxy is negative. But, where as for West Bengal it was around -0.5, Kerala shows only -0.105. The low correlation indicates that the proposed distribution, or the average expenditure of plan outlay in the districts of Kerala for the ten years preceeding the proposal does not seem to be an equitable distribution. In other words we can say that because district-wise allocation was on the basis of past allocation and not on the basis of any objective criteria like population and backwardness, the decentralised approach was not much accompanied by the principle of equitable distribution among the districts.

In the subsequent actual inter-district allocation, a more objective set of criteria was supposed to be adopted.[Gulati: 1994, p-30] That is, 50 per cent of the allocations on the basis of inverse of per capita income adjusted to total population; and the balance 50% on the basis of total cropped area excluding plantations. The first criterion ensured a proportionately higher share to districts with low per capita income.<sup>8</sup> The rationale for the second criterion

<sup>8</sup> This was probably, found necessary as the earlier pattern of district-wise distribution of plan outlays was seen to be weighted in favour of districts with higher per capita income, as is confirmed in our correlation test also.

was that thereby a larger share of the district plan outlays would go for agriculture and allied sectors in which there was greater scope for employment.

Given the district-wise allocation, district level departmental officers were required to draw up an action plan taking into account the relevant schemes/activities proposed in the district plan. The DDC were to allocate the lump sum indicated to them among the local bodies according to the following criteria:

1. 50 per cent of the outlay on the basis of population among the village panchayats;
2. 15 per cent on the basis of proportion of agricultural workers among the village panchayats;
3. percentage outlay equivalent to percentage of SC/ST population among the village panchayats;
4. 10 per cent of the outlay equally among the blocks; 2 per cent of the outlay among the corporations/municipalities;
5. balance outlay were supposed to be earmarked for district level schemes which cut across blocks. Thus, nearly 65-77 per cent of the outlay for district sector was to be earmarked for schemes to be drawn up by the village panchayats.

It is important to note that the lump sum outlays indicated did not have any sectoral stipulations. The idea was that it would enable the districts to prepare meaningful and integrated development plans based on local resources and in accordance with local priorities. Some guidelines were however included in the instructions issued by the government for the purpose.

According to these guidelines, DDC was to form 3 sub-committees for Agriculture, Industry, and Social welfare and related areas with a maximum of 10 non-government officials and 10 district officials. For each sub-committee while an official of DDO was to be the convener, the chairman had to be a non-government official. Each sub-committee would submit its sectoral district plan to the DDC. DDC would integrate the block and panchayats plans with the district sectoral plan proposals into a comprehensive district annual plan, with the help of DPC. The district collector was made responsible for coordinating the functioning of the sub-committees and the preparation of the district plan for the approval of DDC before it was submitted to the State Planning Board.

The technical guidance for the planning exercise was to be provided by the officials of the various line departments at the block/panchayat level. The departmental officers of the district/block/panchayat level were specially instructed to attend the meetings of the blocks and panchayats convened for the purpose and extend the necessary technical and other support. It is to be noted that for identifying schemes at the local level, the basic required information was to be provided by the local departmental officers, no separate arrangement was made not even a separate data collection programme, as was done in West Bengal.

It is also noteworthy that, the Kerala experiment of 1989-90 for the involvement of local bodies in plan decentralisation, was really confined to village Panchayats only whereas in West Bengal, for the first decade of decentralised planning, only the Zilla Parishad (district panchayat) was the key player. In West Bengal, the role of the local bodies was limited to mere coordination at first, then prioritization, and then gradually assertion of control over the proposals to prepare schemes. In Kerala, the local bodies were to be given greater autonomy.

The Panchayats did draw up their five year plans and submit them to the DDCs.<sup>9</sup> After the DDCs submitted the district plans to the SPB, attempts were made to dovetail them into the Annual State Plan. For this purpose a three pronged approach was followed. Firstly in each sector programmes amenable for local level planning which could accommodate the relevant activities/schemes from the District Plans were identified and indicated as such in the budget. Out of a provision of Rs.635 crores, Rs.151 crores (24 per cent) were worked out as district sector schemes. Secondly, programmes for which active involvement of panchayats would ensure timely and smooth implementation were separated and categorised as programmes requiring administrative sanction from the concerned panchayats before implementation by the department. The outlay for these schemes added up to Rs.36 crores (5.66 per cent). Thirdly an Untied Fund was provided to the panchayats. [KSPB: October 1990, p-38]

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<sup>9</sup> In the *Annual Plan Proposals, 1990-91* (it was single volume at that time), published in January, 1990, it was reported that, "The District Development Councils have already drawn up District Plans for an estimated outlay of Rs.1300 crores covering the period 1990-95. . . . Attempts are now being made to dovetail the proposals from the District Plans for an outlay of Rs.136 crores in the State's Annual Plan 1990-91 under the different sectors. This will account for over 20 % of the State Plan outlay." [p.-vi of Part I (Introduction)]

As regards sectoral allocation, though roads and bridges were given lower preferences in terms of allocation, many panchayats, or their assisting technical officers ended up with drawing up "stereo-typed routine exercise" [Gulati: 1994, p-33.], and "undue prominence" was given to road-works [Vijayanand SM: 1993.].

Whatever be the effectiveness of incorporating the proposals from below in the 8<sup>th</sup> Plan about which no objective assesment can be made in the absence of documentations regarding the proposals from the districts, around 25 per cent of the Annual State Plan outlay was earmarked for the districts. We shall briefly examine its sectoral break ups for the Annual Plans 1990-91, and 1991-92, and the draft 8<sup>th</sup> Five Year Plan (1990-95).

It can be seen that almost the entire rural development and special area development were devoted to the district sector outlay. Agriculture comes next in importance. Though only 32 per cent of the agriculture is devolved, it constitutes 20 per cent of district sector outlay. Thus more than 55 per cent of the District Sector Outlay consists of agriculture and allied sectors including irrigation. The sectoral distribution of Annual Plans have fairly closely followed the overall distribution of the 8<sup>th</sup> Plan.

Table 3.8: Proposed Outlay for District Plan - Eighth Plan, 1990-95 (Rs.Crores)

Sector	Eighth Five Year Plan (1990-1995)		Percentage of Dist. sector outlay
	District Sector Allocation	Dist.Sector outlay's share in total sectoral Allocation	
Agriculture	216.5580	32.26	20.36
Rural Development	234.6000	92.14	22.05
Special Area Development	4.5000	100.00	0.42
Irrigation & Flood Control	155.0000	30.57	14.57
Energy	115.0000	11.56	10.81
Industry & Mineral	104.8600	17.48	9.85
Transport	100.0000	27.7	9.4
General Economic Services	1.1500	3.24	0.11
Social Services	131.9600	17.11	12.4
Grand Total	1063.6280	24.88	100.00

Source: Compiled from Govt. of Kerala, State Planning Board: October, 1990, pp-41-2..

In the earlier chapter we saw that the district sector of West Bengal at the beginning of decentralisation, in 1985-86, was in the order of 25.27 per cent of the total state outlay. For

Kerala, it was proposed to have 24.88 per cent earmarked for the district sector for the Eighth Five Year Plan. <sup>From 2.7 and can</sup> [Table 3.9] we make a comparison of inter-sectoral plan allocation in West Bengal and Kerala.

