CHAPTER-2

LOCAL GOVERNMENTS AND DECENTRALISED PLANNING – AN OVERVIEW

This chapter contains an overview of local governments in the World, India and in Kerala in Section I and decentralized planning and the process of its implementation in local governments are given in Section II

SECTION –I

LOCAL GOVERNMENTS

Local government is one of the man’s oldest and the elementary form of democratic institution. It is a political and administrative unit that is empowered by law to administer a specific locality. Local government is created for administrative expediency. There are many functions that will be cumbersome for the State and Federal Governments to perform because of the distance separating them and the people. These functions can be best and effectively performed by the local government.

LOCAL GOVERNMENT – WORLD SCENARIO

The scenario of worldwide empowering of local governments through greater degree of decentralization and how it is benefiting the nations’ development is evident from a study by the United Nations Development Programmes (UNDP)¹ on 127 countries of the world. In 1999, out of 127 countries, 96 countries (76 per cent) politically decentralized their administrative process for strengthening local governments with at least one
elected sub-national level of government. Forty one percent of these countries had fiscal decentralization and thirty three percent had two or more elected sub-national tiers. Western Europe stands in the top position in all types of decentralization, followed by Americas, who equates with Western Europe in Fiscal decentralization and lesser in Political decentralization. The other regions on the order of rank are Eastern Europe and Central Asia, South Asia, Sub-Saharan Africa, East Asia and Pacific and Middle East and Northern Africa. Eighty per cent of developing countries including transnational economies of Eastern and Central Europe are experimenting with some form of decentralization.

Local governments with the true spirit of decentralization exist in several countries of the world, some pioneers among them are:

**a. United States**

During the period after the revolution, vast distances, between the government and the people, sparse population and slow means of transportation and communication made relatively autonomous local governments almost a necessity. This became the driving spirit behind the setting up of a system of local government in United States.

**b. United Kingdom**

In the United Kingdom, a combination of necessity and the need to bring government closer to the people to provide basic essential services led to the creation of local boards. This scenario laid the foundation for the
emergence of county and borough councils. As noted by Jackson\(^3\), ‘an epidemic of cholera in 1831 led to the creation of local temporary Boards of health, with a Central Board of Health to guide and supervise them.

c. Nigeria

Prior to colonization, there were in existence in most Africa enclaves, local administrative machineries founded upon traditional institutions. In the area known as Nigeria today, the existing tribes that made up the geographical areas already had one form of local administration or the other. In Northern part of the country, the Hausa/Fulani practiced a highly centralized form of government with the Emir at the head as both the political and religious leader. The emir however delegated his power to District heads (the Magajis) to oversee the districts that made up the emirates. In the Western part of the country, the Oba firmly held power over towns. This power was delegated to the Baale who administered a town or village and paid royalties to the Oba at specified times of the year. The Igbos of the Eastern part however was republican and egalitarian in nature. That notwithstanding, there were still in existence, the “Ohaneze” (an assembly of men) who sat in the village square to take decisions on behalf of the people. Some parts of the east still had village heads and Iagwes who administered a particular town with the advice of the council of elders.

d. France

In France, the Commune system was developed and used as an instrument for bringing democratic equality to the people during the French
Revolution. Even though Napoleon was later to establish a system of central government that existed under the Monarchy, local governance still exists.

e. Germany

The defunct Western German Federal Republic has a unique tradition of Local Governance. Germany has a long practice of autonomy for local government. The primitive German Tribes had a form of democratic local government. The free cities of Hanseatic League represented a late medieval example of local governance.

Types of Decentralisation Experience in Different Countries of the World

The following are the different types of decentralization experience in different nations of the world:

1. **Type A decentralization experience**: It is experienced by Bolivia and Indonesia which involved devolution of both political and economic authority to a substantive degree in a uniform fashion.

2. **Type B decentralization experience**: Practiced by Brazil and India represented a uniform political devolution but an uneven economic devolution that has been diffusing slowly through a heterogeneous set of regional contexts.

3. **Type C decentralization experience**: Practiced in Pakistan, Uganda, and China corresponds to consolidation of non-democratic power at the national level. The experiences of Pakistan and Uganda over the past decades clearly illustrate how decentralization has been an instrument used by military governments to preempt regional or ethnically based political oppositions. Hence there is no general
presumption that decentralization and democracy (broadly defined) go hand in hand.

In Type C kinds of decentralization, administrative and economic decentralization has been more significant. Of all countries, the Chinese case involves the most far-reaching role of local governments in development of local productive enterprises. South Africa represents a transition from a Type C to a Type A decentralization as part of the transition out of the apartheid regime beginning in 1994.

Latin American countries like Bolivia and Brazil and African countries like Uganda and South Africa that are democratic at the national level, decentralization has corresponded to greater political devolution to a set of local governments with independent constitutional authority and thus to a widening of the scope of democracy from national to local levels. Some of these were a natural part of a transition from dictatorship to democracy, as in Brazil, Indonesia, and South Africa. Others occurred within the context of an ongoing democracy, such as Bolivia and India. If regional governments or elites exerted significant power, they had significant room and ability to control the process within their respective regions, resulting in a Type B pattern.

In some countries like Brazil, Indonesia, and South Africa, decentralization formed part of a transition from a non-democracy to a democracy in the society at large, hence representing a natural
diffusion of power over political and economic decisions. But democracies such as Bolivia and India, they occurred as incumbents at the national level faced challenges to their own authority from rising regional powers and other political parties. Due consideration to the failures on account of centralized planning and governance, they sought to restore some of their own credibility in the wake of the disappointing performance of the previous centralized mode of governance and to cultivate new channels of patronage to counter the threat from new adversaries. Finally, Type C decentralizations represented a way of consolidating the power of the national government: little political authority has been devolved, and the main purpose has been to improve economic incentives or administrative efficiency.

Some common features of decentralization noticed worldwide is, with regard to the nature of economic and administrative devolution. Functions transferred primarily were administration of local infrastructure, welfare, and social services. Financial devolution has been largely conspicuous by its absence, with most local governments relying overwhelmingly on fiscal transfers from higher-level governments. As pointed out by Rodden at el (2003), this is in contrast to fiscal decentralization to regional, provincial, or state governments in various developing countries. Decentralization to local governments has not tended to increase the overall scale of government spending or to allow much flexibility with respect to variation in the
scale of local need. In this aspect of responsiveness, there was probably little improvement (or cause for concern) relative to more centralized governance modes.

As regards intercommunity targeting, Type A decentralizations appear to have achieved significant improvement. The evidence is not so obvious for the other types of decentralization. This is explained by the combination of the following two facts:

- First, the general lack of local autonomy over revenue rising implies that the scale of resources available to local governments has been determined primarily by fiscal transfers received from higher level governments.
- Second, in a Type A decentralization that is mandated by a nationally uniform, comprehensive reform linking the national government with local governments that have independent constitutional authority, fiscal transfers tend to be determined by transparent formulas incorporating demographic size and needs. Compared with previous patterns of interregional resource transfers reflecting political discretion or negotiation, this result in considerable improvement in interregional equity. This was particularly evident in the case of Bolivia and seems also to have been the experience of Indonesia and South Africa.

It seems likely that Type B decentralizations like Brazil or India will encounter less improvement with regard to interregional equity.
because of their inherent unevenness. Type C decentralizations are characterized by continuing control by the national government, so fiscal transfers could still be dominated by political discretion. The Chinese experience seems consistent with this interpretation: decentralization has not resulted in any noticeable improvement in interregional equity and has probably exacerbated previous inequalities. Nevertheless, confirmation of the hypothesis that type A decentralizations dominate the others with regard to their success in intercommunity targeting will have to await more detailed empirical evidence.

Type A decentralizations that devolve political and economic power evenly tend also to promote responsiveness with regard to local preferences over composition of local public spending. Here the only evidence available is from Bolivia, where there were striking compositional shifts in accordance with local needs.

Most decentralisations have involved hard rather than soft budget constraints for local governments: expenditure responsibilities devolved have tended to outstrip revenues devolved, and independent revenue-raising powers have not raised much. Hence the decentralizations are unlikely to have much macroeconomic impact; under-funding of required expenditures on local infrastructure or social services has tended to continue. China is the only country where the
local governments have played a leading role in increasing rates of growth.

The limited evidence available indicates that if properly designed and implemented, decentralization has significant potential for widening political representation and for targeting resources in favor of the poor. This is particularly evident from interregional allocations that moved in favor of backward regions in Bolivia and South Africa owing to formula-bound schemes of fiscal transfers. These programs replaced the political discretion of previous centralized administrations that disproportionately favored a few narrow, wealthy sets of constituencies. In parts of Brazil and India where devolution was seriously implemented, poor and socially disadvantaged minorities interests were better represented.

Yet these are perhaps some extreme and unrepresentative cases. Overall, in most countries experts were more positive about the potential rather than actual achievements of decentralization in improving government performance or reducing poverty. They were most positive about the creation of new political space and the opportunities for innovation in public policy. This suggests that it may be too early to pass judgment. Short-run impacts may well differ from long-run impacts. Even limited forms of decentralization may unleash new political forces that affect the future dynamics of political innovation as communities learn from past experience and from each other and as patterns of political participation respond to devolution.
Centralized to Decentralized System in Local governments in the World

A categorical dimension among countries with respect to the transition to local decentralized governance as noted by Bardhan Pranab et al (1998) is:

1. Type A: In countries such as Brazil, South Africa and Indonesia, the transition from Centralization to decentralization was part of a wider changeover from dictatorship to democracy at the national level. In these countries, greater devolution was a natural consequence of dispersing political and economic power more extensively in the society.

2. Type B: In countries such as Bolivia and India that remained democracies throughout at the national level, where the transition re-elected a widely shared dissatisfaction with the previous centralized mode of governance, allied with rising political competition at the national level (owing to the rise of competing national or regional parties).

3. Type C: includes countries like Uganda, which was a non-democracy both before and after the transition to decentralization, where the decentralization was an instrument of consolidation of power of a new military government.

Model Forms of Local governments

The following are the prominent models in practice in respect of Local governments in the World:
a. American Model

Under this model, executive functions may be centralized or decentralized. The selection of personnel may be by patronage or merit system. While the former predominates at the State and the country levels, the latter finds root in middle sized and large cities and metropolitan countries. There are areas where elections are held into offices in the Local governments.

French Model

Under this model, the Ministry of Interior of the central government dominates local governments’ administration through the Prefet who is an administrative officer. Local Governments in France are called communes whether rural or urban. Except for Paris, all local governments are similar in structure with each having an elected mayor and council. Ordinarily, the commune meets every quarter to adopt annual budgets. However, other matters of finance (including education and police) are primarily controlled by the Interior Minister. Local Governments on the other hand have authorities over things that are local in nature like parks, recreation, and street maintenance. The French system is particularly strong in countries with strong central government. It is operated in some parts of Europe, the Middle East, South America, Japan, Mexico and African countries.

Russian Model

This model originated from the defunct Soviet Union. The Union operated as a Federal system with 15 Republics. These were in
turn divided into varieties of Local government councils. The councils were large numbering several hundreds of members and operated through a system of committees. Councilmen need not be members of the Political Party but were drawn from various professional backgrounds. They had decision-making authority in local matters although all policies must align with that established by the central government. During the Soviet period, the local communist party leader served as the Prefect in French system.

**LOCAL GOVERNMENTS – INDIAN SCENARIO**

*Origin and Development*

The system of democracy and local governance in India has centuries’ great history. The Sanskrit word *Panchayat* is the term used for denoting Local Governments from time immemorial. Krishnankutty Nair *et al* (2003)\(^5\) explains that, the Sanskrit word *Pancha* means Five – signifies the Five Sense Organs of Village Life such as Eyes, Nose, Tongue, Ears and Skin. The village leader at the grassroots was considered as the brain of the village. The Rig Veda explains the *Kulas* formed by families and *Gotras* formed by several *Kulas*. Even during the period of Princely rule, there were examples of local governance systems under the leadership of elected representatives in villages. The seventeenth Chapter of *Artha Sasthra* written by Kautilya alias Chanakya, there were mention about the Area, Population, Structure, Duties of Citizens and Administrators, Methods of imposing taxes and Punishments prevailing in a village.
The Panchayats were structured in to various tiers viz., *Jyeshtom*, *Kanishtam* and *Madhyamam* as in the case of today’s Grama, Block and District level Panchayats.

The Indus Valley Civilization (2500-1500 BC), as the excavations at Harappa and Mohanjadaro revealed, was built upon Local Self Governments. It appears that the municipality administration consisted of six bodies of five members each for the following departments namely, (a) the mechanical arts; (b) care for foreign inhabitants; (c) registration of birth and deaths; (d) trade, commerce, weights and measures; (e) supervision and sale of manufactured articles; and (f) collection of taxes on sales transactions. Ancient travelogues contain descriptions of the system of administration in towns like *Nalanda*, *Takhasilas*, *Pataliputra* and *Ujjain*.

