CHAPTER 7

SUMMARY AND CONCLUSION
Traditionally, development or growth is measured by income. One major issue of this method is that, it does not accommodate the distributional aspect of income and thereby ‘equity’. The problem of absolute poverty in India is more acute and reduction of it is possible only through an improvement in the income distribution. It necessitated a shift from quantitative aspect to qualitative one and this happened from the 1970s onwards. As a result, social indicators came to be used as alternatives to per capita income, as a yardstick to measure growth. These are often referred to as the basic need approach to development. All over the world, the questions of growth with equity and social and environmental justice, have generated a series of debates on the validity and feasibility of modern development. Responding to this debate, some people argued that the problem is with development activities-implementation from “Top to Bottom”. The idea of grass root level planning gained ground and the necessity of strengthening the system of governance at that level through empowering the people in the development process, was recognised.

**Decentralised Planning in Kerala**

Decentralisation is a public policy of the central Government. The aim of this policy is to speed up development by meeting local needs more quickly through politically empowered local governments. The popular consciousness
about democratic decentralisation is made up of a mixture of ideas drawn arbitrarily from the Interventionist and Radical schools of thought.

Kerala has ushered in a new era in planning by launching the people’s campaign for the IX plan. The World Bank appreciated Kerala’s Planning Board decision to devolve 35-40 per cent of the total plan outlay to Panchayat Raj Institutions. World-renowned economists like K. N. Raj focused attention on the need for what he described as “Planning from below”. Arguing for effective decentralised development at the district level, he emphasised the need for data collection, formulation of developmental needs and appropriate resource computation at that level. Democratic decentralisation in Kerala has opened the way for women’s entry into leadership positions. It was feared initially that the women representatives will be manipulated and controlled by men. But the people’s plan campaign completely removed that fear. The training programmes intellectually equipped the women representatives. Studies show that women head some of the best-run local bodies. It is appreciated that the role of Ayalkoottams in poverty alleviation and in making women more active and vocal. Women in Kerala have proved their ability to catch up with men in several fields. In projects like housing no strategy to tie them with property rights for women was contemplated. The influence of WCP among the middle and upper strata of society is almost absent. However the role of Grama Sabha has significantly increased. It is revealed
that some women have improved their entrepreneurial capability by moving from the status of credit groups to that of small entrepreneurs. Most of the projects under WCP (Women Components Programme) are found to be in the productive sector. Only less than 50 per cent of the total allocated amount for WCP had been utilised. The WCP projects had the highest rate of spillover.

It has been pointed out also that the level of misutilisation of benefits by the beneficiaries is significantly high in Kerala. Cash assistance seems to be more prone to misutilisation than the assistance in kind. The bulk of the benefits under the individual beneficiary programmes went to the poor and corruption in the delivery system had come down under the people’s campaign programme. Violation of norms in the selection of beneficiaries was found to be a complaint among the public.

**The Focus**

Decentralised planning has been recognised as a good means of attaining the goal of ‘growth with equity’. Among different forms of decentralisation, democratic decentralisation is a good means of realising development with redistribution, particularly at local levels. Kerala adopted democratic decentralisation under the title “People’s Plan”. It is essential to see the success of the campaign in the state economy. The present study is an attempt to evaluate this in the context of Kottayam District. For this certain objectives have been set up in the study. They are: to evaluate the
extent of utilisation of fund allotted to the Panchayats, to see the category-wise development programmes in realising the goals of decentralised planning, to analyse the allocation and impact of decentralised programmes on different sectors of the economy, and to analyse whether decentralised planning is the right strategy for realising growth with equity and thereby sustainable development.

Kottayam district is selected for the study because it has the distinction of achieving effective implementation of decentralised planning. It is a study covering a period of five years corresponding to the IX Five Year Plan from 1997 to 2002. This time period of five years is necessary and sufficient to study the results of decentralised planning exercise implemented in Kerala. The study is based on both primary and secondary data. A few panchayats are selected on the basis of performance depicted in the secondary data. Random sampling method has been employed to select panchayats. The beneficiaries in the selected panchayats constitute the universe of the study. About two hundred beneficiaries of the people’s planning were interviewed for their reports and opinions. They were purposefully selected from the 74 grama panchayats in Kottayam district. They belong to various sections among the population – viz. lower class, middle class and upper class or roughly BPL and APL. A participatory method was employed among the selected beneficiaries in order to evaluate the cost and benefit of the development programs, initiated by the panchayats. The detailed discussion
with panchayat authorities, social activists, political leaders, prominent citizens, beneficiaries, key resource person’s etc. was part of data collection. A structured interview schedule is inappropriate and hence the focus group discussion is also employed as a method to collect data relating to interdisciplinary problems. People contacted for opinions and comments, spoke about social activists who involved themselves full-time in the field enthusiastically and cooperatively. Political leaders participated in local Grama Sabha meetings and other programmes connected with the people’s planning.