Table 3.9: Proposed Outlay for District Plan in Kerala (Annual State Plans 1990-92).  
(Rs Crores)

Sectors	% allocation of district sector		district sector as % of sectoral allocation
	1990-91	1991-92	1991-92
Agriculture	19.81	19.2	27.66
Rural Development	20.55	22.8	91.58
Special Area Developmen	0.8	0.6	100.00
Irrigation & Flood Cont	13.36	14.8	29.18
Energy	13.36	11.1	13.77
Industry & Mineral	10.4	7.9	17.93
Transport	7.2	10.3	31.41
General Economic Servic	0.14	0.1	3.79
Social Services	14.4	13.1	15.02
Grand Total	100.00	100.00	24.94

Source: Calculated from Govt. of Kerala, State Planning Board: January, 1990, pp-253-56; October 1990, pp-41-2.

In West Bengal, 41.1 per cent of sectoral outlay for agriculture was disaggregated for district sector in 1985-86, <sup>p-38</sup> where as in Kerala this was proposed to be 32.26 per cent for the 8<sup>th</sup> Plan. For the proposed district sector outlay of transport (roads and bridges) as per cent of total outlay of transport in State Plan, the comparable allocation of Kerala was nearly double than that of West Bengal, while in the case of Social Services it was nearly the same. Actually, the difference in the composition of sectoral distribution of Annual Plan of the two states has also got reflected in this decentralisation of district sector. Variation exists in the sectoral distribution of district sector of the two states. For example, while with a decentralisation of 41.1 per cent, agriculture constituted 12.58 per cent of the total disaggregated outlay for the district sector in West Bengal; in Kerala 27.66 per cent decentralisation of agriculture made it as much as 19.2 of the proposed district sector. Social services constituted 20.95 per cent of the total district sector in West Bengal in 1985-86 for a decentralisation of only 18.32 per cent of the sector in total State Plan. In Kerala, a decentralisation of 15.02 of the total sectoral allocation constitutes only 13.1 per cent of the total district sector proposed for 1991-92. But, on the whole, the similarity of this

distribution of district sector with the district sector of West Bengal is very clear at the aggregate level.

There is very little documentation as to how the district plan 1990-91 was implemented in the absence of the elected district councils, at best it could have been a process of burouacratic decentralisation. It is more likely that the so-called district sector plan continued to remain a formal aggregation of the district-wise divisible schemes in 1991-92. In January, new District Councils came into existence with an overwhelming majority of rulling left front. At the time of Budget presentation the draft Annual Plan 1991-92 was recast with an increased district plan outlay of 250 crores, including 140 crores of centrally sponsored schemes.

Agriculture and Allied sectors constitute around 15 per cent of this allocation. Around 43 per cent is allocation on Rural Development Schemes. Family welfare also got substantial importance with an allocation of over 13 per cent of total plan fund allotted to the District Councils. A new appendix was instituted with the Budget documents, namely, Appendix IV to earmark the funds allocated to District Councils, both plan and non-plan funds.

In the Table 3.19 the allocation of plan fund according to the budget of 1991-92 is presented. This may be regarded as the happiest souvenir of decentralisation of planning in Kerala before 1996, as finally, in 1991-92, even before implementation of these proposals, and spending the plan as well as non-plan fund, with UDF government coming into power, from November 1991, subjects and topics under district sector/district plan were taken back to the state sector [GOK: L.A.(DALC) GOK : 11-11-91 ]. That was the end of elaborated sectoral allocation for 8th plan as well as 1991-92 Annual Plan.

Whereas in 1991-92 as we have seen, Rs.253 crores was granted for the District Councils under different heads from Plan Fund, in 1992-93, the amount decreased to a pitiful total of Rs. 1.97 crores. A break up of the amount is presented in the Table 3.14.

Instead of the magnificent programme of decentralisation, as proposed in 1989-91, with a total fund devolution of around 27-30 per cent of State Plan Outlay, only 2 per cent were

actually devolved. That is also really a decreasing amount in terms of fraction of total state revenue. Therefore, in conclusion, besides the lessons of the failed experience, we have more to consider. It is needless to mention that with this meagre amount, the District Councils and their Standing Committees were reduced to powerless appendage of Panchayat department.

**Table 3.10: Proposed Plan Fund devolution to District Councils, (1991-92)** (Rs. crores)

Major Heads	From State Plan only	Total Plan Fund	% of Major heads
Agriculture	35.844	42.83	16.81
Rural Development	28.87	112.7	44.97
Special Area Programme	6.05	11.83	4.71
Irrigation	5.580	5.580	2.22
Energy	0.0	0.766	0.30
Industry and Minerals	5.858	5.928	2.36
Transport (Roads & Bridges)	3.180	3.180	1.26
General Economic Services	0.72	0.916	0.34
Social Services	24.372	67.291	26.79
<b>Grand Total</b>	<b>110.3495</b>	<b>250.5306</b>	<b>100.00</b>

Source: Appendix IV of Budget for 1991-92.

**Table 3.11: Allocation of Plan Fund in Budget for 1992-93**

	Rs Crores	%
Agriculture and Allied (Cooperation)	0.11	5.6
Rural Development (Land Reforms)	0.30	15.2
Special Area Programme	0.50	25.4
Social Services (Water Supply and Sanitation)	1.00	50.8
GES (Information and Publicity)	0.06	3.0
<b>Total</b>	<b>1.97</b>	<b>100</b>

Source: Appendix IV of Budget for 1992-93.

### *Allocation of Untied Funds to Panchayats*

We have already referred in the earlier section that at the time of the 1989-91 exercise, an untied fund was envisaged for the panchayats. This was meant for taking up those programmes from their plans, which could not be accommodated in the district sector of the Annual State Plan. Even though the decentralisation of 1989-91 ultimately could not sustain

due to change of government, the untied funds continued to be allocated throughout the 8<sup>th</sup> Plan, and thus became an important milestone of decentralised planning in Kerala. The allocation of untied funds is presented in the Table 3.11.

Table 3.11: Allocation of Untied Fund in Kerala

Year	Untied Fund of Kerala	
	in Rs. crores	% of State Plan
1990-91	18	2.83
1991-92	19	2.35
1992-93	20	2.19
1993-94	21	2.1
1994-95	29	2.27
1995-96	30	1.94

[Source: GOK, Panchayats: 1995 and Annual Plan documents of West Bengal ]

Untied fund was distributed among the panchayats in a way which allocated a higher amount for backward panchayats or those with larger population. The actual allocation varying between Rs.11 lakh and Rs.3 lakh per panchayat depending upon their size, population and backwardness.

