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PAPER

SESSION THREE

**Community Participation And Empowerment:
The Kerala Experience of Participatory Budgeting and Planning**

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Community Participation And Empowerment: The Kerala Experience of Participatory Budgeting and Planning¹

Apart from providing a detailed account of participatory planning and budgeting of local governments in Kerala, the paper describes the process of development as expanding capabilities of people. Local governments in Kerala are strengthened by devolving functions, functionaries and finance and opportunities are opened to massive participation of people in planning for economic development and social justice. The democratic process is deepened not only by entrusting the elected representatives in decision making, concerted efforts are being made for the active involvement of the people in local governance. For ensuring this certain fundamental principles are followed in empowering local governments. The participatory planning process is formulated in such a manner as citizen's involvement in all stages is ensured. Women empowerment and poverty reduction are embedded in the system itself. Expansion of the capabilities of the poor and marginalised groups is opening up opportunities for their participation in the mainstream activities of local economic development. In general, local governments are addressing the issues relating to the basic necessities of human life: housing, water supply, education, health, sanitation, employment for subsistence level of income. The case study of Pazhayannur Grama Panchayat draws our attention to the specificities and helps understanding the advantages of participatory planning and budgeting.

I Introduction

Developing a good local governance system is one of the strategies of India for sustainable human development. It is generally believed that interventions for development, particularly for poverty alleviation, are more effective when they are initiated through local governments (CDS 1980). The Government of India's commitment to decentralisation become more explicit with the 73rd (for rural area) and 74th (for urban area) Amendments to the Constitution of India in 1992, making local government institutions constitutionally mandatory. The state governments, therefore, are to take steps to the creation of the Panchayats and Municipalities and to endow them with "*such powers and authority as may be necessary to enable them to function as institutions of self government*". Thus, Panchayats in rural areas, and Nagarapalikas (Municipalities),

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in urban areas, came into existence with an elected body to govern it. Constitutions stipulates that elections are to be conducted every five years, GramaSabha/Ward Sabha has to be constituted for wide peoples participation, one-third of seats are to be reserved for women, and proportional reservation of seats for Scheduled Castes/Scheduled Tribes. Within this framework the state governments are to develop the local bodies. After one-and-a-half decades of the Amendments to the Constitution, one can see significant variations among the states in strengthening the local bodies. These variations can be understood, to a greater extent, on the basis of political will and on the capacity and background for the development of it.

Kerala is a leading state in decentralization and this paper provide a brief account of the decentralization and its achievements. This paper is divided into five parts. After introducing the local government system in part I, in part II the powers and functions of Grama Sabha is described. The participatory planning process is explained in part III and in part IV the details of poverty reduction programme is given. Some of the observations on the achievements of the approach is given in the concluding part, part V.

Local Governments in Kerala

Kerala – the southernmost state in India – made use of the opportunity to strengthen the local governance system by legislating the Kerala Panchayat Raj Act 1994 (for local bodies in rural areas) and the Kerala Municipality Act 1994 (for the local bodies in urban areas). Powers, Functions and Finance have been transferred to these local bodies to function as institutions of self-governments. Committee system has been introduced at all levels with a view to further decentralisation within local bodies and to make more opportunities for participation. Local institutions under line departments have been transferred to the local bodies along with its functionaries. The local bodies have been virtually made responsible for planning for economic development and social justice. In general, the decentralisation process in Kerala may be better understood by means of observing the following six principles which the governed process.

1. Autonomy

Autonomy has three dimensions: administrative, financial and functional. The administrative autonomy of local bodies are guaranteed by limiting the supervision of the State Government to the obligatory and regulatory functions and making the elected body responsible. In Kerala, Chairperson of the elected body is the executive head. It may also be noted that unlike in other states the various levels of local bodies are not hierarchically organized, with one unit controlling the others below. To put it differently, Panchayats at all levels are administratively independent units. However, there exists active 'cooperation, coordination, complementation, and integration' among the three tiers of Panchayats for development activities. With the objective of financial autonomy, financial resources are shared considering the functional responsibilities and whatever is shared with certain pre-determined criteria. One-third of the Plan Grant-in-Aid of the State has been earmarked for the local bodies in Kerala. The Budget Document of Kerala shows the untied grant-in-aid to each local body for the current year. Functional autonomy is achieved by earmarking the functional areas for each local body very clearly by legislation.

2. Subsidiarity

This principle governs the division of functions among different tiers of LSGIs. Subsidiarity implies what can be done best at a particular level shall be done at that level and only residual functions are given to the higher level. This principle is strictly followed while transferring the institutions under line departments to the local bodies. Thirteen departments have transferred institutions, along with it functionaries to the local bodies. The process starts from below, transferring functions and powers from the level of GramaPanchayats and go up to District Panchayats.