The secondary data collected are from various government offices, panchayats, document reports of the three-tier panchayats, publications, reference books, Planning Board documents, census reports etc. Analysis of data is done by using statistical methods like averages, percentages etc. Tables and charts are also included.

**Major Findings**

The major findings of the study are discussed under the following heads.

**Extent of Utilisation**

There were wide differences in the utilisation of funds across panchayats. Most of the panchayats utilised lion’s share of the funds allotted to them. While 31 panchayats (out of 74 panchayats) spent more
than 90 per cent of the funds allotted to them, there were 34 panchayats which utilised 80 to 90 per cent of their receipts for various categories of expenditure. It means that 65 panchayats had utilised more than 80 per cent of the funds allotted to them.

Only three panchayats had utilised between 70 and 80 per cent of the receipts for various purposes. There are two panchayats which had utilised in the range of 60 to 70 per cent of receipts for various expenditure purposes. It means that 70 panchayats had spent more than 60 per cent of the funds allocated to them. It comes 95 per cent of the total number of panchayats. It is really a good achievement.

There is only one panchayat in the range of 40-50 per cent utilisation of fund allotted and the rest comes under 50- 60 per cent utilisation. One panchayat comes under the range of 0-40 per cent utilisation of fund allotted. Manarkadu panchayath of Pallom Block had only utilised 36 per cent of the allotted fund.

In respect of Blocks, all had utilised their funds properly, as it was above 80 per cent. Laalam block was the highest in terms of utilisation as it utilised about 94.94 per cent of its fund. Lowest was reported in Vaikom block as it was 80.29 per cent.

The panchayats can be classified into different groups like ‘very highly performed, highly performed, moderately performed, poorly
performed and very poorly performed’ in terms of utilisation of funds. They are respectively in the range more than 90 per cent, between 80 and 90 per cent, 70 and 80 per cent, 60 and 70 per cent and below 60 per cent of fund utilisation. Only one panchayat comes under the last group. The lowest utilisation is reported by Manarkad Panchayat with 36.4 per cent and the highest in Kozhuvanal with 100 per cent. To sum up, the people’s plan campaign was a success as it helped to transfer fund from top to bottom on the one hand and the extent of utilisation was very high on the other.

**Category-wise Utilisation**

General Plan, SCP and TSP are the three categories for which the plan fund was utilised. The category –wise evaluations exposes the fact that all panchayats follow a conventional pattern. More than 80 per cent of the fund was allotted to ‘General Category’, and the rest was allotted and utilised for SCP and TSP\(^1\) but more weightage was given to SCP\(^2\) programmes.

There are slight variations across the panchayats and Blocks. As far as Vaikom Block is concerned, TV Puram had the highest allocation for General plan, Udayanapuram had the highest allocation for SCP category. At the same time Maravanthuruth had no allocation for TSP. In Erattupetta

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\(^1\) Tribal Sub Plan  
\(^2\) Special Component Programme
Block, Erattupetta panchayat had the highest allocation for General plan in Kottayam district. The lowest fund allocation for SCP was also reported in the same panchayat. This panchayat had no allocation for TSP. In Ettumanoor Block all panchayaths had allocated major portion of their fund for General Plan. Athirampuzha Panchayat of the block had highest allocation of fund under General Plan Category. All Panchayats had utilised on an average of 10 per cent for SCP. The highest allocation for this category was reported in Ettumanoor panchayath. All panchayats except Ettumanoor in the Block had less than one per cent allocation for TSP category, as the number of tribal families was small or nil.

In Kaduthuruthy Block, Njeezhoor Panchayat had the highest allocation under General Plan. At the same time Kallara had the highest allocation under SCP category. All panchayats in the Block had less than one percent utilisation under TSP category. Kanjirappally Panchayat had the highest utilisation under General Plan category in Kanjirappally Block. But Manimala panchayat had the lowest utilisation for General plan. Manimala Panchayat had the highest utilisation for SCP, but it allocated only one per cent for TSP. Parathodu utilised 27 per cent for SCP, the highest in the Block. In Laalam block, Mutholy Panchayat had the highest utilisation under General Plan. One of the main features of the Block was that, panchayats in this block had utilised substantial portion of their fund for general category. Karoor panchayat had the highest allocation under
SCP. Kadanad spent more than one per cent for TSP. In Pallom Block, Kumarakom and Puthuppally panchayats had the highest general plan allocation. Its lowest allocation was also around 86 per cent. But in the case of SCP, the highest allocation was found in Nattakom Panchayat. Puthupally Panchayat had the lowest allocation of 8.6 per cent in the SCP.