Untied funds has endowed the Local Bodies with a degree of freedom to initiate programmes according to their own priority. This was specially important in view of the fact that they had no say about what portion of their plans would be accommodated in the district sector of the Annual State Plan. As a percentage of total plan outlay of 8th plan the allocation for untied fund was limited to 2.04 per cent and in the annual plans, it varied around 2-2.5 per cent of the outlay. Still, this was the first time that a 'sizable' outlay was provided as untied funds to the panchayats from the state plan outlay. In the beginning, many panchayats started implementation of new schemes on their own with this fund, avoiding contractors as was the case in West Bengal. " The idea was to increase this discretionary outlay in the coming years, so that it would help improve the planning capabilities at the local level." [Gulati, 1994, p-35-36] This however could not materialise, for two reasons. The first one is the allocation never increased in real terms, rather decreased as percentage of the Annual State Plan. Secondly, as the ex-Vice-Chairperson has lamented later, "Gradually, the Panchayat Department started controlling the funds on the pretext that under the prevailing rules, prior



approval of the department was required in case the expenditure exceeded Rs.5000. This demonstrates how a scheme intended to let village panchayats choose projects according to locally felt needs and priorities get frustrated in the absence of corresponding changes in rules and procedures that would give these bodies greater freedom of action and financial control." [Gulati: 1994, p-36]

A comparison of this untied fund with the District Plan Fund of West Bengal is necessary here. The amounts being the same, in the order of 18-20 crores at the beginning, the leverage exercised by the Zilla Parishads in West Bengal was apparently less because per capita fund availability was lesser. But with the passage of time, District Plan Fund of West Bengal played a more important role than Untied fund of Kerala. The amount of untied fund in Kerala remaining stagnant for four years where as in West Bengal District Plan Fund expenditure was occasionally as high as Rs.50 crores or in some years, 9 per cent of the State Plan.

### *3.5 Concluding remarks*

Despite the strong tradition of social mobilisation and demand from below which had succeeded in influencing public policies considerably, Kerala has remained one of the most backward states in terms of decentralisation till the first half of 1990s. Our discussion of the evolution of panchayati raj institutions in Kerala did reveal certain insights into the causes for the above stagnation. It is a case of lack of political will which may be related to the absence of any mass mobilisation in support of decentralisation. While in West Bengal one can see an organic link between peasant mobilisation for land reforms and decentralisation the political, conditions in Kerala resulted in the disruption of such a linkage during the immediate post landform period during the 1970s.

Another point of contrast is the political stability in West Bengal under a left government from 1977 while Kerala coalition politics has been a highly unstable phenomenon. The bureaucracy, embodied in the specific instance of District Collector in northern Kerala, assumed authority over the local bodies in the colonial period, and continued to be the pivotal instrument of the state at the sub-state level even after independence. On the whole, the

history of panchayati raj in Kerala has been one of aborted attempts, unkept promises and half hearted efforts.

Both Kerala and West Bengal shared broadly similar experiences until the later half of 1970s. The local bodies legislation even in princely states regions of Kerala followed the pattern set by colonial guidelines modified from time to time, the chronology of which we had discussed in fair detail in the context of West Bengal. Two differences may however be noted: First, the local administration structures were relatively weaker in the princely states of Travancore and Cochin when compared to the British provincial districts. Second, the local boards of Malabar become an arena for nationalists and the nationalist radicalisation of these bodies to a great extent undermined the hold of vested interests.

In West Bengal entry of radical politics into local self government institutions had to wait till the seventies. Both in Kerala and West Bengal the first generation panchayats that follow attainment of Independence and submission of Balwantrai Mehta Committee Report were weak. The two states began to diverge from their common trajectory with the ascendancy of the second generation panchayat in West Bengal from the later half of the 1970s, Kerala has finally caught up with West Bengal only with the emergence of the third generation panchayats following the 73rd and 74th institutional amendments.

This being the background of the initiation of decentralisation of planning in Kerala, the urge for decentralisation primarily came not from within, but from above, - the Planning Commission or the Central government which is again a contrast with the West Bengal experience. This is applicable for both the district plan experiments and decentralisation of SCP/TSP, which we have discussed in the second and third sections of this chapter. As we may recall, the pilot experiments revealed the fact that, priorities of the people did not match with the allocation of the centralised plan. These experiments, thus underlined the importance of decentralisation. But for the better part of the 1980s, decentralisation of planning as well as implementation, remained restricted to the limited delegation of SCP/TSP. Our discussion has shown that even with limited delegation, the performance of SCP and TSP improved.

In West Bengal, though the deconcentration of planning machinery, namely setting up of district offices started at the behest of Planning Commission, it was quickly accompanied by the emergence and establishment of system of democratically elected local government structures. Naturally, due to the absence of elected local bodies at block and district levels, and dormancy of the grass root level grama panchayats in Kerala, the attempts for decentralisation of planning remained limited to de-concentration of planning machinery, without any involvement of local governments or any devolution of decision making powers. With a weak popular administrative structure it is not surprising that whatever effort that took place in decentralisation of the planning process was heavily dependent on the bureaucracy and could not be sustained.

## Chapter 4

### *73<sup>rd</sup> and 74<sup>th</sup> Amendment Act and the New Initiatives*

The discussions in the earlier two chapters began with a historical narrative of the evolution of local bodies in the states of West Bengal and Kerala. We traced the origin of modern local bodies from the colonial period. After the attainment of independence, they were revamped in pursuance of the directive principles of the constitution and following the recommendations of Balwantarai Mehta Committee Report(1957). Ashok Mehta Committee Report (1978) characterised this period as the phase of ascendancy of local self government of India. It was followed by a phase of decline of the local government institutions all over India.

The West Bengal panchayats from 1978 are often called the second generation Panchayats (Mathew: 1993). They signaled the reemergence and revitalisation of this institution in certain parts of India following the review and recommendations of Ashok Mehta Committee. The passage of 73rd and 74 th Amendments in 1993 required a total overhauling of local governments all over India. One may characterise the post 73 rd and 74 th Amendments period as third generation of panchayats. Very importantly, these constitutional amendments have made the process of planning a very important function of the local bodies and therefore herald a new era for decentralised planning.

In the present chapter, we shall first examine the salient features of the 73<sup>rd</sup> and 74<sup>th</sup> amendment with special reference to the provision for local level planning. Both West Bengal and Kerala have passed new panchayati raj and municipal legislation in conformity with the new constitutional provisions. We shall examine how the mandatory constitutional provisions for the DPC and involvement of local bodies in the planning process has been incorporated in these legislation. In the second section, we shall highlight the initiatives that have been undertaken in the two states in the context of the possibilities for decentralised planning that have been opened up by these new Acts.

#### ***4.1 Conformity Acts of West Bengal and Kerala***

The Seventy third and Seventy fourth Constitutional Amendment Acts made the panchayati raj and municipal institutions an inherent structure of India's political framework. Till then these sub-state institutions existed at the discretion of the state governments and in the

provisions of Directive Principles. The Acts not only recognised but also guaranteed the Panchayati Raj system. The 73<sup>rd</sup> Amendment dealt with the rural local bodies and the 74<sup>th</sup> Amendment with the urban local bodies.

The 73<sup>rd</sup> Constitutional Amendment Act has provided for a three tier arrangements of Panchayati Raj for all states with population of more than 20 lakhs. The states have the freedom to determine the geographical unit i.e., whether the revenue taluk or the development block should constitute the second tier. The 74<sup>th</sup> Amendment provides for 3 types of local bodies,-- the Municipal Corporations for larger (metropolitan) areas, Municipal Council for smaller urban areas, and Nagar Panchayats for areas which are in transition from rural to urban setting. A vital feature of the organisational structure of the rural local bodies is the recognition of gram sabhas, the general assembly of a village or its constituents. These bodies, the best expression possible for the direct participatory democracy, have been made an inalienable part of the political structure of the country. In the municipal areas, the provision for nominated ward committees is also made. The local governments are constituted through direct elections, for a term of 5 years, to be conducted by the State Election Commission. The most significant feature of the new constitutional provision is that if the local bodies are dissolved, elections would have to be held within six months. The states have been given the freedom for ex-officio representation of MPs and MLAs in the local bodies. Reservation for Scheduled Castes and Scheduled Tribes, not only for the membership, but also for chairperson-offices have been made mandatory. Simultaneously, the new Amendments show their gender concern by requiring that one third of local body memberships and chairpersons should be reserved for women.