The famous book, ‘Indica’, written by Megastheneese, an ancient Greek Viceroy in India, explains clearly the form of Local Self Governments and their structures prevailed during the period of Maurya Rule. The Chinese traveler, Fahian had narrated the Local Administration under the Gupta Dynasty. The literary works of Guyajsaj, an ancient Chinese writer, contains much on the Local Governance systems with due importance.

The British East India Company that snatched power from the Mughals and the Marathas and declared the sole sovereign of all they surveyed in India and continued the practice of curbing the powers of the
local institutions. As a result, the local institutions were thrown to morbidity and the local administration became totally extinct. But later on the British realized the helpfulness of Indian Local Governments in managing the state of affairs in such a way as to dish up their own private interests. Hence, they began to revitalize them not to confer local autonomy to the people, but to make more money by squeezing the people with local taxes more efficiently than ever before in the name of Town and City Administration.

The first phase of the British system of Municipal Administration in India during the period from 1833 to 1882, consisted of a highly centralized form of Government. Non-official committees were appointed in 1837 to look after town development. All the towns in the British provinces were brought under the purview of Municipal Administration in 1850 and a permissive levy system was introduced to collect finances to meet the administration expenses. A thorough change for improvement was brought in by Lord Mayo, the Governor General of India (1869-'72) in 1870. The major and most impressive encouraging change was administrative devolution by which certain departments such as education, medical services, and construction and maintenance of roads were transferred to the administration of Provincial Governments. Grants were also allotted to these governments to settle up the expenses incurred over and above the income collected through taxation. Municipal Acts were passed in pursuance of Mayo’s Resolution by the provinces. The right of election, though limited, was granted in 1880. Full-fledged Local Self Governments, however, came in to existence only in the cities of Bombay and Calcutta. In
other cities and towns, only a skeleton of local administration and local taxation alone were seen.

The year 1882 marked the beginning of a new era in the history of Local Self Governments in India. Lord Ripon’s Resolution of 18th May 1882 extended the system of local administration to the Tahsils or Talukas and made the entire system more democratic, powerful and financially sounds. It was decided that two-thirds of the numbers of the Municipalities should be non-officials elected from the people. The Chairman of each Municipality should be a non-official. The Government should delegate powers to the Municipalities while the former retained the right of supervising, advising and suspending for failure of work of the latter. The municipalities were empowered to impose and collect taxes such as house tax, professional tax and octroi. Other Government departments were asked to render expert advice and assistance to municipalities, not as subordinates, but as peers. Though this provision gave municipalities equality of status with other government departments, it implied that Ripon, as true Brutish, wanted municipalities to function as just another administrative department of the British Government. Till today, Lord Ripon’s reforms of Local Self Government is considered to be the basis of Local and Municipal Governments, which soon took firm roots in India and became the solid groundwork of democratic institutions in higher spheres.

The reforms of Lord Ripon also marked the Second Phase (1882 – 1919) of the evolution of Local Governments in India. The Third Phase
(1919 – 1935) was inaugurated with the recommendation of Royal Commission on Decentralisation (1907 – 08) and the Government of India Act of 1919. The Royal Commission, which investigated in detail the working of the Local Governments, found them a failure in all sense. The Lord Harding, the Viceroy, issued a Resolution in 1915, which did not come into force because of the announcement of Lord Chemsford (of the Montague-Chemsford Commission, the recommendation of which fructified into the Government of India Act of 1919) of his intention to develop local institutions throughout India to serve as a training centre of self rule and to inculcate a sense of responsibility among all Indians. The Government of India Act of 1919 demarcated the subjects to be dealt in by the Local Governments and the power to be wielded by them in respect of taxation. Thus, organization and administration of Local Governments were transferred to Provincial Governments but the portfolio of Local Governments should be vested with an Elected Minister. The Local Governments were empowered with taxation and list of local taxes like toll, taxes on land values, taxes on bridges, vehicles, animals, menial and domestic servants and on the trade were included. Subsequent developments did not alter this list of taxes in any considerable way.

The Indian Taxation Enquiry Commission of 1925 and Simon Commission of 1930 suggested further reforms in respect of taxation and the administration system of Local Governments. Nevertheless, the functioning of local bodies during the time of Diarchy (1921 – 1937) was neither a complete failure nor an un-qualified success. Communal feeling, corruption,
nepotism and inefficiency were the common defects that permeated the Local Governments during the Third Phase from 1919 – 1935.

The Fourth Phase began with the Government of India Act of 1935. The Act envisaged the governmental reorganization on a federal basis with Provincial Governments and the Government of India. Local Governments became a provisional subject but separate lists of taxes, which could be levied by and for Local Governments, was abolished and merged with the State list. Therefore, the provinces had to decentralize the tax base in favour of Local Governments. The Government of India Act of 1935, while enlarging the functions of Local Governments, curtailed the financial resources of these governments with the result that the Municipalities became more and more dependent on the grant-in-aid of Provincial Governments and subservient to the control of them. Apart from this, dependence and subordination, the Local Governments could not make much headway during the ten year period form 1937 to 1947 due to extraneous reasons like the conflict between the British rules and the Nationalists, the Second World War and the Constitutional deadline due to the dissolution of Provincial Governments.

Local Government gained a new impetus and acquired fresh vitality since Indian Independence. The structure of the Constitution redistributed powers between the Center and the States on the model of the Government of India Act, 1935. The subject of Local Government was accordingly included in the State List. The states have thus become the foster fathers and
lawgivers of the present day Local Governments. This is reason why the Municipal Corporations Acts and the legislature enactments binding on the Local Governments differ from State to State. The States are free to modify the constitution as well as the law governing Local Governments.

**Committees on Decentralisation in India**

The Indian Constitution did not provide guidance on how to develop the Local Governments. This responsibility fell on a series of national Committees that addressed issues of implementation of the Constitutional mandate. During the period between the enactment of the Constitution and the 73\textsuperscript{rd} Constitutional Amendment in 1993, different committees were formed by various authorities to advice the central government on different aspects of transforming local governments as institutions of self- governance and as instruments for social transformation. Some of the Committees on Decentralization for empowering Local Governments are explained in the following paragraphs:

**a. Balwanthrai Mehta Committee, 1958**

The committee constituted in 1956 to submit report for proposing participatory role of national rural development department and social welfare department. The committee submitted their report in 1958 with pertinent recommendations on local administration system. Some of them are given below:
1. Constitution of legally mandated self-governing local institutions with powers of generating economic resources and with decentralised planning and implementation of schemes of economic development;

2. Formation of legally elected directly from people at village level committees and constitution of Block-Taluk level committees with co-opted elected representatives of village level;

3. Constitution of District Parishads with co-opted members under the chairmanship of the District Collector; and

4. Ensure peoples participation and fiscal resources.

b. Administrative Reforms Committee, 1959

The Administrative Reforms Committee, 1959 setup by the EMS Government that came into power in 1957, in its report, recommended for District Governance with elected peoples representatives over and above Panchayats and Municipalities.

c. Ashok Mehta Committee, 1978

Ashok Mehta Committee was constituted to study on the measures for improving people’s participation in Panchayat administration and role of grassroots leadership in overall development and improving efficiency in productive sector has made the following important recommendations:
1. A two-tier Panchayati Raj system of District Parishad and Mandal (Block) Parishads;
2. Entrusting development schemes with District parishads instead of centrally controlled Development Blocks;
3. Creation of 4 year-term Panchayat Samitis through the process of direct election;
4. Bifurcation of Development Panchayats and Nyaaya Panchayats;
5. Ensuring fiscal autonomy to Panchayats;
6. Implementation of politically based election and working in Panchayats; and
7. Ensuring peoples participation in Planning and implementation of schemes of economic development

**d. G.V.K. Rao Committee, 1985**

This Committee was constituted mainly to study the priority for poverty alleviation initiatives has made recommendations to suit the constitutional amendments towards this objective:

1. Two-tier Panchayat administration system through a process of directly elected representatives to take lead role in the participative development processes;
2. Formulation of Planning Committees with the Chairmanship of District Parishad President elected on proportionate representation basis and entrusted with policy formulation and implementation of development schemes; and
3. Re-organization of Blocks with appointing District Development Commissioners and Assistant Development Commissioners as Development Officers at District and Block level respectively.

e. Thumgon Committee, 1985

The main recommendations of the Thumgon Committee were:

1. Constitutionalising three-tier Panchayat system at District – Block – Village level;

2. Formation of State Development Committees (SDCs) with chairmanship of state’s minister for Planning and Economic Affairs and District Panchayat presidents as members for the decentralisation of Development – planning process;

3. Making Panchayat elections a constitutional obligation of state governments;

4. Fixing the tenure of Panchayats as 5 years;

5. Empowering the Government to dismiss the Panchayat in times of mis-management, corruption and such other situations;

6. Setting up of Panchayat Judicial Tribunals;

7. Special reservation for women / SC / ST communities; and

8. Ensuring Funds, Grants etc required by the Panchayats and The Committee has also drafted a model Panchayati Raj Act.
f. L.M. Singvi Committee, 1986

Singvi Committee was formed in 1986 to study on the existing Panchayats and to submit recommendations for strengthening them to shoulder leading roles for rural development. Their recommendations are:

1. Constitutional recognition of Panchayats as democratic institutions of local self governance;
2. Ensuring local grassroots leadership and partnership in planning and implementation process;
3. Constitution of Panchayati Raj Tribunals for redress of disputes
4. Rational devolution of fiscal resources and powers

All these committees have underlined the role that the Panchayati Raj Institutions can play in development planning as the basic units of democratic decentralization. The recommendations of these committees have favored acceleration of democratic decentralization and the empowerment of local governments in India.

In addition to these Committees stated above, Avukkaderkuttinaha Committee in 1962 and V. Ramachandran Committee in 1989 have also made detailed and pertinent recommendations on local governance system, District administrative setup as also the powers and rights to be devolved and laws to be amended thereon.
Mahatma Gandhi’s concept of *Gramaswaraj* through Panchayati Raj is reflected in Article 40 of the Directive Principles of Indian constitution, which provides as follows:

The State shall take steps to organize village Panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government.

Though Gandhiji emphasised the importance of local governments in addressing the local issues with local solution much earlier, the phenomenon of Globalisation today proved what Gandhiji said was vital in withstanding the evil effects of globalisation on local communities. The UNDP (2002) remarked as “While the process of globalization acts in ways in which the market acquires supremacy to the detriment of people, who lose control over their livelihood means as well as other choices, the process of decentralization could act as a countervailing force enabling people to acquire control over decisions that influence their lives in critical areas”.

Late Shri Rajiv Gandhi, when he became the Prime Minister of India, foresaw the necessity for strengthening local governance as a panacea for translating the opportunities of forthcoming globalisation, took a decisive action to translate Gandhiji’s vision into reality and in 1989 he proposed the 64th and 65th Amendment Bills to make it
mandatory for all States to establish a Three Tier System of Panchayats of Rural and Municipalities of Urban local governments.

Addressing the conference of Chief Ministers in May 1989, Rajiv Gandhi said, “what we do propose is to usher in a revolution by (giving) Panchayati Raj a status commensurate with the vision of our freedom fighters, the injunctions of our founding fathers and the dreams of our nation builders”\(^8\).

However, the 64\(^{th}\) and 65\(^{th}\) Amendment Bills failed to be approved by the Rajyasabha and before he could return to office to complete his historic Mission, Shri Rajiv Gandhi fall victim to assassination in 1991. It was on 22\(^{nd}\) December 1992, the Government led by Shri Narasimha Rao could redeem Shri Rajiv Gandhi’s pledge to the nation by adopting 73\(^{rd}\) and 74\(^{th}\) Amendment to the Constitution, which introduced local governments in to the governance structure of India through Part IX (The Panchayats) and Part IX (The Municipalities) of the Constitution.
THE CONSTITUTION AMENDMENT ACT, 1992 AND LOCAL GOVERNMENTS

The definitions of terms coming under Seventy-third Constitutional Amendment Act, 1992 with relevant Articles is given below:

Article 243 defines rural Local Government terms as (a) "district" means a district in a State; (b) "Gram Sabha" means a body consisting of persons registered in the electoral rolls relating to a village comprised within the area of Panchayat at the village level; (c) "Intermediate level" means a level between the village and district levels specified by the Governor of a State by public notification to be the intermediate level for the purposes of this Part; (d) "Panchayat" means an institution (by whatever name called) of self-government constituted under article 243B, for the rural areas; (e) "Panchayat area" means the territorial area of a Panchayat; (f) "population" means the population as ascertained at the last preceding census of which the relevant figures have been published; (g) "village" means a village specified by the Governor by public notification to be a village for the purposes of this Part and includes a group of villages so specified.