In Madapally Block, the highest allocation for General Plan was found as 87 per cent in both Vakathanam and Vazhappally Panchayat. The lowest allocation was found as 74 per cent in Karukachal Panchayat. In the case of SCP, 25 per cent was the maximum which was in Paippad, but at the same time the TSP allocation in all panchayats was very poor.

The highest General Plan allocation was found as 95 per cent and TSP as 1.5 per cent in Meenadom Panchayat in Pambady Block. But its lowest was seen as 87 per cent in both Elikkulam and Pampady Panchayat. Uzhavoor Block had the highest fund allocation for the General plan in Veliyannoor grama panchayat. Highest fund allocation in SCP was reported in Kadaplamattom Panchayat. In Kidangoor panchayat, TSP allocation was zero. In Vazhoor Block, wide differences in the allocation could be found varying from 85 per cent in Chirakkadav to 69 per cent in Vellavoor. In the case of SCP, there were differences varying from 28 per cent in Vellavoor to 13 per cent in Chirakkadavu. Generally, this Block had low allocation for TSP with a maximum of 1.48 per cent in Vellavoor.
Sector-wise Utilisation

Generally almost all panchayats in the district gave preference to the development of service sector. So its utilisation among panchayats was seen to be high compared to other sectors. On an average, panchayats had utilised 17 per cent of the fund for production sector. Kozhuvanal panchayat utilised 38 percent of the fund for production sector. At the same time, Bharananganam panchayat utilised only five per cent for production sector. So, wide differences could be seen in the case of utilisation of the fund for production sector. On the other hand, panchayats utilised an average of 31 per cent of the fund for service sector. Koottikal panchayat utilised 64 percent of the total fund for service sector. But Bharananganam utilised only four per cent for service sector. Generally, almost all panchayats in the district gave preference to the development of service sector. So its utilisation among panchayats was seen to be high, compared to other sectors.

On an average, panchayats in the district utilised 20 per cent of their fund for developing infrastructure. The issue of sustainability becomes a crucial concern in this context.

Sustainability of Development

Even in the midst of high utilisation of funds received by the panchayats during the IX plan period, its utilisation across various sectors was not very much satisfactory. The burning issue is that, major chunk of the fund was utilised for conventional programmes. The productive sector
was not properly accommodated in the fund utilisation. Unless adequate income is generated by the local bodies through the promotion of productive sectors, the panchayats will find difficulty to continue with present type of development, even when income is transferred from the state to local bodies. Poor are benefitted out of the people’s plan but in terms of satisfying their present needs. What is required is to bring them under productive activities and thereby continuous income has to be generated. Moreover the selection of beneficiaries is also a serious concern under sustainable development. The focus group discussion in the selected panchayats made it clear that the selection of beneficiaries was not done in a rational manner, though poor had been benefitted out of the peoples’ plan. The poor who have an entrepreneurial spirit has to be identified and schemes for them have to be developed. The emphasis to production sector and selection of beneficiaries with innovative programmes in a more meaningful way were required. These are the areas which need adequate attention for the sustainability aspect.

**Evaluation**

The IX plan, with devolution of funds and powers to the local self-government institutions, benefited all sections in general and the disadvantaged sections in particular. The biggest achievement of the people’s planning was the improvements in the living conditions of sections of population marginalised thus far, such as SC/ST and women. In terms of
benefits gained, it was the BPL sections in general and scheduled castes and tribes in particular, who benefited most. Households living in colonies benefited substantially by way of new houses, latrines, house electrification, water supply or new or renovated wells, livestock etc. SC/ST sections had separate funds for their development and welfare. Cows, goats, hens etc. were supplied to many households. Assistance was given to them in several ways. Vocational training was provided. Help was given to engage in self-employment enterprises. BPL families in general, received most of the individual benefits. Children of BPL sections got education, nourishment and other benefits from anganwadi/balawadi institutions, whose functioning was spruced up in the plan. Educational assistance provided through the people’s plan benefited many families. The APL sections benefited mostly from infrastructure developments like better roads, new roads, bridges, culverts, bus stands, shopping complexes etc. Approach roads to colonies were made in several panchayats. Electric lines and water supply pipelines were extended to a number of colonies.