The Constitutional Amendments accord constitutional status not only to the bodies of decentralised governance like panchayat or municipality, but also to the institution for decentralised planning, namely the District Planning Committee (DPC). They envisage the amalgamation of the decentralised planning system with the local governance. It is the task of a DPC duly constituted to consolidate the plans prepared by the panchayats and municipalities in the district and to prepare a draft development plan for the district as a whole. The DPCs is "to consolidate the plans prepared by Panchayats and the Municipalities in the district and to prepare a draft development report plan for the district as a whole."

[Article 243ZD(1)] It also provides that in preparing the draft plan, the DPC would "have regard to (i) matters of common interest between the Panchayats and the Municipalities including spatial planning, sharing of water and other physical and natural resources, the integrated development of infrastructure and environmental conservation; (ii) the extent and type of available resources whether financial or otherwise".

While a state legislature was given the freedom to decide on the composition and functions of the DPC, it has to ensure that four-fifth of its membership is reserved for members of the local bodies. The state legislature would also determine the manner in which the chairpersons of the committee are to be chosen. For the metropolitan areas the law has also provided for Metropolitan Planning Committees, whose areas and jurisdiction of powers is also to be decided by the state government.

### **Functional and financial decentralisation**

The Constitutional Amendments, which guaranteed uniform structure for the local bodies through out the country, left the issue of devolution of functions entirely to the discretion of the state governments. Two schedules of powers, 11<sup>th</sup> and the 12<sup>th</sup> schedules for rural and urban bodies respectively have been provided in the amendments. The rural local bodies have been provided with a long list of 29 subjects. It includes productive sectors such as agriculture and allied areas and small scale and village industries, infrastructure facilities including roads and rural electrification, basic amenities like housing, drinking water, education, health, family planning and public distribution, welfare of women, children, handicapped and weaker sections, and poverty alleviation programmes. However, in contrast, in the 12<sup>th</sup> schedule dealing with urban bodies has given greater emphasis on traditional municipal functions such as urban amenities, sanitation, waste management, slum improvement etc. Regulation of construction and town planning is also included in the list. But there is no mention of productive development sectors including small scale industry.

Two points may be noted in this context. First is that the items in the schedules are not exclusive. They are at best guidelines for state legislature and do not restrict the state legislation in enlarging the scope of functions. In fact, the Constitutional provision is that

the state legislation must devolve functional powers to local bodies "as may be necessary to enable them to function as institution of self government." Again, the provision for devolution of functions in both the Amendments visualised, the local bodies "being entrusted with", any responsibility conferred on them apart from the matters listed in 11<sup>th</sup> and the 12<sup>th</sup> schedules.

The second point to be noted is that no function in the list is compulsorily transferred to the local bodies. The state governments have the freedom of choice not only about the functions to be devolved, but also with the condition which may be imposed.

Similarly, the state governments have been given the freedom to determine the source of finance of the local bodies. It is left to the state legislation to decide the own taxation powers of the local bodies or taxes that may be assigned or taxes that may be assigned to the local bodies but collected by the state governments. There is also provisions for grant-in-aid from the consolidated fund. However, the possibilities of arbitrariness of state governments in financial devolution has been limited by the provision for State Finance Commission to examine the financial conditions of the local bodies and make recommendations regarding devolution.

The expenditure of the local bodies so far has been largely on the non plan account but for the funds made available from centrally sponsored schemes. With enlargement of the functions of the local bodies as envisaged in Constitutional Amendments, the establishment charges as well as maintenance charges for the assets already created, and recurrent expenditure for the basic civic function would increase. But more importantly, they would have to shoulder considerable plan expenditure for the first time. According to the spirit underlying the 11th and 12th Schedules, it is natural to conclude that, at least the task of formulating district sector plans with respect to the subjects listed in these schedules and also implementing them should be entrusted to the local bodies hereafter. Proportionate plan funds should also be handed over to the local bodies. The national finance commission constituted under Art 280 till date has been looking into only non-pln expenditure requirements of the states,. This has been so because the Constitution confines the national finance commission to the non-plan side. The present constitutional provisions do not draw

any distinction between the plan and non-plan financial requirements of the local bodies. There is no reason therefore why the state finance commission should confine themselves to the assessment of non-plan expenditure requirements of the local bodies for recommending the devolution of funds and financial powers to the local bodies at various levels.

### **Decentralisation of Planning in the Conformity Acts of West Bengal and Kerala**

As per the Constitutional Amendment all state legislations had to be amended to ensure conformity with the new provisions of the constitution. In West Bengal, certain essential amendments to the law were passed while in Kerala, the entire law was replaced by new panchayat and municipal Acts. Even though, DPCs were existent in West Bengal, they were given a statutory status and their composition was clearly spelt out by legislating a separate new Act, - the West Bengal District Planning Act, 1994 (WBDPC Act). In Kerala, there was no separate act enacted for DPC. The topic was included in Kerala Panchayat Act, 1994 and Kerala Municipality Act, 1994.<sup>10</sup> These Acts of both states provide for the constitution of a DPC for each district (the WBDPC Act granting exemption for Darjeeling and Calcutta<sup>11</sup>).

As for the chairperson of the DPC, which has been totally left for the discretion of the state legislation, both the states have taken the same stand of assigning the position to the district panchayat president. The Sabhadhipati of the Zilla Parishad (of the Mahakuma Parishad in case of Shiliguri Mahakuma Parishad) in west Bengal and Chairperson of Zilla Panchayat in Kerala would be the Chair-person of DPC according to the related Acts.

Both the Acts also provide for the district magistrate as a member of the DPC, who would also act as the secretary. In West Bengal Act, a Vice-Chairperson would be elected from amongst and by the members of the DPC while in the case of Kerala it is not clear who

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<sup>10</sup> *The preamble of the Kerala Panchayat Act, 1994 declares the intention as to secure "a greater measure of participation of the people in planned development and local governmental affairs" and "entrusting Panchayats with the preparation of plans and implementation of schemes for economic development and social justice including the implementation of schemes in relation to matters listed in the XI schedule of the Constitution."*

<sup>11</sup> *Provisions were made for a Shiliguri Sub-division Planning Committee under this Act and for a Calcutta Metropolitan Planning Committee under the Metropolitan Planning Committee Act, 1994. The Shiliguri Sub-division Planning Committee has been given the status of DPC in all respect pertaining to Shiliguri subdivision only, because the rest of the district viz. Darjeeling Kalimpong and Kursong subdivisions constitutes Autonomous Darjeeling Gorkha Hill Council, which is excluded from the purview of all Acts of local bodies in West Bengal and also in the Constitution 73rd/ 74th Amendment Acts.*



would be Vice-Chairperson. The original Bill provided that the non-official expert member nominated by the government to be the Vice-president of the DPC. However this clause has been dropped. At present the DPCs have no Vice -persident.

Both the Acts of West Bengal and Kerala have also repeated the constitutional requirements regarding the composition of the membership of DPC, that members from district panchayat and the municipalities should be proportionate to the rural and urban population of the district; and that the proportion of total members of the DPC and the population of the district should be same through out the state as far as it is practicable and four fifth should consist of elected representatives from Zilla Parishad and Municipalities. But a difference lies in the matter of total number of members that a DPC can have. Where as in Kerala. the Municipality Act, 1994 restricted the total number to 15, in West Bengal the government would notify the number such that four fifth of total number of DPC members is less than or equal to the total number of members of Zilla Parishad.