Article 243A states that a Gram Sabha may exercise such powers and perform such functions at the village level as the Legislature of a State may, by law, provide.
Article 243P\textsuperscript{10} defines urban Local Government terms (a) "Committee" means a Committee constituted under Article 243S; (b) "district" means a district in a State; (c) "Metropolitan area" means an area having a population of ten lakhs or more, comprised in one or more districts and consisting of two or more Municipalities or Panchayats or other contiguous areas, specified by the Governor by public notification to be a Metropolitan area for the purposes of this Part; (d) "Municipal area" means the territorial area of a Municipality as is notified by the Governor; (e) "Municipality" means an institution of self-government constituted under Article 243Q; (f) "Panchayat" means a Panchayat constituted under Article 243B; (g) "population" means the population as ascertained at the last preceding census of which the relevant figures have been published.

As regards the constitution of Panchayats, Article 243B\textsuperscript{11} states that (1) There shall be constituted in every State, Panchayats at the village, intermediate and district levels in accordance with the provisions of this Part; and (2) Notwithstanding anything in clause (1), Panchayats at the intermediate level may not be constituted in a State having a population not exceeding twenty lakhs.
Article 243Q of the Constitution (Seventy-Fourth Amendment) Act, 1992, states about constitution of Municipalities as:

1. There shall be constituted in every State,

   a) a Nagar Panchayat (by whatever name called) for a transitional area, that is to say, an area in transition from a rural area to an urban area;

   b) a Municipal Council for a smaller urban area; and

   c) a Municipal Corporation for a larger urban area, in accordance with the provisions of this Part:

Provided that a Municipality under this clause may not be constituted in such urban area or part thereof as the Governor may, having regard to the size of the area and the municipal services being provided or proposed to be provided by an industrial establishment in that area and such other factors as he may deem fit, by public notification, specify to be an industrial township.

2. In this article, "a transitional area", "a smaller urban area" or "a larger urban area" means such area as the Governor may, having regard to the population of the area, the density of the population therein, the revenue generated for local administration, the percentage of employment in non-agricultural activities, the economic importance or such other
factors as he may deem fit, specify by public notification for the purposes of this Part.

Article 243R of the Constitution (Seventy-Fourth Amendment)

Act, 1992, states about composition of Municipalities

1) Save as provided in clause (2), all the seats in a Municipality shall be filled by persons chosen by direct election from the territorial constituencies in the Municipal area and for this purpose each Municipal area shall be divided into territorial constituencies to be known as wards.

2) The Legislature of a State may, by law, provide-

a. for the representation in a Municipality of:

i. persons having special knowledge or experience in Municipal administration;

ii. the members of the House of the People and the members of the Legislative Assembly of the State representing constituencies which comprise wholly or partly the Municipal area;

iii. the members of the Council of States and the members of the Legislative Council of the State registered as electors within the Municipal area; and

iv. the Chairpersons of the Committees constituted under clause (5) of article 243S:
Provided that the persons referred to in paragraph (i) shall not have the right to vote in the meetings of the Municipality;

b. the manner of election of the Chairperson of a Municipality.

Article 243S\textsuperscript{12} threw light on the constitution and composition of Wards Committees:

1) There shall be constituted Wards Committees, consisting of one or more wards, within the territorial area of a Municipality having a population of three lakhs or more.

2) The Legislature of a State may, by law, make provision with respect to:

   a. The composition and the territorial area of a Wards Committee; and
   b. The manner in which the seats in a Wards Committee shall be filled.

3) A member of a Municipality representing a ward within the territorial area of the Wards Committee shall be a member of that Committee.
4) Where a Wards Committee consists of:

a. One ward, the member representing that ward in the Municipality; or

b. Two or more wards, one of the members representing such wards in the Municipality elected by the members of the Wards Committee, shall be the Chairperson of that Committee; and

5) Nothing in this article shall be deemed to prevent the Legislature of a State from making any provision for the constitution of Committees in addition to the Wards Committees.

For strengthening Local Governments, Constitutional amendments alone are not sufficient. There are a good number of schemes and programmes which negates the decentralization spirit in the middle. Thankappan V.J (2000)\(^\text{13}\) points out that, district level planning under the guidance of District Planning Committee was a concept introduced as per the Constitution 74\(^{\text{th}}\) Amendment under the Prime Ministership of Mr. Narasimha Rao. But the same Narasimha Rao Government introduced the MP's Local Area Development Fund Scheme which is a blow to the local level planning. Under the above scheme an amount of Rupees one crore is given to each MP and the amount is utilised for any local development as desired by the MP. In most cases, the scheme for which the MP's fund is utilised, will be
outside the Panchayat / Municipal plan. The fund is mainly utilised for the infrastructure development and no money is spent for productive sector. About 700 crores of Rupees are diverted this way from the plan schemes of the State Government and the local governments. The adverse effects of the schemes are widened in some States where the Local Area Development Fund is allowed to the MLAs and the members of the local bodies also. It is highly necessary that such Local Area Development Fund of the MPs and MLAs and local body members should be made part of the plan grants to the local bodies and the schemes under the Fund should be integrated with the local government plans.

LOCAL GOVERNMENTS – KERALA SCENARIO

Origin, Development and Growth

Kerala, according to Hindu legend is a strip of land salvaged from the sea by Lord Parasurama, the incarnation of Lord Vishnu. The land extends from Gokarnam in the North to Cape-Comorin in the South between Western Ghats and the Arabian Sea. But the Kerala state, which is dealt with the study, came into being on 1st November 1956 as a result of the linguistic reorganization of erstwhile princely states of Travancore and Cochin and the Malabar provinces of Madras Presidency. Before the formation of the Kerala state, the princely states and Malabar province had separate Acts for local governance.

The Local Governance in Kerala trace back to Tharakkuttom or Karakkuttom, that was the core dome of the then dominant
communities like Brahmins and Nayars, where the leader was not elected but inherited. Krishnankutty Nair. N., et al (2003)\textsuperscript{14} mention that there existed a three-tier structure of Local Governments as collection of *Thara* which forms *Desam* and several *Desams* constitute *Nadu*, and the *Naduvazhi*, the leader. Thus, the local governance was vested with the upper class people, who handled the law and order, justice and revenue collection. They were also known in the names like *Prabhu*, *Swaroopi*, *Madambi* and *Udayavan*. Based on the strength of soldiers, there were leaders of upper class viz., Munnoottavar (meaning, 300 soldiers’ strength), *Arunnoottavar* (meaning, 600 soldiers’ strength) *Ezhunnoottavar* (meaning, 700 soldiers’ strength) and *Ayirathavar* (meaning, 1000 soldiers’ strength). Above these leaders there were Rulers with different names who were appointed by the British for squeezing the people with local taxes in all the three princely states of Travancore, Cochin and Malabar province.

**Local governments in Travancore**

The name Travancore was evolved from various words which signifies *welfare state* and it was a land of welfare by all means once upon a time. The good governance of Mahabali, an ancient ruler on whom the *Devas*, the Gods were envious upon, and later on was sent to *Pathala*, the hell, by *Vamana* the incarnation of Lord Vishnu. The visit of Mahabali, is the myth, which is the story behind the State’s festival – the Onam.
The history of present day local governments begins from the early years of Twentieth Century in Travancore. Several reforms were made in the urban administration. Committees were appointed for Thiruvananthapuram, Nagarcoil, Kollam, Alappuzha and Kottayam. Municipal Administration was introduced in Aluwa, Kayamkulam, Thiruvalla, Vaikkom and Shenkottai. It was in 1912, that the taxpayers were allowed to elect non-official members. Municipal Regulation Act, 1920 uplifted these Committees to Municipalities and provided with financial powers. During 1941, Thiruvananthapuram Municipality was uplifted to the status of Corporation through enacting ‘Trivandrum City Municipal Act’ by giving extensive powers.

It was in 1925 that the Travancore Village Act came in to force and as a result six Panchayats were formed. Again Twenty six Panchayats were also constituted in pursuance of Travancore Village Union Act in 1940 and Tahsildar were made Chairman of the Municipality. Due to the defective functioning of these local governments, they were taken away from the revenue department and brought under the Registrar.

The Thiru – Kochi State came in to being on 1st July 1949 and in 1950, Travancore – Kochi Panchayat Act was enacted. As a result, Panchayat Delimitation Committees have come in to force and according to the recommendations of this Committee, 542 Panchayats were constituted.
Thus, from August 15, 1950, Panchayats came in to force in Thiru – Kochi State with Adult franchise through secret Ballot.

**Local governments in Kochi**

During 1762, in Kochi, there existed Ten Taluka System popularly known in vernacular Malayalam as ‘Kovilakathum Vathukkal’. The Taluk administrator was *karyakkar* and was entrusted with thirty different works for which the *Parvathyakkar* was made responsible. Since 1910, Kochi town was named under ‘Town Council’. The village administration in Kochi was started along with the ‘Kochi Village Panchayat Act, 1914 and was divided in to five talukas of five-member Governing Committee, in which four of them were local chiefs. Those who pay tax above Rs.50, Graduates and Retired Officials only could become members and the overall supervision was vested with the *Divan*. In 1922, along with the introduction of ‘Cochin Panchayat Regulation’, the powers of panchayats began to be widened and the payment of tax became the qualification of membership. In 1935, adult franchise came in to force. When Cochin was declared as a major port on 1st August 1936, it has became a full-fledged Municipality with all elected members, consequent upon the Act of 1938. In 1945 a separate Government department was formed for Panchayats.

**Local governments in Malabar**

Local governance in Malabar was started by constituting Municipalities in Kozhikode, Thellichery, Kannur and Palakkad based on ‘Madras Town Improvement Act of 1867’. The composition of members of
the Governing Council of the Municipality consisted of Ex-officio Councilors like local Magistrate and Range Officer of PWD and five other important citizens appointed by the Government. Latter on, according to the Town Improvement Act of 1871, the District Collector became the Chairman of the Council and a Vice-Chairman was elected by the members of the council. With the Madras Local Bodies Act, 1884, District Boards and Taluk Boards were came in to existence. Accordingly, the localities in and around Malabar area were brought under Malabar District Board and those under Kasaragod Taluk were brought under South Canara District Board. In 1930, all village administrative set up were brought under the purview of Madras Local Bodies Act. In 1943, Chief Executive Officer was appointed to administer the affairs of the Local Governments.

LOCAL GOVERNMENTS IN UNITED KERALA

These development functions are in par with the traditional civic and welfare responsibilities like solid waste management, street lighting, abatement of public nuisance, licensing of industrial and commercial establishments. The transferred functions include upkeep of transferred assets, their up gradation, creation of new infrastructure, extension of water supply and electricity to uncovered areas, managing institutions like Primary Health Centres, Schools, Krishi Bhavans etc. and improving delivery of their services and planning and implementation of programmes related to transferred functions. In order to make development investments, local governments have been
assigned about One-Third of the State Plan resources in a practically untied form.

Thomas Isaac and K.N. Harilal\textsuperscript{15} in their article on Planning for Empowerment-People’s Campaign for Decentralised Planning in Kerala describes that despite acclaimed advantages of decentralization of planning and repeated commitments made in its favour, the planning process in the India has remained a highly centralised affair. None of the departmental exercises - so-called District Plans, Block Level Planning or Area Level Programmes - has been able to ensure genuine planning from below, sensitive as such planning should be to complex local specific problems and felt needs of the people.

In the above context the newly constituted Kerala State Planning Board resolved to initiate a peoples campaign to empower Panchayat’s and Municipal bodies to draw up Ninth Plan Schemes with in their respective areas of responsibility. It is the planning Board’s expectations that 35 per cent to 40 per cent of Kerala’s Ninth Plan will consists of schemes formulated and implemented from below.

The State Plan\textsuperscript{16} more often than are not mere aggregation of departmental schemes pruned and modified to suit the national frame work and targets. The so called District Plans are made by simply computing District wise breake-up State wide projects approved by the State Legislature.
An integrated approach whereby different developmental agencies are brought together to address the development problems at the local/area level is conspicuous by its absence in all these exercises. Block Level Planning has been an attempt at co-ordination of various programmes implemented through line departments which otherwise lacked horizontal connections. The Blocks, however, where not equipped to respond to the complex requirements of Area Development Plans\textsuperscript{17}.

This was the background of the introduction of Area Level Programmes with separate horizontal command structures such as Command Area and Drought Prone Area\textsuperscript{18}.

Bandyopadhyay. D\textsuperscript{19} in his article titled peoples participation in planning-Kerala experiment explained real import of article 243-G, which defines the power, authority and responsibilities of the Panchayats has not been well appreciated in most states. There has been a title effort at getting in mass of the people involved in the planning process or in the setting of plan priorities. In this process the interests of the silent though mechanically stronger sections of the people are not addressed. The Kerala model of a peoples campaign for decentralized planning aims at resolving this issue.

Richard. W. Franke and Barbara. H. Chasin\textsuperscript{20} in their article on power to malayali people stressed that Keralas decentralisation programme is probably the largest of its kind in the world at present.
While it does not mean complete abrogation of higher level responsibilities, the ultimate goal is a substantial relaxation of central control and substantial community empowerment.