3. Complementarity

Integration is perhaps the most important task in decentralised planning. The entire system has to work with unity of vision and diversity of means. While integrating the functions, there must not be any chance for overlapping and repetition. This means that

the activities of higher levels should complement those of the lower levels and the programmes implemented by all agencies in a given local body will be consistent with local needs and priorities and will in turn, converge into an integrated local plan.

4. Uniformity

The principle of uniformity stipulates that norms and criteria for selection of beneficiaries, identification of sites, prioritisation of activities and pattern of assistance within a given local body shall be the same for a particular programme irrespective of the agency sponsoring such programmes. This helps formulating criteria for decision making, which may be made open to the people so that transparency can easily be ensured.

5. Participation of People

In decentralised governance, participation of the people is envisaged by empowering them to take their own decisions after they analyse their problems by themselves. In fact, the local self- government provides an institutional framework for participatory democracy. People's participation is expected in all stages of a development programme including identification of needs, formation of scheme, its implementation, monitoring and evaluation.

6. Transparency and Accountability

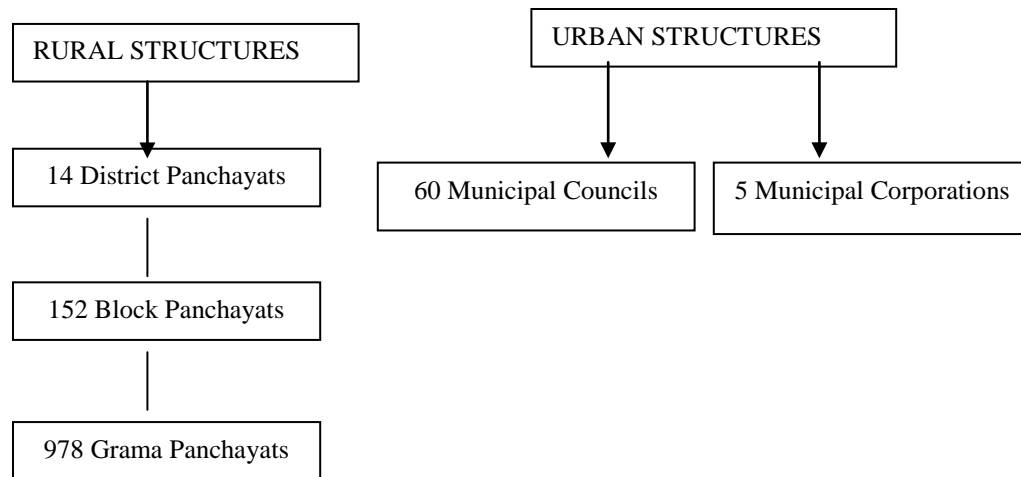
Local Self-Government Institutions are primarily accountable to the people and this is guaranteed by making transparency in its function. This calls for a social audit system for examining the performance of the local bodies. The social auditing is performed by the GramaSabhas by examining the activities of development programme in the respective area. Every decision taken has to be based on certain predetermined norms and criteria, which are evolved on the basis of social consensus, and the rationale behind each decision has to be made public.

Based on these principles the state of Kerala has made democratic decentralisation by means of devolving powers and functions to the local self government institutions, on the one hand and introducing decentralised planning, on the other.

Structure of Local Self Government Institutions (LSGIs)

In line with the Constitution (Seventy Third Amendment) Act, 1992, the Kerala Panchayat Raj System has a three-tier structure of panchayats by constituting Village, Block and District panchayats. There are 1209 Local Self- Government Institutions (LSGIs) in Kerala. The distribution of LSGIs is given in Chart 1 and the Table 2 gives the district-wise distribution of Grama Panchayats, Block Panchayats and Municipalities with average area and population. The broad structure of Panchayat Raj System in Kerala is given in Chart 1.

Chart 1. Distribution of Local Self Government Institutions in Kerala



The district-wise distribution of local governments in Kerala is given in Table 1.

Table 1
Distribution of Grama Panchayats, Block Panchayats and Municipalities by District

District	No. of GPs	No. of BPs	No. of District Panchayats	No. of Municipalities	No. of Corporations
Thiruvananthapuram	73	11	1	4	1
Kollam	70	11	1	3	1
Pathanamthitta	54	8	1	3	
Alappuzha	73	12	1	5	
Kottayam	73	11	1	4	
Idukki	53	8	1	1	
Ernakulam	84	14	1	11	1
Thrissur	88	16	1	6	1
Palakkad	91	13	1	4	
Malappuram	100	15	1	7	
Kozhikode	75	12	1	2	1
Wyanad	25	4	1	1	
Kannur	81	11	1	6	
Kasaragod	38	6	1	3	
Total	978	152	14	60	5

Note: GP- Grama Panchayat, BP- Block Panchayat

Source: Government of Kerala (2011), *Panchayat Vikasana Guide*, Department of Local Self Government, Thiruvananthapuram.