In West Bengal District Planning Act, a maximum of one fifth of the total numbers including the district magistrate can be nominated members. Members of DPCs were to be nominated by the state government from the following:

- i. MPs and MLAs who are not ministers from the district as decided by the government.
- ii. officers of the state government or of any statutory body or corporation considered by the state government to have specialized knowledge, as members.
- iii. the Sabhapatis of Panchayat Samitis within the district and Chairpersons of the municipalities within the district.
- iv. the economists and social and political workers of eminence.

In Kerala MLAa and MPs of the district are permanant invitees of the DPC. Since a ceiling of 15 on DPC membership has been imposed and district panchayat president the ex-officio president only a maximum of 2 besides the district collector can be nominated by the government. The district departmental heads are permanent invitees in their capacity of being joint secretaries to the DPC.

DPCs have been entrusted with the responsibility of consolidating the plans formulated by the Panchayats and the Municipalities of the district and of preparing a draft development plan

for the district as a whole by both the Acts. Regarding the draft development plan formulation, the Acts have also repeated the constitutional provisions. Clause 175 of Kerala Panchayat Act, 1994 which empowers the different tiers of panchayat to draw up their plans has provided certain additional details. According to sub-clause 1, every year all the village panchayats shall formulate a development plan for the village in prescribed form within prescribed date for the coming year. This has to be submitted to the Block panchayat. Again, Block panchayats shall prepare a development plan in the prescribed form and submit the same to the district panchayats. District panchayats shall prepare the district plan for the next year having regard to the block plans submitted to it by the block panchayats. Similarly in the West Bengal Act, preparation of five year and annual development plan and implementation of schemes "for economic development and social justice as may be drawn up" have been made obligatory duties and the details has been specified under Section 19, Chapter III. Same have been provided for the Panchayat Samiti and the Zilla Parishad also. The Act has also specified that the plan for each year should be drawn up by the month of October of the preceding year by the grama panchayat, by the month of January by Panchayat Samiti and Zilla Parishad in the Section 109 and Section 153 respectively. Further, it has been provided that the gram panchayat should be guided by the village assembly in the matters pertaining to the schemes to be taken by Grama Panchayat. Meeting of the general assembly voters in the grama panchayat was incorporated in West Bengal Panchayat Act 1973 through an ammndment in 1992 even before the 73 rd 74 th Constitutional Amendments came through. After the conformity amendment, powers and responsibilities of the Village assembly was expanded.

In the Kerala Act, Standing committees are also prescribed for each tier of local bodies to facilitate the plan formulation and implementation in addition to the provisions mentioned above. In every Grama Panchayat, there would be a Taxation, Accounting and Planning Standing Committee according to the Act. In Block Panchayats, there would be two standing committees: Finance and Planning Standing committee and Welfare Standing committee. In District Panchayats, there would be three standing committees other than Finance and Planning Standing Committee. The West Bengal Panchayat Act, 1973 on the other hand does not envisage any standing committee as such for the Grama Panchayat. However, in section 32 A, which was inserted in 1992 amendments, the Act permits delegation of powers and

duties of grama panchayat to one or more members severally or jointly, by a resolution of the grama panchayat. This has been utilised for establishing sub-committees each for taxation, plan and scheme finalisation, finance, and complaint redresal subcommittees in many of the grama panchayats. In the Panchayat Samiti level, the Act has provided for 9 standing committees such as apart from development and planning committee, For Zilla Parishads also, the Act has provided ten standing committees, provisions for which dates back to 1984.

The Kerala Municipal Act holds that there shall be a Metropolitan Planning Committee (MPC) comprising 15 members, 10 elected from various municipalities and Panchayats of the metropolitan area and the remaining 5 to be nominated by the government from various fields - local administration, planning, public works, etc. Section 55 of the Act provides for a High Power Committee (HPC) for preparing development plan for the overall development of the state capital. The Chief Minister is the Chairperson of this HPC, while Ministers in charge of Local Administration, Irrigation, Transport, Finance, Electricity, Public Works etc. are its members.

It also has further decentralised planning in the urban areas by conferring the responsibility of formulating local plans to the ward committees, which would pass on the plans to the municipalities under section 51. This should be presented before the municipal council at least three months before the beginning of financial year. In West Bengal also, a separate Act for metropolitan areas has provided for similar provisions.

#### ***4.2 Peoples' participation from below after 73<sup>rd</sup> and 74<sup>th</sup> Amendment Act***

How did Kerala and West Bengal respond to the possibilities of expanding the scope of decentralised planning process opened up by the new legislations? In the case of West Bengal the system of decentralised district level planning whose evolution that we discussed in detail in Chap-2, has been continued with certain modifications. We shall first briefly examine the development in West Bengal and then take up the case of Kerala where the new legislative provisions were utilised to initiate one of the most thorough going decentralisation of planning procedures ever attempted in India.

Though in West Bengal a set of experienced Zilla Parishads and dynamic Panchayat Samitis have been firmly exercising the task of plan coordination at the respective level for about a decade, the role of grama panchayat had no note in the process. In recent changes, it has been attempted to decentralise planning to the Grama Panchayat level, not only through the peoples' representatives in the panchayats, but also by ensuring peoples' direct participation in grama sabhas.

By the early 1990s, the BPCs had began to function regularly, coordinating plans on block basis for most of the panchayat samitees of the state. The block plans however, had suffered from inadequate participation from a departments in the initial years. The block plan was mere an extension of the annual budget plan of the panchayat samities with few departments coming forward and sharing their block level departmental schemes to be incorporated in that. Overtime, as the panchayat samiti presidents gained valuable exposure as DPC members about the intended block level coordination of the departmental activities. Further, the calendar of block level preparation of departmental schemes were enforced gradually, with almost all the major departments joining the exercise. Specially, after the 1993 panchayat elections, the Panchayat department took a lead in enforcing the role of BPCs and Grama Panchayats in the plan formulation process.

After 1993 elections, the Panchayat Department organised training camps and orientation camps to educate the newly elected panchayat functionaries about planning. Separate training manuals and handbooks for people's representatives were created explaining the concept of development, planning at the Grama level, taking cognisance of the existing situation through data collection and collation of secondary data at the gram panchayat and the block level, identifying the target groups of village/block level plans, use of existing schemes and funds, and integration of innovative schemes etc. These training and orientation camps organised throughout 1994 to 1997 was in multi-phase and multi level workshops. Elected representatives of each tier were approached separately to focus on the specificities of planning in the concerned tier. Also common courses for representatives of all tiers were there which contained concepts of development-under development, analysis of the structure of rural society and determination of targeted groups for development importance of knowledge of data and plan schemes. The new panchayat members were told about the importance of grama sava. It was spelt out that a recurring problem of decentralised governance is that every actor thinks of decentralisation only up to his or her level. The process of decentralisation of governance is thus obstructed at every level,- not only by the central or state government, but also by the local government themselves.