Ooman\textsuperscript{21} in his study on Devolution of Resources from State to the Panchayat Raj Institution: Search for a Normative Approach, points out that the precise nature of devolution of central powers was left to the states to determine, creating a wide range of plans, some of which may be mere state or district bureaucracy empowering them people-empowering.

The empowerment of Panchayat Raj Institutions in terms of functions and clear earmarking of substantive financial resources have contributed to rapid social development in the state and significant economic progress according to the Thomas Isaac\textsuperscript{22} in his article titled Local Democracy and development: Peoples Campaign for Decentralised Planning in Kerala.

Mukerjee Neela\textsuperscript{23} in his book on Participatory Learning and Action pointed out that village level plan will be prepared using the participatory-based methods. These methods will include, but not restricted to, participating poverty assignment, participatory resources mapping, force field analysis, lively hood analysis and seasonal calendars, all of which have been documented and used in different
parts of the world and “in India, especially Kerala” according to Mukerjee and Amitav\textsuperscript{24}.

According to Oomen\textsuperscript{25} Kerala is probably one state when peoples participation should be strong and successful given the level of literacy. However, the progress made, has been very poor. It can be seen that Panchayats in the State have not yet become vibrant institutions for enabling the people to participate in local development. The factors responsible for this plight of these institutions among others are the vested interests, ie, the political leaders and bureaucrats who have not been interested in parting with powers in favour of the Panchayats. The Left Democratic Front (LDF) which wanted to make the Panchayats the fulcrum for participatory planning could not succeed fully as its governments had fallen for one reason or the other. Otherwise an enlightened and articulate public coupled with land reforms would have made Panchayat a sound base for peoples involvement in planning.

Thapliyal. B. K.\textsuperscript{26} in his article on Decentralised Planning, Concept, Scope and Methodology, explained that there are many who believe that such integration is not possible in the absence of substantial control and interference in the local planning from above. But genuine multi - level planning is a two-way process of give and take which meets at a level like the district below which centralized d planning become irrelevant and above which micro-level planning is
meaningless. Genuine decentralised planning is realistic and pragmatic as it takes into account the intensive knowledge about local resources both human and material, micro-climatic terrain as well as the needs and aspirations of the local community whose active involvement and participation alone the advancement of rural communities could be secured.

In order to bring about genuine democratic decentralised planning, it is required that all state finance commissions submit their recommendations to the state governments so as to enable to the state governments to devolve necessary powers and functions to the PRIs both in a legislative action and executive orders\textsuperscript{27}

After the formation of the Kerala State, an Administrative Reforms Committee was constituted under the Chairmanship of the Chief Minister on 15\textsuperscript{th} August, 1957 and the Committee submitted its report on 26\textsuperscript{th} July, 1958 wherein it was affirmed that the base factors of the State’s administration should be the Panchayats. Consequently, the same Kerala Legislative Assembly was terminated without giving assent to the Kerala Panchayat Bill and District Council Bill. Later on, Kerala Panchayat Act, Kerala Municipal Act and Kerala Municipal Corporation Act were passed during 1960 and 1961.

Krishnankutty Nair.N., \textit{at el} (2003) narrates\textsuperscript{28} the unfortunate story of obstacles confronted in the way of legitimatizing a Bill for Local
Governance. During the R. Shankar ministry, though ‘Panchayat Union Council – District Parishad’ Bill was presented in the Assembly, in the light of the recommendation of Balwant Rai Metha Committee, the same could not be enacted as the change of Ministry. During the Presidents Rule in 1965 an ‘Administrative Restructuring – Minimizing Expenditure Committee’ was constituted under the Chairmanship of Shri Vellodi and pointed out that the membership of Members of Legislative Assembly in the Taluk Councils and other Local Government hamper the development of Grassroots Leadership. Again, in 1967, the ‘Kerala Panchayat Bill – 1967’ was presented in the Legislative Assembly. This Bill that envisaged a two-tier Panchayat system with a detailed study on District was re-submitted in the Assembly in the new name of ‘Kerala Local Government Bill’ in 1969, the same also had not become a law, as that Assembly was also dismissed. The same Bill in the name of ‘Kerala District Administration Bill, 1971’ was again presented in the Assembly by the Government which came to power in 1978. But the same Bill also could not get assent of the Legislative Assembly. Thereafter, the Bill with thorough modification was presented to the Assembly in 1979 in the name of ‘Kerala District Administration Bill’ and got passed by the Assembly and the Bill got the consent of the President of India in 1980. But the first and the last District Council formed under the Act came in to power through election held during 1989 and got dismissed in 1991.
Constitutional Amendments and Decentralised Local government in Kerala

The decentralisation efforts in the State as a consequence to the Seventy Third and Seventy Fourth Constitutional Amendment has resulted in immense opportunities for need based planning and development with effective involvement of the community, including the marginalized and the poor. The Government of Kerala through a brave step towards the decentralization of powers, have decided to devolve Finance, Functions and Functionaries in a massive scale to Local Governments and enacted Kerala Panchayati Raj Act and Kerala Municipalities Act, 1994 with subsequent amendment Act in 1999, in addition to 35 pertinent Acts and Rules.

KERALA PANCHAYAT RAJ ACT, 1994 AND KERALA MUNICIPALITIES ACT, 1994

Kerala Panchayati Raj Act and Kerala Municipalities Act endowed with the transfer of schemes, institutions and personnel to rural and urban local governments. The first elections to the new three tier Panchayat raj institutions, Municipalities and Corporations were held in September, 1995. The State Government in power brought it with an opportunity to expand the scope of Panchayati Raj and to increase the space for people's participation in governance under the close monitoring by the State Planning Board. Thus, the people's plan campaign was launched in August, 1996, followed by devolution of 40 per cent of the State’s plan fund to the Local Governments in 1997.
The evolution and fine tuning of decentralized planning and implementation by local governments took place in the subsequent years under the overall supervision and guidance of State Planning Board.

**Amendment of related Acts and Rules**

The attitude of the State Government towards the real empowerment of Local Governments is a *sine quo none* of exerting leadership in Local Governments. Thankappan V.J. (2000) points out that, in order to strengthen the decentralisation measures, the State Government has recently amended at a stretch 35 enactments which deal with the subjects such as minor irrigation, public health, school education, land development, housing, agriculture, animal husbandry, khadi and cottage industries, fishing, water supply and library service. All these subjects are in one way or other come within the jurisdiction of local governments as per the Constitution Amendments as well as the State Panchayat Raj/Municipal enactments. With these amendments many of the powers vested in the Government and the Government officers under these statutes, are taken away and given to the local governments. Surely this is a major step towards the empowerment of Panchayat Raj institutions.

The commitment of the State Government is further revealed in the Government’s initiative to further amending of Acts required for effective functioning of Local Governments in a more vibrant manner.

Functions of Rural Local governments

The Schedule Eleven of the Constitution of India formed the basis for devolving functions to Rural Local Governments as enshrined in the Kerala Panchayati Raj Act. The functions are well classified on the basis of mandatory, general and sectoral which vary from the tier to tier of as to Grama Panchayat, Block Panchayat and District Panchayat. The functions of Grama Panchayat and their functions are explained below.

Mandatory Functions of Grama Panchayats

The mandatory functions of Grama Panchayats are: (1) Regulation of building construction; (2) Protection of public land from encroachment; (3) Protection of traditional drinking water sources; (4) Presentation of ponds and other water bodies; (5) Maintenance of
water-ways and canals under their charge; (6) Collection and disposal of solid waste and control of liquid waste disposal; (7) Storm water drainage; (8) Maintenance of environmental hygiene; (9) Management of markets (10) Vector control; (11) Regulation of slaughtering of animals and sale of meat, fish and other perishable food items; (12) Regulation of eating establishments; (13) Prevention of food adulteration; (14) Maintenance of roads and other public assets; (15) Street lighting and their maintenance; (16) Immunization; (17) Carrying into effect national and State level strategies and programmes for disease prevention and control (18) Opening and maintenance of burial and burning grounds (19) Licensing of dangerous and offensive trades; (20) Registration of births and deaths(21) Provide bathing and washing ghats; (22) Provide of ferries; (23) Provide parking space for vehicles; (24) Provide waiting-sheds for travelers; (25) Provide toilet facilities in public places; (26) Regulate conduct of fairs and festivals; and (27) Licensing of pet dogs and destroying stray dogs.

**General Functions of Grama Panchayats**

The general functions of Grama Panchayat are: (1) Collection and updating of essential statistics; (2) Organising voluntary labour and contribution for community works; (3) Carrying out campaigns for thrift; (4) Awareness building on control of social evils like drinking, consumption of narcotics, dowry and abuse of women and children; (5) Ensuring maximum people's participation in all stages of development
(6) Organising relief during natural calamities; (7) Inculcating environmental awareness and motivating local action for environmental upgradation; (8) Promoting co-operatives; (9) Enhancing communal harmony; (10) Mobilizing local resources in cash and in kind, including free surrender of land for development purposes; (11) Spreading legal awareness among the weaker sections; (12) Campaigning against economic crimes; (13) Organising neighbourhood groups and self-help groups with focus on the poor; and (14) Awareness building on civic duties.

Sector-wise distribution of responsibilities of Grama Panchayats

In addition to the mandatory and general functions, there is sector-wise distribution of responsibilities for the Grama Panchayats. They fall under productive, infrastructure and service sector. They are (i) Agriculture; (ii) Animal Husbandry and Dairy; (iii) Minor Irrigation; (iv) Fisheries; (v) Social Forestry; (vi) Small Scale Industries; (vii) Housing; (viii) Water Supply; (ix) Electricity and Energy; (x) Education; (xi) Public Works; (xii) Public Health and Sanitation; (xiv) Poverty Alleviation; (xv) Scheduled Castes and Scheduled Tribes Development; (xvi) Sports and Cultural Affairs; (xvii) Public Distribution System; (xviii) Natural Calamities Relief; and (xix) Co-Operatives
Functions of Urban Local Governments

The Schedule Twelve of the Constitution of India formed the basis for devolving functions to Urban Local Governments as enshrined in the Kerala Municipalities Act. The functions are well classified on the basis of mandatory, general and sectoral which vary in Municipalities and Corporations. The functions of Grama Panchayat and their functions are explained below.

Mandatory Functions of Municipalities and Corporations

The mandatory functions of urban Local Governments viz., Municipalities and Corporations are:

(1) Regulating building construction; (2) Protection of public land from encroachment; (3) Conservation of traditional drinking water sources; (4) Preservation of ponds and other water tanks; (5) Maintenance of waterways and canals under the control of the Municipality; (6) Collection and disposal of solid waste and regulation of disposal of liquid waste; (7) Storm water drainage; (8) Maintenance of environmental hygiene; (9) Management of public markets; (10) Vector control; (11) Regulation of slaughtering of animals and sale of meat, fish and other easily perishable food stuffs etc.; (12) Control of eating houses; (13) Prevention of food adulteration; (14) Maintenance of roads and other public properties; (15) Street lighting and its maintenance; (16) Adopt immunization measures; (17) Effective implementation of National and State Level strategies and programmes.
for prevention and control of diseases; (18) Establishment and maintenance of burial and burning grounds; (19) Issue of licenses to dangerous and offensive trades and industries; (20) Registration of births and deaths; (21) Providing bathing and washing Ghats; (22) Arranging ferries; (23) Providing parking spaces for vehicles; (24) Construction of waiting sheds for travelers; (25) Providing toilet facilities and bathing Ghats at public places; (26) Regulating the conduct of fairs and festivals; (27) Issue license to domestic dogs and destroy stray dogs; (28) Providing basic facilities in slum areas; (29) Amenities including foot path and road crossing facilities for pedestrians; and (30) Preparation of detailed town planning and Action plan for implementation in a phased manner.

**General Functions of Municipalities and Corporations**

The general functions of municipalities and corporations are:

(1) Collection and updating of essential statistics; (2) Organising voluntary workers and make them participate in collective activities; (3) Organize campaign for thrift; (4) Awareness building against social evils like drinking, consumption of narcotics, dowry and abuse of women and children; (5) Ensuring maximum people's participation in all stages of development; (6) Organize relief activities during natural calamities; (7) Inculcating environmental awareness and motivating local action for its up gradation; (8) Development of Co-operative Sector; (9) Promoting communal harmony; (10) Mobilizing local resources in cash or in kind including free surrender of Land for
developmental purpose (11) Propagating legal awareness among the weaker sections; (12) Campaign against economic offenses; (13) Organizing neighborhood groups and self help groups with focus on the poor; and (14) Awareness building on civil duties.