Women also benefited much from the 10 per cent plan fund, especially provided in the people’s planning. Involvement and active participation in nation-building, brought women out of homes into the mainstream of economic and political activities. Many women became leaders. The neighbourhood groups and self-help groups among women provided valuable opportunities to many, to find new horizons. Women,
who wished to engage in self-employment activities, got assistance and encouragement. Many benefited economically by utilising their leisure time for creative purposes. Extra income generated by women added to the welfare of their families. Empowerment of women in general, especially among the poorer sections was one of the remarkable benefits gained from the people’s planning experiment during the IX plan. Entrepreneurship development among women was notable. Many SHGs (Self Help Group) and NHGs (Neighbour Help Group) started micro-enterprises for tailoring, hotel, production of bakery or sweetfood items, bag making, telephone booths, fish stalls etc. Opportunities for women increased. The BPL families gained much benefit. 100 per cent of the women interviewed expressed the opinion that the living standard and quality of life improved much due to the people’s planning programmes and projects. New roles for women in the economy and political set up raised their social status. Independent income generated by women themselves enabled them to rise from the status of being slaves of their husbands and had to beg for needs. The income generated by women, through their own enterprises, changed the image of women in the eyes of their husbands and in-laws. They got recognition as valuable contributors to the family’s well-being. As a matter of fact, and as pointed out by many of the respondents, the people’s planning processes empowered women, raised their status at home and in society, and gave them opportunities to participate in making crucial decisions for the
country and for their own households. The transformation among women, made them confident enough to question and resist attacks and threats against them, coming from their husbands, parents, brothers, in-laws or anybody. This empowerment of women was the direct result of their involvement in the planning and implementation processes and the support provided by the people’s plan. Women, especially among the BPL sections, were happy to get involved in the development of the country, through participation in planning and execution. This active involvement made them feel that the nation is theirs also. The neighbourhood groups and self – help groups formed during the IX plan, provided opportunities for many to cultivate banana and vegetables.

But there were a few demerits, which need to be mentioned for the improvement of the present system, so as to realise the goal of ‘growth with equity’ and sustainable development. The expected 100 per cent housing could not be achieved, due to the failure of the ‘Maithri Housing Project’, entrusted to the State Housing Board. Lack of co-ordination between grama, block and district panchayats was another pitfall. Beneficiaries’ committees entrusted with the task of implementation of projects lacked experience in such matters. Delays in getting plan funds were another demerit. Project preparation was defective in some cases. Beneficiaries failed to contribute their share in some projects. Monitoring of project implementation was inadequate. People co-ordinated in the
individual beneficiary projects, while they kept aloof from those projects meant for the panchayat as a whole. The better–off sections of the people did not co-operate and participate in the IX plan projects and programmes, as they regarded people’s planning as a plan meant for the lower class and vote banks. These problems are not applicable to all projects and all panchayats and hence the demerits do not outweigh the merits created by the campaign.

The people’s planning, in their opinion, benefited people culturally and educationally also. On the whole, actual achievements uplifted the poor in terms of their capabilities, at least in the IX plan period. The study is therefore useful for taking steps to introduce decentralisation in an effective manner on the one hand and modify it so as to boost the economy without hurting the equality. The concept of sustainable development can also be achieved with this.

The findings of the study, particularly the hesitant on the part of local bodies to utilise more funds for productive purposes, invite urgent attention of the policy makers. The problem relating to the selection of beneficiaries needs a rational approach of multiple criteria system. At the same time, intra-panchayat analysis needs to be made in the future.
Secondly, a detailed and in-depth study of average performing and below average performing panchayats needs to be investigated.

To conclude, there are alternatives to the dominant economic model that consigns increasing numbers of people to lives of misery. One such alternative is offered by Kerala in Southern India, which has been the site of fascinating social experimentation for many years through people’s plan, a practical concept of democratic decentralisation. This is a system in which "people have collected and analysed information about their own communities in a way that leads to serious and meaningful discussions about how to make things better." Forty percent of Kerala’s state budget is allocated to the village level and gets spent according to the locally - produced plans. No doubt, this exercise has reduced the intensity of problem connected with growth, which created inequality. The experience of Kerala shows that an economy can realise growth along with equity to a greater extent, but the problem of sustainable development remains untouched.