The bi-annual meetings of Grama Sansad, - general assembly at the constituency level of Grama Panchayat, comprising of around 1000 voters were made compulsory by Act. Panchayat members were supposed to place a report about the ongoing schemes and the expected future schemes in these meetings to be held in the months of May and November. It was expected that the meetings would generate people's response to the work report and proposed work-plan, and discussion about their needs and priorities would follow. The powers of grama sansad have been extended to giving formal approval of all panchayat expenditure in the area of grama sansad, - for the past six months and also to a work plan for the next six months. Gram sansads can actually refuse to pass the expenditure of last six months and that should be noted with reason in the records. This absence of concurrence from grama sansad would be again noted by the auditing teams and the reason would be probed. As per clause 18, of Panchayat Act of West Bengal, not only work plan and work report of GP should be passed or discussed in the grama sansad, but also, they have to be displayed publicly and have to be published for public use. From 1997-98, most of the

grama panchayats have started to publish their annual report and annual plan for the next year.

Just like this elaborate procedure at the grama panchayat, the incorporation of the GP schemes in the Block Action Plan has been ensured through regularised meetings of Panchayat Samittee and BPCs. In the discussion of DPC also, any block level or below projects requires sanction form the lower level planning bodies. Through this process pressure is also built upon the departments to get involved in the block planning process. The grama sansad and grama sava have brought the qualitative difference in the participatory nature of the plan process.

Another mechanism has also been evolved for the improvement of functioning of panchayats. The gram panchayats and other tiers of panchayats have both internal audit and external audit. It is not possible for the state government to monitor the audit reports of the more than 3000 grama panchayats every year. In order to regularise the legal provisions regarding the duties and the responsibilities of the panchayats, and to put a safeguard against malpractice at the local level, a concept of District Council for Panchayats have been introduced in West Bengal Panchayat Act, 1973, through the amendments of 1994. The primary function of the District Council would be to examine the accounts of the panchayats within its territorial jurisdiction, in relation to the budget approved by the panchayats and "to consider the inspection reports on the annual audit of accounts of any Panchayat within its jurisdiction," . . . and "to examine the replies thereof furnished by respective Panchayats." The District Council of panchayats can also "pursue the matters relating to the unsettled objections raised in any inspection report on audit of accounts of such Panchayats and refer such matters to the authorities concerned suggesting corrective actions."

## **People's Campaign for formulation of 9th Plan of Kerala**

The preparation for the 9th year plan in Kerala presents a major break with the past. It has attempted to utilise the new opportunities provided by the 73<sup>rd</sup> and 74<sup>th</sup> Amendment to introduce full fledged decentralised planning in the state. We shall first describe the process and then attempt to delineate its key distinctive features compared to Kerala's own experience in the past and attempts made elsewhere in the country.

The political context of the new experiment may also be noted. The 1996 Assembly Election brought the left back to power. The decimation of the district councils by the Congress-led united front government had been an important campaign issue and therefore the new government was committed to striking a new course in decentralisation. The Planning Board was once again reconstituted with Prof. I.S.Gulati as Vice Chairperson and a group of non-officials with firm commitment to decentralisation. A major decision taken in the very first meeting by the planning board in July 1996, was to decentralise the planning process in Kerala. It was resolved that 35 to 40 per cent of the plan outlay will be earmarked for projects drawn up by the various tiers of local bodies. Since the local bodies were handicapped without adequate staff, institutions, facilities, and expertise to undertake a task of this magnitude, it was also resolved to initiate a people's campaign to empower the local bodies. The aim of the campaign was to make available to the local bodies, officials and non official experts, and support of the mass of people to facilitate comprehensive area planning. Every local body was to draw up a five year plan related to the functions that have been devolved them in a transparent, participatory and time bound manner.

The broad plan of action was set out in an Approach Paper titled 'People's Campaign for 9th Plan'. The Approach Paper called for a five phased programme. Subsequently an additional sixth phase has also been added. The campaign is still going on and therefore we shall not undertake any comprehensive evaluation of the programme. We will limit ourselves to a brief description of the procedure, and elucidate the most important features of the Peoples Campaign and the qualitative break it has caused in the evolution of decentralised planning in India.

The objective of first phase of the campaign was to identify the felt needs of the people in every locality. This was to be undertaken by the grama sabhas in panchayat areas and

wardsabhas in municipalities. Given the large size of the grama panchayats in Kerala with 15 to 20 thousand voters in each, ward /constituency was defined to be a separate grama sabha. Thus in a panchayat there are as many grama sabhas as the number of wards. In the municipal areas, the Municipal Act recognised only ward committees. However, for the purpose of the Campaign, general body meetings of all the voters in each municipal wards were convened.

The People's Campaign for 9th Plan' was inaugurated in August 1996. Within the first two months, meetings were held in nearly all of the gramasabhas of one thousand grama panchayats and the wardsabhas in the 52 municipal bodies and the 3 corporations. To ensure the participation of maximum number of people, the State Planning Board published pamphlets and posters and launched a state wide awareness programme. Around thirty lakhs of people joined the process of plan formulation in the first phase itself. Usually, in such meeting only one from a family would go to attend. Hence, it may be said that approximately 35 to 40 per cent families of Kerala had one of their members participating in those gram and ward sabhas.

On an average 250 to 300 voters participated in each grama sabha. In order to ensure greater active participation as well as greater in depth analysis of the local problems, each grama sabha, after a brief inaugural session, broke into small groups for discussion. There were to be 12 such groups,- one each for an major development sector such as agriculture, animal husbandry, fisheries, industry, education, health, drinking water, culture, co-operation, resource mobilisation and so on. Trained resource persons acted as facilitators with the help of a semi structured questionnaire. At the end of discussion the problems identified were listed and solutions were sought for them. They were also noted and presented at the plenary session. Thus at the conclusions of the grama sabhas and ward sabhas every grama panchayat and municipality had a fairly comprehensive needs list as identified by the people.



The second phase of the campaign was devoted to making an objective assessment of the natural and human resources of every locality, reviewing the past development experience and identifying the possibilities of development. For this purpose a comprehensive collection of all the available secondary data from the local offices of every department was organised. Rapid appraisal techniques such as transect walks were undertaken for geographical and environmental appraisal. The departments were asked to provide review reports of the on going schemes. On the basis of these and other studies a comprehensive Development Report was prepared for every panchayat and municipality. Apart from local history and natural resource appraisal, the reports contained separate chapters for each development sector, where after a historical analysis of the development problems a draft list of recommendations was drawn up. These recommendations represented a list of solutions to the problems raised by the local people. All these reports were printed. No where in India, such grassroots' level analysis has been undertake for planning earlier.

These Reports formed the basic material for discussions at the development seminars organised in panchayats and municipalities. The representatives of gramasabhas and wardsabhas participated in those seminars. The bureaucrats and the development experts were also invited in the seminars to express their views. At the end of these seminars a list of recommendation of possible development projects emerged for each of the sectors. All the seminars concluded after selecting 10 to 12 task forces one for each of the major development sectors. The development seminars started in October and was largely completed by December.

The third phase of the campaign started with the formation of task forces at the development seminars. The task forces were to draw up projects with quantifiable objectives, technical and financial details, organisational and monitoring specifications, and even a descriptive social cost-benefit analysis. The local plan was not to be a list of proposals but a shelf of projects with all the details finalised. Every task force contained officials of the related departments, non-official experts and volunteers. An elected representative was the chair persons. The work of the task forces proved to be the most difficult, as it dragged on into the month of March. By then every local body had a shelf of projects corresponding to the problems identified at the grama sabhas. Obviously, the quality of projects varied with

respect to technical and financial details. Many of them require corrections before they can be implemented.