**Sector-wise Distribution of Functions of Municipalities and Corporations**

The sector-wise distribution of responsibilities for the Municipalities and Corporations are falling under productive, infrastructure and service sectors. These functions are: (i) Agriculture; (ii) Animal Husbandry and Dairy Farming; (iii) Minor Irrigation; (iv) Fisheries; (v) Social Forestry; (vi) Small Scale Industries; (vii) Housing; (viii) Water Supply; (ix) Electricity and Energy; (x) Education; (xi) Public works; (xii) Public Health and Sanitation; (xiii) Social Welfare; (xiv) Eradication of Poverty; (xv) Development of the Scheduled Caste/Scheduled Tribe; (xvi) Sports and Culture Affairs; (xvii) Public Distribution System; (xviii) Natural Calamity Relief and (xix) Co-operation

**Preparation and Execution of Development Plans – Legal Provisions**

The legal provisions imbibed in the Local Governments’ Acts concerned in respect of Preparation and Execution of Development Plans is the following:

2. Section 53(1) is as follows “The Government shall constitute in every district, a District Planning Committee at the District level to consolidate the plans prepared by the Panchayat and Municipalities in a district and to prepare a draft development plan for the district as a whole”.

3. Section 53(9) amply provides that “The Committee shall consolidate the plans prepared by the Panchayat and the Municipalities in the District and prepared a draft development Plan for the district as a whole and perform such other functions relating to district planning, as may be assign to it by the Government, from time to time, by notification in the Gazette”.

4. Section 53(10) stipulates that “The Committee shall, in preparing the draft development plan”

   (a) have regard to

   (i) matters of common interest between the Panchayat and the Municipalities including spatial planning, sharing of water and other physical and natural resources, the integrated
(ii) the extend and type of available resources, whether financial or otherwise

(b) Consult such Institutions and Organizations as the Governor may, by order specify.

5. Section 53(11) denotes that “the Chairman shall forward the development plan, as recommended by the Committee, to the Government for approval”.

6. Section 53 (11 A) ensures that “the Government shall, while preparing the State Plan consider the proposal and priorities included in the draft development plans prepared for each districts by the District Planning Committee”.

7. Section 53(11B) stipulates that “The District Planning Committee shall Monitor the Quantitative and Qualitative progress, especially its physical and financial achievements, in the implementation of the approved District Planning Schemes and State Plans relating to the district and it shall evaluate the action programmes already completed”.

8. Section 55(1) makes provision for the constitution of State Development Council with Chief Minister as its Chairman and the
leader of opposition of the State Legislative Assembly as it’s Vice-Chairman.

9. Section 55(2) contemplates that the State Development Council shall (a) formulate policy for local development and regional level development (b) co-ordinate the district plan and the state plans (c) formulate policy necessary for strengthening Local Self Government Institution and (d) deal with common issues concerning development, among the districts.

NINTH FIVE YEAR PLAN (1997-98 TO 2001-02) AND PEOPLES PLAN CAMPAIGN

During this period, an alternate development strategy was proposed for economic planning. This plan period was a period of commencement and all concerned were beginners. Hence the first two years, the State Planning Board had taken an approach of a decentralized planning campaign to make the people understand the importance of local level planning and also their role as the ultimate decision makers by participating in the respective Gram Sabhas. Among other things, the major objectives of such a bottom-up planning approach were:

1. Rationalize resources allocation for local priorities;
2. Facilitate local solutions for local developmental issues;
3. Exploit local potential under all the three sectors, viz., productive,
infrastructure and service;

4. Bring about convergence of resources and services within and among localities;

5. Create environment for people's contribution in economic development;

and

6. Enable public action and improvement in service delivery.

Empowerment of Local Governments with powers, functions, institutions and staff was another notable feature of 9th Plan. The process of empowerment of the local governments has been materialized through:

(1) transfer of schemes which has meant redefinition of functional and financial responsibilities and powers,

(2) transfer of personnel and their capacity building to work in a local governance set up,

(3) transfer of untied fund and educating elected representatives about their roles and responsibilities in local governance, including 'informed' decision making, focus on developmental issues of vulnerable groups, transparency in planning, execution and accounting, and
(4) enunciation and evolution of processes and procedures for systemic change, and management for a new development focus.

Of all the initiatives perhaps the most elaborate has been the development of the guidelines and processes for planning at the grassroots, which includes setting up of sectoral committees (working groups), discussion in the Gramasabhas of draft project proposals, development seminars, finalization of projects and the overall plan, vetting by Technical Committees, approval by the District Planning Committees.

Over a period of time the plan guidelines have been fine tuned into reflecting the development priorities that should lead local planning as well as the processes that ensure community participation in planning for local governance. Systems for technical approval and implementation have also been reformulated in the decentralized context of governance.

The process of Decentralisation has enabled the state to install a systematic participatory planning methodology at various stages of developmental process planning, implementation and monitoring. The decentralised planning process has given great visibility to women and gender issues first time in the history of the state. This is evident from
their participation in grama sabha, in the different bodies at the local level, starting from elected representatives\textsuperscript{32}.

**A New Methodology for Participatory Planning**

The ‘felt needs of the people’ and other criteria for assessing the pattern of prioritisation need not always go together. Harilal K N., *et al* (2000)\textsuperscript{33} argues that even though there has been improvement, quality of projects in local plans remains to be an area of concern. In the earlier centralised bureaucratic system of planning it was almost impossible to break the limits of the narrow range of stereotype projects that each department implemented. The new system has the potential to allow thousands of flowers bloom. The ‘felt needs of the people’ and other criteria for assessing the pattern of prioritisation need not always go together. A general assessment of the quality of plans and projects was used to bring in the criteria other than the ‘felt needs’ of the people into the analysis. Even though there has been improvement, quality of projects in local plans remains to be an area of concern. In the earlier centralised bureaucratic system of planning it was almost impossible to break the limits of the narrow range of stereotype projects that each department implemented. The new system has the potential to allow thousands of flowers bloom.

**Higher Rate of Investment in Social and Infrastructure Sector**

The broad guidelines regarding sectoral allocation of grant-in-aid issued by the state government have also had some influence on the
pattern of prioritization at the local level as stated by Harilal K. N et al (2000)\(^3\). It is one among the features that would possibly give the People’s Campaign the strength, to defy the neo-liberal agenda of decentralisation. While the neo-liberal agenda seeks to disperse, fragment and weaken the state, the People’s Campaign approaches decentralisation as a means of making the state more effective.

Decentralisation has made Local Governance more practical and responsive through ensuring more transparency and effective service delivery. Simplified planning process, enhanced accountability mechanism and adopted outsourcing of technical support has helped them to function as real friendly governments of poor and outliers of development. This ultimately has created a positive effect on reducing poverty to some extend by providing provisions to the basic needs of the weaker sections. Higher rate of resource mobilization such own fund and institutional finance was also witnessed. One of the major remarkable outcomes was empowerment of women whose efforts were otherwise ignored in all spheres of social activities.

**Women Empowerment and Micro Finances**

Sakhi Resource Centre\(^3\)\(^5\) observed the fact that State Planning Board issues guidelines and made it mandatory to have a chapter on women in the development report and 10 per cent allocation offered great potential to mainstream gender in the planning process at the local government level, which is definitely a very welcome step from the pre 1996 periods when women were present only nominally.
Emergence of Kudumbashree, a poverty alleviation mission of the State Government through empowering women with the network of local governments have opened up new avenues for self employment, micro credit through encouraging a habit of thrift etc are some of the major breakthrough in the process of Kerala’s decentralization. Manoharan Nair. K. et al (2002) opined it as a panacea for alleviating poverty at grassroots initiating participatory process.

**Transparent Beneficiary Selection**

Involvement of Gramasabhas made it possible a more transparent method in selection of individual beneficiaries for the schemes implemented by both Local Governments as well as Line Departments of Government.

**Scope for Improved Beneficiary Contribution**

Participatory planning process helped to contribute people’s unity in development actions and generated a new development consciousness in the state. A new component in the source of public finance for development programmes over and above plan support was added in the form of beneficiary contribution both by way of cash and in kind.
Changed Mindset for Participative Planning Process

The people’s plan campaign has facilitated a marked change in the attitude of the people towards the planning process. Centralised top-down planning process gave way for a decentralized bottom-up planning process which has helped the local people to own the development schemes and programmes.

SECTION –II
DECENTRALISED PARTICIPATORY PLANNING (PEOPLES PLAN) IN KERALA

During the last 45 years, the virtues of decentralised planning have been repeatedly glorified by the planners but no serious attempts have been made to practice the same in its true spirit. Thomas Isaac T.M. (1999)\textsuperscript{37} in his book on Janakeeyasoothrnavum Ayalkoottangalum-Anubhavangalum Padangalum stated that of the nearly 30000 beneficiary committees it has been alleged that substantial number are led by nominees of contractors. The investigating agencies have also pointed out to widespread irregularities in the first years plan implementation.

Gulati J.S. and Thomas Isaac\textsuperscript{38} in their presentation in a workshop in peoples Campaign for Decentralised Planning-An Experiment in Participatory Development highlighted the entire process of peoples campaign for decentralized planning and a brief review of the annual plan of local self govt
for the year 1997-98 and the experience of its implementation. Finally a
perspective of the campaign for the preparation of the annual plan 1998-99
also presented.

In the words of Ackerman\textsuperscript{39} Peoples planning is organized as a tool of
social mobilization to break the dilemmas of development in Kerala.
Corruption is not a problem that happens to otherwise healthy societies, nor
does it necessarily lead to social or economic collapse. Rather it is one of a
constellation of development problems, endogenous to societies and often a
symptom of deeper difficulties. In most serious cases entrenched political and
bureaucratic corruption which represents equilibrium, a highly organized and
inherently stable system that creates and is sustained by insufficient political
competition, slow and uneven economic growth and a weak civil society.

Thomas Isaac\textsuperscript{40} in his work on Campaign for Democratic
decentralization in Kerala - An Assessment from the perspective of
empowered Deliberative Democracy explained the salient features of Kerala’s
decentralisation programmes in first sections. The second part presents a
fairly detailed discussion the campaign designed to promote maximum
participation, transparency and scientific objectivity in plan formulation and
implementation of the effectiveness of these mechanisms in achieving the
objectives of democratic decentralization are critically evaluated in section
Three.

Putnam, Robert.D\textsuperscript{41} in his work making Democracy Work, Civic
Tradition in modern Italy explained the role of robustness of civil society
defined the terms of its “norms of reciprocity and net works of civic
engagement” and embodied in different types of civil institutions in securing
the effectiveness of democratic institutions is now widely accepted. A vigorous civil society strengthens democracy. The relative success of the decentralization in Northern Italy compared to Southern Italy is explained by civic conditions in the former. However, according to Patnam, the civic culture is historically determined—the historic trajectory of Italy was set in the middle ages—leaving little scope for institutional reforms as a strategy for political change. The contrasting experience of Northern and Southern Kerala in the Peoples’ Campaign during the first two years closely parallels in Patnam’s classic analysis, but with a twist.

Tharakan Michel. P.K. in his study on socio-Religious Reform movements, the process of Democratisation and Human Development: The Case of Kerala, South West India stated that Kerala from the late 19th century witnessed an upsurge in social reform movement, the creation of a large network of educational and health institutions and the emergence of an independent civil society. It was Southern Kerala that was in the forefront of this renaissance. This differential performance has been explained with reference to the nature of class relations of the vigour of civil society in the South.

India gave boost to the process of rural decentralization in 1992 with the 73rd constitutional amendments Act that provided for an institutional reform of local Government. The Act helped to establish a uniform Three-tier structure of local governments in rural India. The Panchayati Raj Institution (PRIs) - arranged in a hierarchical order with lower level Government being subordinate to the next higher level government But the financial status of rural local governments remains elusive despite a number of studies on rural
decentralisation in India since the Act according to Gulati. I S\textsuperscript{43} Oommen\textsuperscript{44} and Rani\textsuperscript{45} in their studies.

Jayaprakash\textsuperscript{46} in his article Federalism and local self Government in India explained that there cannot be true federalism without the local people having near complete control over their destinies through their elected governments or empowered stakeholders groups over all matters of day to day concern to them.

Ramesh K. Arore\textsuperscript{47} in his work on Transformation of an ideology: from people orientation to people centeredness noted that a responsive state would facilitate greater openness and transparency in administration, increase incentives for participation in public affairs and bridge his gap between citizens and governance system. The concept of ‘citizen-friendly’ administration, the movement of right to information’, the stress on ‘performance oriented administration’ and an honest civil service are only a few of the foci of the contemporary governance system propelled by the philosophy of people centeredness.

Malcolm. S Adhiseshiah\textsuperscript{48} in his study towards meaningful decentralised planning explained that the way back in 1952 Nehru warned that though we had to start with the top down approach in the first plan, soon we had to develop a procedure whereby ‘people may feel that the plan is something that has been evolved with their co-operation, so that they are responsible for its success

Reported by Hindu News\textsuperscript{49} that where ever women had come forward, the Grama Sabha had better attendance. Advance publicity and awareness campaign produced a better participation. Also a major issue in this exercise is
who will examine the technical feasibility, financial viability and social acceptability of hundreds of proposed projects so that technical and other sanctions can be easily obtained for them.

Bandyopadhyay .D\textsuperscript{50} in his article titled peoples participation in planning- Kerala experiment explained real import of article 243-G, which defines the power, authority and responsibilities of the Panchayats has not been well appreciated in most states. There has been title efforts at getting in mass of the people involved in the planning process or in the setting of plan priorities. In this process the interests of the silent though mechanically stronger sections of the people are not addressed. The Kerala Model of a peoples campaign for decentralized planning aims at resolving this issue.

Richard .W .Franke and Barbara .H. Chasin\textsuperscript{51} in their article on power to Malayalee People stressed that Kerala’s decentralization programme is probably the largest of its kind in the world at present. While it does not mean complete abrogation of higher level responsibilities, the ultimate goal is a substantial relaxation of central control and substantial community empowerment.

Ooman\textsuperscript{52} in his study on Devolution of Resources from State to the Panchayati Raj Institution : search for a normative approach points out that the precise nature of devolution of central powers was left to the states to determine, creating a wide range of plans, some of which may be mere state or district bureaucracy empowering them people-empowering.

Raj .K.N\textsuperscript{53} in his article planning : getting the economy on track explained that the issue is one of reaching benefits of development to the poorest and the most deprived. This can best be done by encouraging
Panchayat and local level planning. Also he pointed out that five year plans are still very useful. Having a long-term prospective and looking at resources as a whole make a lot of difference. Otherwise, one would have kept on postponing important projects on the ground that there was shortage of funds.

Bandhyopadhyay D and B.N. Yugandhar, and Amitava Mukerjee in their article titled Convergence of programmes by Empowering SHGS no PRIs explained the effectiveness of self-help groups. (SHGs) would be considerably enhanced if a symbiosis could be worked out between them and Panchayat Raj Institutions (PRIs). The key to this is the integration of SHGs with the democratically elected and empowered Panchayats when the requisite devolution of powers, functions and authority to the latter taken place. The proposed scheme which will allow SHGs and PRIs to work in tandem and reinforce each others work.

Harris, John in his article titled Renewing Developing and Deepening Democracy described that the experiments that in Kerala have attracted considerable global attention. Empowering the Panchayats has helped in ushering the peoples campaign that culminated in completion of local development plans based on a through bottom up approach, never before attempted in India and probably in the world.

The empowerment of PRIs in terms of functions and clear earmarking of substantive financial resources have contributed to rapid social development in the state and significant economic progress according to the Thomas Isaac in his article titled Local Democracy and development: Peoples campaign for Decentralised Planning in Kerala.
Mukerjee Neela\textsuperscript{57} in his book on Participatory Learning and Action pointed out that village level plans will be prepared using the participatory-based methods. These methods will include, but not restricted to, participating poverty assignment, participatory resources mapping, force field analysis, lively hood analysis, seasonal calendars etc, all of which have been documented and used in different parts of the world and “in India, especially Kerala” according to Mukerjee and Amitav\textsuperscript{58}.

According to Oomen\textsuperscript{59} Kerala is probably one state when peoples participation should be strong and successful given the level of literacy. However, the progress made, has been very poor. It can be seen that Panchayats in the state have not yet become vibrant institutions for enabling the people to participate in local development. The factors responsible for this plight of these institution among others are the vested interests, ie, the political leaders and bureaucrats who have not been interested in parting with powers in favour of the Panchayats. The LDF which wanted to make the Panchayats the fulcrum for participatory planning could not succeed fully as its governments had fallen for one reason or the other. Otherwise an enlightened and articulate public coupled with land reforms would have made Panchayat a sound base for peoples involvement in planning.

Thapliyal.B.K\textsuperscript{60} in his article an Decentralised planning, concept, scope and methodology explained that there are many who believe that such integration is not possible in the absence of substantial control and interference in the local planning from above But genuine multi-level planning is a two-way process of give and take which meets at a level like the district below which centralized d planning become irrelevant and above
which micro-level planning is meaningless. Genuine decentralised planning is realistic and programmatic as it takes into account the intensive knowledge about local resources both human and material, micro-climatic terrain as well as the needs and aspirations of the local community whose active involvement and participation alone the advancement of rural communities could be secured.

In order to bring about genuine democratic decentralised planning, it is required that all state finance commissions submit their recommendations to the state governments so as to enable to the state governments to devolve necessary powers and functions to the PRIs both in a legislative action and executive orders.

**Removing the Imbalance**

In no case one finds a neat matching of functions and finance. But the imbalance is very glaring in India where the Constitution makers deliberately opted for a mismatch in the interests of the Central authority and control. Neither the statutory Union Finance Commission appointed every five year nor the Planning Commission which has assumed the primary responsibility of plan allocation at the Union level could be considered to have ensured a Union-state devolution of funds on a rational and territorially equitable basis.

Looking back, we may say that the worst part of the resource transfer in the past was that ‘top-down’ approach to planning Sectoral allocation of resources had come to be accepted as rational, if not natural. Very few seem to appreciate the fact that it is this approach that is being reversed through the new scheme of bottom-up planning and decentralisation implicit in the 73rd and 74th Constitutional Amendments.
The 73rd and 74th Constitutional Amendments have added a new dimension to fiscal federalism in India, the full implications of which still remain to be recognised. The local government institutions have to function as “institutions of self government” with the mandatory task of planning for economic development and social justice (Article 243G and 243W). Article 243ZD brings bottom-up planning within the statutory domain and makes it practicable in a district, covering both its rural and urban space. It is in this context that the question of rationalising the flow of funds from the State to the sub state level assumes new significance. This paper is concerned only with one aspect of this flow, viz. plan assistance.

**Evolution of Decentralised Planning in India**

The large size of the country, uneven resources endowment in different areas, socio-economic conditions marked by multi-ethnic, multi-linguistic and multi-cultural society have made a strong case for decentralised planning in India. The need to decentralised planning for economic reconstruction of rural India was emphasized even before Independence. Various expert committees or working groups on the subject has also been constituted at the national level to give new impetus to decentralised planning. The Constitution (74th Amendment) Act, 1992 has given constitutional status to the District Planning Committee. The approach paper to the Ninth plan has spelt out several measures to bring about genuine democratic decentralised planning during the Ninth Plan. Hence the need to investigate historically the evolution of district planning in India.
Decentralised Planning Before Independence

Before Independence, M. Vivesvaraya (1939) had evolved a methodology of decentralised planning with people’s participation. His scheme of district planning includes the main lines of development, district organization, village and town organizations and aid to development, which have been spelt out below:

Main Lnes of Development

According to Vivesvaraya, food, clothing, housing, education, recreation, amusement and work are the basic requirements of a family and for meeting these wants he suggested that the people should be induced and trained to work harder, methodologically and in closer co-operation. A survey should also be carried out for knowing the problems of the people along with giving direction to reforms and remedies needed to create employment opportunities. Appropriate institution and adequate staff should be created at the district level to promote development and elementary education particularly among adults.

District Organization

To operationalise the district development plan, he had suggested to form a District Economic Council (DEC) consisting of 7 to 12 members, nearly half of them elected representatives. The DEC would prepare the annual and five year plans, schedule of works and budget for the district. This Council would be having a District Development Officer who would be responsible for implementing the plan and programme approved by the DEC and sanctioned by the State Govt.
Village and Town Organization

To encourage self government in rural areas, a group of villages consisting of a population from 5000 to 10000 should be formed as a Village Union or a Village Council. This body would work under the direction of the Council. The village Council; among other things, would prepare and maintain the production statistics, income in each village and the average income per family and per head of population. Under the advice of the development officials, it would also prepare the estimate of capital and revenue accounts. When it is found that Village Councils have started functioning satisfactorily, most functions of the district administration in the area would be transferred to these councils. In a similar way, urban Development Council would also be formed to encourage the growth of industries trade and other occupations. This Council would also prepare development plan for each city.

Aid to Development

Aid to development meant development of socio-economic infrastructure for decentralised planning. Banking facilities, statistics, mass education and travel conveniences, according to him were the principal aids to development, while commercial museums, exhibition and fair, research, marketing, transport facilities, etc had been categorised as subsidiary aids to development.

Thus, the district planning suggested by Vivesvaraya was primarily aimed at enhancing production capacity of the district and double its income in seven to 10 years time with peoples participation. This classic example of two tier decentralised governance and development below State level is more
relevant today as the problems for poverty, employment have aggravated over a period of time. For district development, Article 243ZD of the 74th Constitution Amendment has made a provision for forming District Planning Committee. But Visvesvaraya had suggested such a plan of action in the early years of independence, the face of rural India would have been much better today.

DECENTRALISED PLANNING DURING FIVE YEAR PLAN PERIOD

The Decentralised planning as a novel feature introduced in the five year plan periods and are briefed as under:

**First Five Year Plan**

The First Five Year Plan (1951-56) had recognized the district as an important unit of administration for the purpose of mainly developing the resources and raising the standard of living of the people of the district. The plan had also recognised the need for integration of various departments, strengthening of the machinery of general administration, establishment of an appropriate agency for development at village level which would derive its authority from the village community. The plan document had also recognised that as the agencies of the State Government cannot easily approach each individual villages separately, progress depends largely on the existence of active organizations in the village which can bring the people into common programmes to be carried out with the assistance of the administration. To add further, “.... the Constitution has provided for democratic institutions at the Centre and in the State but so long as local self governing institutions are
not conceived as a part of the same organic Constitution and administrative frame work, the structure of democratic government will remain incomplete”. In this way, it was assured that Panchayati Raj Institutions (PRIs) had a vital role to play in the field of decentralised planning and development even in the First Plan.

The First Plan document had emphasised the importance of decentralised planning with peoples participation. But the modus operandi of carrying out decentralised planning was not spelt out.

**Second Five Year Plan**

In the Second Five Year Plan (1956-57 To 1960-61), the importance of preparing Village, Town, Taluk or Block and District plans was recognised. And in order to co-ordinate and dovetail the various developmental activities carried out by different agencies at the district level along with peoples participation, the Plan ahead recommended the setting up of District Development Councils (DDC) at the district level and Development Committees at the block level.

In fact, the idea of setting up of DDC’s and Development Committees was appropriate to plan various developmental activities keeping in view the needs and resources of the people of a particular area. But it could not get currency as Joshi (1989) rightly observed that “the idea of creating such councils were quite good but did not succeed because it was conceived in isolation. It did not fit in any framework of multi-level planning in which its relationship with other levels was precisely defined and integrated. Hence, they merely remained advisory bodies. The village development plans were
also formulated but they became a charter of demands only because they were prepared according to the felt needs of villages without any relationship with the available resources. Hence, they could not be incorporated in district and State plans and remained a paper exercise only”. Besides, although the importance of peoples participation was realized, it could not be operationalised. The plan document itself admitted that the recommendation for constituting these bodies was not implemented.

**Third Five Year Plan**

The Third Five Year Plan (1961-66)\(^6\) again stressed the role of the Panchayati Raj institutions in decentralised planning as it said that “one of the principal tasks in the Third plan will be to ensure the growth and working of Panchayati Raj ; institutions so as to enable each area to realize its maximum development potential on the basis of local manpower, and other resources, and other resources, co-operative self help and community efforts, and effective use of the available resources and personnel”.

The plan document also suggested to formulate State Plans of agriculture and related activities, village industries, elementary education, Water supply etc on the basis of district and block plans. Although in this plan, efforts were made in several states to prepare block plans and village production plans specially in agriculture and related activities, the State plans had been prepared independently of local plans. In a nutshell the district plan could not properly be operationalised due to the lack of planning machinery and infrastructural deficiencies at different levels.
Fourth Five Year Plan (1969-74)

The Plan document[^1] admitted that the Community Development Programme, implemented through blocks could not deliver the desired results. Thus, the Plan gave a greater emphasis on district and local plans along with peoples participation in planning through PRI’s. To quote the document, “If State Plans are to succeed, their formulation in relation to physical features and resources and the industrial organizations in each area is the first requirement. Development needs not only financial resources and material inputs but personnel and the right kind of institutions. This requirement has to be worked out for each operational area. The natural corollary of beginning to plan realistically and from the bottom is to recognise that planning is not something that comes from outside or above but what each State, District, locality and community does to develop own resources and potentialities. This emphasises wide diffusion of initiative, decision-making and participation. It also implies a parallel shouldering of responsibilities”.

For the first time, in this plan the concept of integrated area approach was brought to the fore. A Pilot Research Project on Growth Centres was also launched with the aim of evolving a broad research methodology and pattern for identifying emerging growth centres and to indicate how the growth potential of these centres could be promoted through a detailed and scientific study of the overall development needs and how these centres could be meaningful woven into the framework of the district plan and thus help in the process of planning from below.

[^1]: The Plan document.
In the beginning of this plan, the Planning Commission in 1969 had also issued detailed guidelines to the States to prepare district plans. The district planning was based on the concept of area planning which implies integration and co-ordination of the activities; of different sectors at a particular level of operation. And for better results, participation and involvement of the progressive farmers, entrepreneurs should also be made part of district planning.