The fourth phase started in the month of March when the plan allocation for each local body was announced in the budget. An amount of Rs. 1025 crores, ie., around 36% of the annual plan was earmarked for the local bodies nearly a third of it was set apart for the state and centrally sponsored schemes to be implemented through the local bodies. The rest, amounting to nearly 750 crores rupees was to be given as grant-in-aid to the local bodies. The grant-in-aid had three components: TSP, SCP and general sector. Out of the general sector fund, 15% was apart for urban bodies and the rest for rural bodies. From the allocation for the rural local bodies 70 percent was for grama panchayat and 15% each for the higher tiers. Within each tier the distribution was determined by population criterion alone. For SCP, TSP components greater weightage were given for higher tiers. For distribution within the tiers, SC and ST population was the criteria.

Once the grant in aid to the local body was known, the panchayats and the municipal councils could meet and select projects within their resource limits. They were not to confine themselves to the grant in aid provided by the state government but actively seek other sources of finance for their plan, such as non plan surplus from their budgets, central and state sponsored schemes, donations and voluntary labour, institutional finance, beneficiary contribution etc. Though the local bodies were free to choose any project on the basis of their own priorities, certain broad sectoral allocation guidelines were issued. 40 to 50% of the grant in aid was to be used for productive sectors and 30 to 40% for service sectors. A ceiling of 30% was placed on the amount that could be spent from the grant in aid for road construction.

The local bodies have to prepare a formal plan document stating their resources, development strategy, rationale for the choice of projects, inter-project linkages, gender SC/ST concerns and the monetary mechanism. The first installment of the grant-in-aid is to be released once the DPC give the formal approval to this document. Since, the DPC did not have an official machinery or expertise to make an appraisal of such a large number of local plans with diversified projects and since it was apparent that modification to the technical and financial

details of many of the projects would be necessary, it was decided to include an additional phase of Plan/Project Appraisal to the Campaign. Voluntary Technical Corps (VTC) was formed at the block level. It consisted of mostly retired officials and non-official experts. Certain categories of experts of line departments are also made members on a mandatory basis. These bodies would help the local bodies to finalise their plans. DPC is to approve the local plans on the basis of the recommendation given by the VTC.

The plans of the Block Panchayats are to be prepared by integrating the plans of the local panchayats. Guidelines regarding the integration methodology has been provided to the block panchayats. Similarly, the zilla panchayat are to prepare their plans integrating the plans of the block panchayats. The preparation of the zilla parishad plans constitute the Fifth Phase of the Campaign. Finally the DPC is to consolidate the plans of the different tiers of the panchayat and municipalities into a district plan.

We have outlined in brief the broad phases of an year long process of decentralised planning that has been going on in Kerala. During this period apart from panchayat members more than a lakh resource persons 600 at state level, 60000 at district level and 1 lakh at local level have been given 5 rounds of training. As stated at the outset, we are not making any attempt to make any evaluation of the outcome. There is no doubt that the campaign has succeeded in decentralising the planning process in Kerala and giving shape to a five year state plan drawn up on the basis of genuine multi level planning for the first time in India. By way of concluding this chapter we shall only point out some of the major methodological and distinctive features of the decentralisation experiment in Kerala.

Firstly, the Kerala experiment has been a genuine attempt in planning from below. The best models of decentralised planning in India so far, of which West Bengal presents a good specimen, has been essentially a continuation of the process of planning from above. The district plan in West Bengal is constrained by sectoral and subsectoral allocations of district schemes made by the state government. District plan at best integrates them. At the district level the freedom of choice is limited to choosing the location or beneficiaries or modifying the state filed guidelines. Even though, opinions of the felt needs are sought from below, the local bodies are severely constrained in reordering the priorities to meet the demands from

below. Genuine local planning is limited to the meager untied funds (District Plan Fund). In contrast, in Kerala, a substantial grant-in-aid to the tune of 25% of the annual plan is provided to the local bodies for their prioritisation and project selection.

Secondly, the basic unit of decentralised planning all over India, including West Bengal so far has been the district. In contrast in the new decentralisation experiment in Kerala. The grama panchayats and municipalities are the basic unit of planning. For the first time grama panchayats in India are drawing up their own five year plan.

Thirdly, what is being attempted in Kerala is to prepare an integrated and comprehensive local plan. As we noted in the previous chapter the decentralisation of planning in Kerala had so far been limited to certain sectoral programmes. Every aspect of the local economy is brought under the purview of the local plan in the new exercise. There is a conscious move to emphasise productive sectors in to the integrated area plans.

Fourthly, the local bodies have become the fulcrum of planning process. In West Bengal also the local bodies have been closely linked with the decentralised planning process. However, the official guide lines of the planning commission for district level planning in 1969, or block level planning of 1978, the emphasis is on the official government machinery. The reason for it lies in the weakness of panchayati raj system in India during the pre-constitutional amendment period. The Kerala exercise attempts to carry forward the full spirit of the constitutional provisions regarding the right of the local bodies in the planning process. Finally, there is no parallel to the Kerala experiment in the level of mass participation, - three million people in gramasabhas to identify the needs, Further, there were three lakh people in development seminars and one lakh persons in task forces. - This being the order of magnitude of popular participation, it is expected that it would have implication for the plan implementation process also. But a major impact of the popular mobilisation that has become evident during the planning process itself, is the emphasis on resource mobilisation. It is expected that every local body would raise resources to the tune of 25 to 30% of the grant-in-aid provided by the state government through voluntary labour and donations. The local resource mobilisation is thus indeed another major hall marks of the new phase of decentralised planning in Kerala.

## Chapter 5

### *CONCLUSION*

Decentralisation may be defined as transfer or delegation of legal and political authority to plan, make decisions and manage public functions from the central government and its agencies to field organisations of those agencies, subordinate units of government, semi-autonomous public corporations, regional development authorities, functional authorities, autonomous local government, or non-governmental organisations. The degree of political and legal power that is transferred or delegated with the authority to plan, to decide or manage - that is, the amount of power that the central government "gives up" to subordinate or semi-autonomous institutions - depends on the form of decentralisation and the extent of support that the central government provides to the units in carrying out the decentralised functions.<sup>12</sup> Thus viewed, decentralisation is a process within which it is possible to demarcate different phases or stages:

Stage I of decentralisation of development planning should ensure institutional prerequisites. This starts with defining the scope of district planning and district sector schemes, and followed by disaggregation of plan funds to the district level; formulation of criteria for interdistrict allocation of plan funds; strengthening of planning capability at the district level; establishment of horizontal monitoring machinery at the district level and linking it vertically with monitoring mechanisms at the higher level; establishing planning procedures for five year plan and annual plan budget; and finally, establishment of district planning body with representation from the public.

State II indicates limited decentralisation. It implies, bringing certain limited sectors of activity, such as Minimum needs programme, Agriculture and allied activities within the purview of planning at the district level; introduction of the concept of free (untied) funds and encouragement of limited localism in district planning; improvement of multilevel resource allocation for development budgeting; provision of extensive delegation of power to district

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<sup>12</sup> Dennis A. Rondinelli, 1981, *Government Decentralisation in Comparative Perspective: Theory and Practice in Developing Countries*. *International Review of Administrative Sciences*: Pp.133-34.

level including powers of reappropriation, streamlining procedures for dovetailing district plans into state plan and for deriving annual plan budget from five year plan.

Stage III or final or full decentralisation, is marked by enlargement of localism, to cover decision making in all district sector activities; introduction of administrative reforms to delegate all decision making powers to district level; encouragement and provision for high level of popular participation; adoption of budgetary practice that encourages local initiative; functionaries of development departments being made accountable to district planning body; preparation of perspective plan for the district to guide five year plans and annual plans; improvement and strengthening of local governments and evolution of healthy relationships between the political executive and normal government bureaucracy.

The extent of the above evolution may be assessed with reference to four angles, administrative, functional, financial devolution and people's participation. We shall attempt to make an assessment of the degree of devolution in West Bengal and Kerala with reference to the above four aspects. Given the evolution of the process of decentralised planning during the last two decades, the comparative status would also change overtime. We shall start with the extent of functional devolution.

The extent of functional devolution determines the scope and content of the local level planning. At one extreme is the case where the local body is merely seen as an agency for the implementation of the decision made at the higher level. At the other extreme is the perspective of local body being truly self governing unit taking autonomous decisions with reference to its area of responsibilities. There could also be variations in the functions and responsibilities allotted to local bodies. The degree of functional devolution till the 73rd and 74th Amendment was much higher in West Bengal compared to Kerala. In Chapter 3, <sup>we</sup> have seen how for most part of the post independence period the local bodies in Kerala were virtually non-functional (Section 3.1), while the West Bengal panchayats were the best examples of the second generation panchayats that emerged in the latter half of 1970s (2.1). The latter's functions went beyond the traditional civic function of rural bodies to include regulatory functions with respect to land reforms relief works, implementation of poverty

alleviation programmes and also, to a limited extent, development activities in agriculture and allied sectors.

With respect to planning, however, the grama panchayats even in West Bengal were not directly involved. At the district level, district schemes were allotted by the departments and only then the local planning authority integrated them taking into account the local needs. They latter could decide upon the location of the projects, set local level targets and monitor the implementation locally. These district schemes constituted 25 to 51 per cent of the state plan of West Bengal. As it was in the initial years, the case of district schemes was more a case of delegation rather than devolution. Genuine devolution was limited to the so called district plan funds which could be used to meet the critical gaps. But these district plan funds constituted a very small proportion of the scheme-wise district allocation out of the total state plan ( 2.3). In Kerala, decentralised planning was limited to SCP and TSP, which together constituted 10-12 per cent of the total state plan (3.3). In addition, there was a small component set apart in the state plan for the allocation of untied fund to rural local bodies. It is only this portion that gave the local bodies a certain amount of freedom to plan though within the rules and procedures for sanctioning of works and expenditure ( 3.4). In a sense it was a limited sectoral exercise of what was being attempted at a more comprehensive level in West Bengal.

The formal legislative provisions of functional devolution in both the states in the wake of the 73rd 74th Constitutional Amendments has been more or less similar (4.1). However, Kerala has moved to the third stage of full decentralisation in a rather dramatic manner by its decision to allocate 35 to 40 per cent of its state plan to the local bodies in the form virtually of untied funds, with freedom to match sector wise allocation, formulate schemes and implement these in accordance with their local development priorities. Kerala has gone further through People's Campaign both to build up local capability in planning and to ensure the participation of people through the instrumentality of grama sabhas and ward conventions. Without any ties to the state level schemes, the local bodies there can draw their own sectoral priorities and projects within their areas of functional jurisdiction (4.2).

As regards financial devolution, the ratio of plan expenditure for the district level schemes (including village and block schemes) is perhaps still higher for West Bengal than Kerala though the degree of district level control over schemes and projects classified as such continues to be limited in West Bengal and Kerala, until most recently. Our discussion in Chapter 2 raised this issue but was not able to generate definite empirical base for clinching the issue. With respect to financial autonomy, the two states were more or less in a similar situation during the later half of 1980s, even though the own resources of Kerala panchayats were much higher than that of West Bengal Grama Panchayats their own plan funds were limited to untied funds similar to the district plan funds in West Bengal. In fact the latter was more significant, in relative terms than the untied plan funds of Kerala. The resources of the Centrally Sponsored schemes covering poverty alleviation and employment generation were also made available to the local bodies in West Bengal. In Kerala, these schemes were within the firm grips of Rural Development Department. However, in regard to financial devolution, the positions have been reversed in the context of the 9th plan, with more than 35% of the annual plan outlay of Kerala being given as grant-in-aid to local bodies. The local bodies of Kerala have thus financially become much more autonomous than the local bodies of West Bengal.

On the question of administrative devolution, both West Bengal and Kerala appeared to be on more or less even plane. The creation of district level institutional mechanism has broadly followed the Central government incentives until very recently at least. The district planning units in Kerala were set up in the later half of 1970s (3.2) while in West Bengal they were instituted in the early 1980s (2.2). The same was the case with regard to the formation of various committees and agencies at the district level with the inclusion of non-officials and elected representatives including MLAs and MPs. Where West Bengal went far ahead of Kerala was to take the initiative on its own to give greater involvement to local level elected bodies in the local development. Thus in West Bengal District Panchayats were made to replace DRDAs whereas in Kerala this was not done in spite of the recommendations to this effect by its own advisor on decentralisation.

Administrative devolution in Kerala has yet to match the kind of devolution in planning that is being currently attempted. Though 35-40 percent during the 9th Plan has been devolved



there has been no commensurate redeployment of authority or powers to the democratically elected local bodies. This situation can result in a major crisis at the time of implementation stage, unless it is resolved soon.

As regards popular participation in planning, decentralised planning, the second efforts in Kerala have been extremely poor until very recently. This could not have been otherwise in the absence of popularly elected local bodies at the district and the block level. The decentralisation of SCP and TSP was more a bureaucratic exercise. The methodological exercises in district level planning that we discussed in Chapter 3 were mostly of academic in nature. In West Bengal, in contrast, the panchayats from 1978 have become focal points of rural mobilisation, initially for land reforms and relief works and then for rural development. However, even in West Bengal, when it came to local level planning, the direct popular participation in the planning process has been limited until recently. The decentralised planning in Kerala for the preparation of the 9th plan by making the grama panchayats basic building blocks of the planning process, and involving the grama sabhas and ward conventions in identification of plan priorities and monitoring, should ensure participation of people on an unprecedented scale in the planning process. In West Bengal also, the grama sabhas have been activated to identify the local problems to be tackled in the plan.

The Kerala model for decentralised planning as is being attempted for the preparation of the 9th Plan is more in accordance with the Constitutional vision of the local bodies being self governing units. Maximum functional and financial devolution is being attempted with the expectation that the necessary administrative devolution would sooner or later follow. The popular participation and voluntary help from experts will possibly enable local bodies to overcome the immediate handicaps of limited administrative devolution. But unless corresponding administrative devolution is also introduced soon, the decentralisation of the planning process may not go far enough. If, however, necessary administrative devolution is not unduly delayed, decentralised planning should start showing its positive results. Such a hopeful scenario, we feel, is made possible by the specific features of Kerala state. It has relatively better educated population and a relatively vast pool of retired technical personal. The land reforms and the strength of people's organisation also created a conducive atmosphere for

comprehensive local level planning. This may not be the situation in most of India including West Bengal.

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