Based on the guidelines, several States had prepared their district plans but they could not incorporate them in their State plans except Maharashtra, Gujarat and Karnataka. These States did not only identify the schemes for the district planning and financial earmarking but also created separate planning Boards or Councils at district level. These States had not only evolved their own procedure of devolution of plan funds but also evolved their own methodology of decentralised planning.

Fifth Five Year Plan (1974-79)

The plan document\textsuperscript{67} had envisaged that every State would bring out a supplement to their documents giving details of the rationale for resource allocation, sectoral allocation of outlay and physical target for each district. This was expected to realize and also lay a firm foundation for rationalisation of planning process at the district level through subsequent reorientation of plans according to local needs and the revision of physical target for each district. This was expected to realize and also lay a firm foundation for rationalisation of planning process at the district level through subsequent
reorientation of plans according to local needs and the revision of physical contents of district plan in the light of annual performance.

In the meantime, banks were nationalised with the aim of carrying out massive programmes for rural development. The Lead Bank which was one of the nationalised banks, would prepare District Credit Plan and detail it with the district development plan for mobilising resources for priority sectors of the district. Besides, many area specific and beneficiary-oriented programmes like the Desert Development Programme, Drought Prone Area Programme, Small Farmers Development Agency and Marginal Farmers and Agricultural Labourers Project, were introduced. These were the Centrally Sponsored Programmes on sharing basis and operated at district level without integration and co-ordination with other rural development programmes.

In 1977, for the first time a non-congress government came to power at the Centre. The new government was of the view that Five Year Plans had not made visible impact on the poor people and poor regions due to the lack of micro-planning at block level. To fill this vacuum, in 1977, a Working Group under the chairmanship of Prof M. L. Dantawala was constituted to draw up guidelines for block planning with the main objectives of eliminating poverty and unemployment. The working Group elaborated the objectives, scope and methodology of block level planning. As preparation of block level plan might not be within the competence of block level administration, the Group suggested to involve voluntary agencies and professional institutions and experts in this exercises. For ensuring peoples participation in planning, the Group suggested the strengthening of PRIs.
The Planning commission issued guidelines on the basis of this report to the States for preparing the block level plan which would form part of district plans and State plan. No doubt, some states had prepared the block level plans with the help of private consultancy agencies, while the Group had suggested that it should be a joint effort of both block and district level machinery with the assistance of available local efforts.

**Sixth Five Year Plan**

The Sixth Five Year Plan (1980-85)\(^68\) had also proposed to strengthen the process of democratic decentralisation. It also realized that the task of planning and implementation of developmental programmes at District level was acquiring greater complexities. Thus, the plan stressed the need to strengthen the district level administration by the appointment of District Development Officer who should have complete authority and responsibility with respect to development work and should enjoy the same rank and status as the District Collector. For the first time, the plan had recognized the need for timely and reliable data for an effective decentralised planning. Like the other plans, the VI plan also stressed the need for strengthening the PRIs for peoples participation in various developmental activities both at district and sub district levels.

In May 1984, the Working group on District Planning\(^69\) had submitted its report. This was a major event in the field of decentralised planning. It advocated the concept of integrated area planning within the framework of multi-level planning. It argued in favour of integrating various activities at district level against the existing functional fragmented practice. In his own
words “..... district planning implies evolving a developmental scenario at the
district level consistent with the specific needs of the people, the growth
potential of the area an budgetary allocation available...... It assumes that the
District is a sub State decision making unit within the system of multi level
planning. In contrast to the National and State Plans , the district plan would
represent a district multi-sectoral package of area specific investment
proposals and institutional arrangements suited in this context”.

Although ‘the Working Group had given detailed guidelines and
methodology of District plan, its major flaw was that it did not favour to
entrust the decentralised planning to PRIs. However, the need for popular
participation at different levels was emphasised, which could be carried out
through other arrangements. According to the Report, “..... the formal channels
of participation through the Panchayati Raj Institutions with a view to
adhering to democratic principles has not guaranteed actual peoples
participation in the running of the affairs at the local level”. Its remedy as per
the Report “lies in developing a new forum of popular participation through all
kinds of spontaneous groups.

Rural Development may be construed as total all-round socio-
-economic development of the rural people and not merely the ongoing
programmes such as self-employment, wage employment, area development,
land reforms .etc. A significant step has already been taken to revitalise the
Panchayati Raj institutions with the enactment of the Constitution (73rd
Amendment) Act 1992 so that operation by the people and co-operation by the
Government becomes a reality. Accordingly, the State Government may, by
law, endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self government and such law may contain provisions for devolution of powers and responsibilities upon Panchayats at the appropriate level, subject to such conditions as may be specified therein, with respect to the preparation of plans and implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to matters listed, as follows, in the XI Schedule to the Constitution (Article 243G):

Agriculture including agricultural extension

1. Land improvement, implementation of land reforms, land consolidation, and soil conservation. 2. Minor irrigation, water management, and watershed development. 3. Animal husbandry, dairying, and poultry. 4. Fisheries; 5. Social forestry and farm forestry; 6. Minor forest produce

7. Small-scale industries, including food processing industries; 8. Khadi, Village and Cottage industries; 9. Rural housing; 10. Drinking water

and Scheduled Tribes; 27. Public distribution system; and 28. Maintenance of community assets.

**Seventh Five Year Plan**

The Seventh Five Year Plan (1985-90) endorsed the recommendations of the Working Group on District Planning. The plan admitted that the need for decentralisation of planning and development administration below the State level has been recognised for some time particularly in the context of agricultural and rural development programmes. But the ideas relating to decentralised local level planning had been somewhat nebulous and the progress of the various States somewhat halting. Though Zilla Parishads and Panchayat Samithies had been established in several States, the actual decentralisation of political and administrative authority had generally been of a limited nature.

The Planning Commission had urged the States to implement functional decentralisation effecting financial decentralisation, establishment of appropriate budgeting and re-appropriation procedures. Some States like Maharashtra, Gujarat, Karnataka and Uttar Pradesh have disaggregated the State funds to other district level in accordance with a formula weighed in favour of backward districts. An average of 30 to 40 per cent of the State plan fund have been utilised for funding the district level schemes.

But this is not sufficient as the Plan document admitted, “.....the more disaggregation of funds to the district level and showing district allocation in the State plan document will not amount to true decentralisation of the
planning process, if the power to plan for their funds are concentrated at the State level with the various heads of departments”.

In the process of strengthening the decentralised planning, the Planning commission proposed to play a promotional and guiding role for facilitating States efforts in this regard. To achieve this, the Plan proposed to strengthen data and information system for district planning, machinery for district planning, training in district planning and technical guidance through pilot projects.

Eighth Five Year Plan

The Eight Plan (1992-97) also re-emphasised the relevance of decentralised planning with peoples participation that too through peoples institutions. However, the Plan document admitted that the progress made in this regard had not been satisfactory.

According to the Plan document, “the importance of decentralised local level planning and peoples participation has been recognised. Yet, results achieved so far have not been very impressive. In this plan, a new direction is being given to achieve these objective. The approach to peoples participation consisted of programme based strategies so far. In addition to such programme, the Planning Commission has now worked out institutions of district, block and village levels so that they synthesis the purpose of investment envisaged in the plan with optimisation of benefits of the grass roots level by relating these programmes to the needs of people”.

Why this new direction in this plan had been given was due to the “experience of development planning has shown that developmental activities
undertaken with peoples active participation have a greater chance of success and can also be more cost-effective as compared to the development activities undertaken by the government where people become passive observers”.

To strengthen the planning machinery both at State and district levels, a Central assistance to the extent of two thirds and fifty per cent of expenditure would be provided at the former and latter levels, respectively. Besides, certain model plans should also be prepared to give guidance to the district level authorities.

Thus, it may be concluded from the above discussion that decentralised planning is as old as planning itself. What the First Five Year Plan had said about decentralised planning is still relevant. The democratic planning, mentioned for the first time in the First plan was repeated in the VIII Plan after more than four decades of planning.

CONSTITUTIONAL AMENDMENTS AND DECENTRALISED PLANNING

The 73rd and 74th Constitutional Amendment Acts which came into force on 24th April 1993 are watershed in the field of decentralisation as they attempted to elevate the Panchayats and municipalities as institutions of self-government. Article 243ZD of the 74th Constitutional Amendment Act has given constitutional backing to district planning. According to this Article, “there shall be constituted in every State at the district level, a District Planning Committee to consolidate the plans prepared by the Panchayats and the municipalities in the district and to prepare a draft development plan for the district as a whole”. Similarly, as per Article 243ZD, a Metropolitan
Planning Committee will be constituted for metropolitan area. These plans shall take into account:

a. Plan prepared by the Panchayats and Municipalities;

b. Matters of common interest between Panchayats; and Municipalities including special planning.

c. Sharing of water and other physical and natural resources.

d. Integrated development of infrastructure.

e. Environment conservation

f. Extent and type of available resources whether financial or otherwise

The plan prepared after taking into account the above aspects shall be forwarded to the State Government for its approval

Enjoying constitutional status by the District Planning Committee (DPC) is a new beginning in the area of decentralised planning. Now it has become mandatory on the part of the State to constitute the District Planning Committee. However, there are certain deficiencies in the constitution of the Planning Committee as given below:

a. Composition of the DPC: Eighty per cent of the members shall be elected from apex tiers of PRIs and municipalities. But what shall constitute 20 per cent is left to the State to decide.
b. Who shall chair the Committee has also been left to the State Government and it will decide the manner in which the chairperson shall be chosen.

c. Functions which are to be performed by the DPC have not been clearly spelt out.

**Decentralised Planning Under the Ninth Plan**

The approach paper to the Ninth Plan (1997-2002)\(^7\) has given due consideration for decentralised planning. The approach paper states that the States are required to endow the Panchayats with such powers and authority which enable them to function as institutions of self-government as envisaged in the Constitution. To enable the Panchayats to prepare the plan for economic development and social justice, they should be backed with adequate finance, personnel and administrative supports. Mobilisation of own resources by the Panchayats will be one of the important priorities in the Ninth Plan.

It is also proposed to implement the recommendations of the NDC Committee of setting aside 41 per cent of plan resources for decentralised planning.

In order to strengthen the decentralised planning machinery the approach paper has suggested constituting a “**Core Planning Team**” comprising experts from various disciplines for helping the formulation of the district plan.
A comprehensive and time bound training-cum-awareness building policy about various provisions of decentralised governance, planning and development has been envisaged in the Ninth Plan.

The evolution process of decentralised planning in India had started even before independence. Every Five Year Plan has emphasised decentralised planning but not much progress in this regard has taken place except in a few States. One of the important factors for this dismal picture has been that the decentralised planning process had not been initiated by the democratic institutions at the district and sub district levels. Instead of constituting peoples institutions, i.e., PRIs, the Central and State level political leaders have created parallel institutions dominated by the officials and nominees.

A major breakthrough in the field of decentralised planning has been achieved with the District Planning Committee becoming a constitutional entity having adequate representation of the Panchayats and their urban counterparts. However the DPC has not been operationalised in most States so far. It is hoped that during the Ninth Plan, as its approach paper indicates, the evolution process of decentralised planning started long ago would be completed and decentralised planning would come to stay heralding a new era in peoples participation.

**Peoples Plan and the Plan Process in Kerala**

During the last 45 years, the virtues of decentralised planning have been repeatedly glorified by the planners but no serious attempts have been made to practice the same in its true spirit. Attempts at micro level planning
have been halting and half hearted while a technological top-down approach prevailed, all the time. The process of planning from below, which was said to be in operation was basically centralised in nature and this failed to bring about the desired changes in the living conditions of the rural masses to India, particularly the poorer sections of our society. Fifty years after the advent of freedom and implementation of five year plans, 36 per cent of the population of the country are still living below the poverty line without even the minimum basic services which are essential for a civilised existence.

New hopes are kindled today that an honest implementation of the provisions of the 73rd and 74th Amendments to the Constitution would initiate a genuine process of decentralised planning with the total involvement of local self Government institutions, particularly the District and Metropolitan Planning Committees with their newly acquired constitutional status. Nevertheless, the above constitutional changes have serious implications for the approach to decentralised planning. They are:

First every local body has a constitutional right to prepare its annual plans subject to the resources made available and guidelines given by the State Government. Second, there is a constitutionally mandated District Planning Committee.

In 1985, the then Prime Minister, Rajiv Gandhi took concrete steps for the revitalisation of Panchayat Raj and micro level planning at the district level. To promote this process, the Narasihma Rao Government made the necessary Constitutional Amendments. The 73rd Amendment of the Constitution was enacted by Parliament in 1993 to extend constitutional
validity for the existence of local bodies, namely, the Grama Panchayat, the Block Panchayat and District Panchayat.

Planning in India is designed to ensure economic growth and social change in all regions, sections and aspects of life. National planning was for long mainly sectorial with a top down command and was basically quantitative in method. The Central Planning Commission is formulating the Indian plans and the resource allocation is done with the aid of central funds and foreign aid. The direct involvement and participation of people in both formulation and implementation are minimal. The experiment in ‘planning form above ‘ has practically failed and therefore, the emphasis is now being shifted to grass-root level planning. A Common strategy for development is irrelevant in the Indian context because of wide disparities n the natural and human resources.

Local level plans can be evolved on the basis of the felt needs of the people and availability of resources in the concerned area. Development is the primary need of the people and hence it is only proper that they prepare the plans themselves and implement them. The novelty of the Ninth Plan (1997-2002) is that the Planning Commission also gave greater freedom to the State Government in formulating their plans.

During the Ninth Plan period the Government of Kerala proposed to bring about radical changes in the planning process by laying emphasis on decentralisation and peoples participation. In order to give a meaningful direction to process of the decentralisation, nearly 35-40 per cent of the plan of programmes was shifted to the local levels were schemes are formulated and
implemented by the bodies within their realm of responsibilities. This will bring about greater autonomy and involvement of the local bodies in the planning process. The whole programme was sponsored by the Government of Kerala under the leadership of a newly created planning supervisory body which incorporated a few expert members.

Kerala started the exercise of Peoples Campaign for the Ninth plan from October 1996. To begin with, Grama Sabhas met to identify their problems and voice their aspirations. This was followed by collection of data on local resources on the basis of which a draft report containing a brief history of the village, local demands and problems and projects to be implemented besides mobilisation of resources was prepared by the Grama Panchayat. For this purpose, development seminars were held in all the Panchayats in November 1996. As a result of this exercise 1.5 lakh projects were finalised by the Gram Panchayats, Block Panchayats and Municipalities in the State. The Government of Kerala set up a Voluntary Technical Corps (VTC) consisting of 10000 experts drawn from the ranks of retired officials with experience in hydro-power generation, irrigation, public health, education, agriculture, industry and drinking water supply and from among college teachers, research students, experts from private sector and bank officials. Conventions and conferences were held for the different groups. The expert groups were requested to evaluate the local programmes with a view to ensuring their technical and financial viability.
PEOPLE’S PLAN AND THE PLANNING PROCESS

The peoples campaign for decentralised planning was formally inaugurated on the first day of the Malayalam year, 17th August 1996. The campaign was organized in a phased manner with clearly defined objectives for each phase. Each of the six phases incorporated a model event and involved a separate round of training at the State, District and Local level.

First Phase

The first phase of the campaign started with special Grama Sabhas. According to Kerala Panchayat Raj Act, 1994, (chapter 2) every Panchayat ward has its own Grama Sabha comprising all the voters in the electoral roll of the ward concerned. The statutory quorum fixed for the Grama Sabha is 50 and a minimum of two sittings every year is also guaranteed. All forms of traditional and novel publicity methods were resorted to for mobilising maximum participation. Special attention was given for ensuring the participation of women, scheduled castes and scheduled tribe groups. The Kerala State Planning Board circulated a model agenda to all the Panchayats for conducting special Grama Sabha.

After the inaugural function, the participants were divided into 12 subject groups and each one was free to join a group according to his or her choice. Each subject group was assisted by a trained person known as District Resource Person. The main purpose of the subject group discussion was to identify the felt needs of the people, resources inventory and development
problems and to suggest appropriate measures and solutions. The brief note on the deliberations was presented at the concluding session.

**Second Phase**

The Second phase has two stages, the preparation of development reports and conducting of development seminars. The Panchayat or municipal development reports are prepared on the basis of both secondary and primary data. Secondary data are collected mainly from different local institutions records, registers and other sources. Three copies of the separate formats are also supplied to each Panchayat to collect the secondary data. When three filled in formats are obtained, one is given to the State Planning Board and another to the District Planning Committee. The State Planning Board has prepared a handbook, which deals with the method of preparing a development report. The final document of the development report is presented before the Panchayat Council for its approval. Then the development seminars are conducted on the basis of printed development reports.

**Third Phase**

With the formation of the Panchayat level Task Force, the second phase ends and the third phase begins. The main function of the Task Force is to translate the aspirations of the people as expressed in the Grama Sabha and the issues brought out by the development seminars, into specific projects.

For the purpose, 12 Task Forces are constituted in each Panchayat. The Chairman of each Task Force is normally the ward member, the Vice-
chairman in a majority of cases being a locally available expert. The shelves of projects are prepared by the Task Force, out of which a selection is done and priority is fixed by the Panchayat Council.

Fourth Phase

The preparation of the Panchayat plan is the fourth phase of the campaign. In the Budget for 1997-98, the financial allocation to the local bodies of the first year of the Ninth Plan was announced on 14.3.1997. However, the Grama Panchayat, with the help of; the Task Force and Experts, made attempts to mobilise additional resources from different sources such as ‘own funds’, credit from financial institutions and co-operatives, voluntary labour and non-governmental organizations. It is observed that more than 50 per cent of the local bodies formulated their plans with a size much higher than that of the plan allocation indicated by the State. The approach and strategy contained in the plan document of each local body varies according to the locally prevailing situations in the respective areas.

Fifth Phase

Under fifth phase the Block Panchayat and District Panchayat would prepare their own plans with assigned duties to each tier in the Panchayat system. A simple method of integrating the analysis and programmes of the Grama Panchayat at the block and district levels is also proposed. Emphasis is laid on the importance of integrating the different centrally sponsored poverty alleviation programmes implemented through Community Development Blocks with the Panchayat plans.
Sixth Phase

A review of the projects prepared by the local bodies revealed that a significant proportion of them had to be modified to ensure their technical soundness and viability before they were to be approved for implementation. Realising that the District Planning Committees do not possess the technical manpower or infrastructure to undertake a proper scrutiny of the projects, a major improvisation in the original programme of the campaign was called for. Therefore, a new Sixth phase was added to the technical and financial appraisal of the projects and plans. This was how the concept of Voluntary Technical Corps (VTC) emerged. Retired technical experts and professionals were encouraged to enroll themselves as volunteers to appraise the projects and plans of the local bodies. Expert Committees were formed at the Block (Block Level Expert Committees), Municipal Level Expert Committees and Corporation Level Expert Committees levels drawing, from the VTC members and certain categories of mediatory officers. The Expert Committees were, on the one hand, an advisory arm of the District Planning Committee helping the latter to appraise the plans and projects and on the other hand, a body to render technical assistance to the local bodies. The Experts Committees have no right whatsoever to change the priorities set by the local bodies. Their tasks were clearly confined to technical and financial appraisal of the projects and providing suggestions for modifications so as to make them viable and feasible. The District Planning Committees approve the plans after considering the recommendations of the Expert Committees.
The process of democratic decentralization and decentralized planning launched at the beginning of IXth Five year Plan consequent to the 73rd and 74th amendments to the constitution has successfully completed two five year plans and the first half of XIth Five Year Plan. The decentralized planning and implementation process initially known as “PEOPLE’S PLAN CAMPAIGN” in the IXth plan and “KERALA DEVELOPMENT PLAN” in the Xth plan was a very unique attempt by Government in sharing powers, functions and resources with the local self governments based on definite criteria to boost local economic development and to build basic amenities and infrastructure. This revolutionized the conventional planning process giving direct involvement to the people in development planning including fixing of local priorities, identification of viable schemes, direct involvement in implementation of projects to fulfill their felt needs, selection of beneficiaries and monitoring of implementation.

The process was launched in a campaign mode deliberately since the concept of participatory planning was new to the people, people’s representatives and officials in LSGs and conscientisation of them was found quite essential. Evolving a working methodology for participatory planning was one of the major priorities in IXth Plan. During the Xth plan period the priority given was for institutionalization of the methodology of decentralised planning evolved during the IXth Plan.
Tenth Five Year Plan (2001-02 TO 2006-07)-Kerala Development Plan

During the Tenth Five Year Plan\textsuperscript{75} period, only minor changes in the planning process were instituted with a change in the name, Kerala Development Plan from Peoples Plan Campaign. Emphasis was given to institutionalize and build sustainable capacity in Local Governments. Major thrust was to catalyze Local economic development through effective participation of local governments. Improving quality of service sector particularly health and education was given importance as also the upgradation of quality of basic services. During this period, efforts were initiated to bring about an organic relationship between Transferred Departments and local governments. A new outlook on planning with focus on natural resource management and integrated area development though spatial planning was one of the specialities of Kerala Development Plan. During this period a separate Sub-Plan for Anti-Poverty has been envisaged which was first of its kind.

Eleventh Five Year Plan (2007-08 TO 2011-12)

In XI\textsuperscript{th} Plan\textsuperscript{76}, Government revamped the entire process giving stress to the concept of “People’s Planning” focusing on completion of the process of institutionalization of decentralization.

The core objectives of XI\textsuperscript{th} plan are fixed as local economic development, bringing social justice, enhancement of quality of public service and good governance through local level plans of LSGs. For achieving the above objectives the XI\textsuperscript{th} plan has given top priorities to:
1. The revival of agriculture and allied sectors, traditional and small scale industries and promotion of micro enterprises with special emphasis on employment generation and poverty reduction.

2. Enhancing the quality of special component plan, tribal sub plan, Women component plan anti-poverty sub plan, plan for disadvantaged groups etc to bring greater social justice especially to the socially and economically marginalized and exclude groups.

3. Upgrading the quality of services to public in service sectors and to improve governance particularly with reference to responsibility, transparency, people’s participation and management.

Features in LSGs Plan during Eleventh Plan

The following are the distinctive features in LSGs plan during the Eleventh Plan:

1. The minimum ceiling prescribed to productive sector from the general sector plan grant was increased from 30 per cent in the Tenth Plan to 40 per cent in the Eleventh Plan.

2. For beneficiary oriented projects, it is prescribed that 3 per cent of beneficiaries will be disabled people with a view to ensure social security to them.

3. The Anti-poverty Sub Plan as per the methodology developed by Kudumbashree is included in the LSGs plan as a mandatory item.

4. The Asraya project for destitute has been extended to both rural and urban areas from 2007-08 onwards.

5. Total Energy Security Mission is launched for implementing energy security through integrated energy plans of LSGs.
6. The integrated housing programme viz, EMS Housing Programme is introduced for providing shelter to all poor families having no shelter.

**Strategies, Priorities and Planning Process**

Issues and challenges targeted to be addressed by Local Governments during the Eleventh Five Year plan are:

1. The plans and projects of the last two Five Year Plans were largely prepared on the basis of priorities arrived at, relying largely on perceptions of the elected representatives and officials in relation to the needs expressed by the people through Grama Sabhas, Ward Sabhas and other participatory fora. In the XI Five Year Plan there has to be rigorous assembling of available data and facilitation of their analysis by the people themselves so that the developmental priorities can be arrived at more scientifically and the best course of action adopted for attaining the developmental objectives from a set of possible options. This calls for evolving local norms and best practices for prioritizing problems and choosing the solution from a range of alternatives.

2. The quality of participation needs to be widened and deepened. Conscious efforts have to be made to ensure that every section of society participates in the Grama Sabhas and Ward Sabhas and takes active part in discussions and dialogues on local development issues, in prioritizing them and in suggesting the best solution. Such discussions need to move beyond a neighbourhood or local focus to a local government or even regional focus.
3. Local Governments must harness the services of best experts available in the plan preparation process. The different development departments of Government and the Local Governments will jointly ensure that every official transferred to Local Governments plays an active part in the plan preparation process.

4. As regards the type of plans, the focus has to shift to bringing about local economic development, and improving the quality of public services with focus on the poor and the marginalized. This calls for avoidance of small, wasteful projects and thin spread of resources and preparation of programmes and projects having significant development impact over large population and areas. Also careful planning is called for to achieve integration across sectors across local government boundaries and along tiers of Local Government. This approach implies a common plan preparation process for all the funds and schemes implemented through Local Governments including Centrally Sponsored and State Sponsored Schemes.

5. The Plans of individual Local Governments should organically merge into a District Plan emanating from a shared vision of development. This calls for an iterative process under the leadership of the District Planning Committee.

It is expected that the local governments in the state can reach new heights banking upon the experience of the ten years of decentralisation, through firming up achievements and overcoming the limitations of the past,
through networking, building up partnerships and creating innovative organizational forms as well as through replicating technology models, business models and best practices from within and outside. The multifarious challenges faced by the common man in the state, primarily those arising out of inadequate production, poor quality of development services, unemployment and poverty are sought to be addressed substantially through the initiatives of the local governments, riding piggy back on pro-poor growth-oriented developmental policy. All these can be addressed through efficient leadership at the grassroots for effective planning for local economic development and for delivering of better services to the people.

The Third Chapter contains information about the two aspects. One is the analysis of the personal profile of the respondents as first part and the variable wise analysis on the attainment of service delivery, social, economic, and environmental justice to the local citizens of Kerala extended through five functions of services by Local Governments as second part.
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