Grama (Village) Panchayat

In Kerala, Grama Panchayats are relatively larger in size when compared to those in other states. An average Grama Panchayat in Kerala is 37.83 sq. kms in area and has a population of 25199. There exists wide variation in the population of village panchayats. The least populous panchayat of Vattavada in Idukki district had a population of 4588 in 1991, while the most populous panchayat of Munnar in the same district had a population of 78343. In terms of area, Valapattanam (2.04 sq. kms) in Kannur district is the smallest panchayat and Kumily (795.28 sq. kms) in Idukki district is the largest.

The village panchayats have their own sources of income and get reasonable amount as grants and shared taxes. Moreover, they have been provided with the major share of plan funds.

Block Panchayat

An average Block Panchayat in Kerala is 296.01 sq. kms in area and has a population of 170392 (1991 census). There are 152 Block Panchayats in Kerala. Each Block panchayat consist of (a) members who are directly elected by the people, and (b) Presidents of the Grama panchayats, within Block panchayat area. The President and Vice-President of Block Panchayat will be elected from among the elected members of the concerned panchayat. At present a Block panchayat is getting assistance from two Standing Committees, one on matters of finance and planning and the other on welfare.

The fourth schedule of the Kerala Panchaya Raj Act 1994 (KPRAct) enlists the functions to be attended to by the Block Panchayats. Apart from the 24 sectoral functions, the Block Panchayats are entrusted to pool technical expertise both Government and Non-Government at the Block level, to provide technical services to village panchayat to avoid duplication and provide the backward and forward linkages.

Block panchayats have no powers to tax. However, they have powers to collect fees, and avail loan for financing development programmes. The plan fund is also shared with Block Panchayats.

District Panchayat

There are 14 district panchayats in Kerala. The District panchayat consists of (a) members who are directly elected by the people, and (b) the presidents of Block panchayats, within the territorial limits of the District panchayat. The President and the Vice-President of the district panchayat will be elected from among the elected members of the concerned panchayat. The fifth schedule of the KPR Act enlists the functions to be

attended to by District Panchayat. The district panchayats are entrusted with plan integration and mobilisation of technical expertise in addition to its other sectoral functions.

The District panchayats have no powers to tax. However, they have powers to collect fees, and avail loan for financing development programmes. The District panchayats can also issue revenue bonds and raise money for financing developmental works. The State Government provide Grant to a District panchayats. Furthermore, a portion of the State plan fund is distributed among the District Panchayats.

Members in Panchayats

A panchayat is divided into wards and each ward is represented by an elected members. The number of members of a Panchayat is decided on the basis of population. The minimum and maximum number of members to the three tiers of panchayats are given in Table 2.

Table 2 Number of Members in Different Levels of Panchayats

Level of Panchayat	Existing As per KPR Act, 1994	
	Minimum No. of members	Maximum No. of Members
Grama Panchayat	12	22
Block Panchayat	12	22
District Panchayat	16	32

Committee System

Decisions are taken by majority voting by the members of the panchayat. At least one meeting of the panchayat shall be held within a period of 30 days. In order to ensure

further decentralisation within the panchayat, standing committees are constituted from among the members of the panchayats. Each member of a panchayat will be a members of one standing committee. The standing committees of the three tiers of panchayats are given in Table 3.

Table 3.
Standing Committees

Levels of Panchayats	Standing Committees
Grama Panchayat	1) Finance 2) Development 3) Welfare
Block Panchayat	1) Finance 2) Development 3) Welfare
District Panchayat	1) Finance 2) Development 3) Public Works 4) Health and Education 5) Welfare

In order to co-ordinate the functioning of the Standing Committees and to avoid the possibility of conflicting decisions on related issues by different Standing Committees, there is a Steering Committee in each and every panchayat, headed by the President of the panchayat.

II Grama Sabha (Citizens Forum)

Grama Sabha is the soul of the Panchayat Raj system in the State and its functions and responsibilities have been strengthened further by the KPR Act. In fact, it has become one of the important institutions involved in decentralised planning in the State. Grama Sabha consists of all persons included in the electoral roll of a ward (constituency) of a

Grama Panchayat. The member of a Grama Panchayat representing the constituency is the Convenor of that Grama Sabha and the meetings of the Grama Sabha has to be presided over by the President of the Grama Panchayat.

It is compulsory to hold general meetings of the Sabha once in three months. The quorum is 10 per cent of the Grama Sabha, but if the Grama Sabha is convened for the second time for lack of quorum at the first convene, the second time needs quorum of only 50 persons. An important development in the recent legislation of KPR Act with an element of direct democracy is the provision for Special meeting of Grama Sabha when not less than 10 per cent of members demand for such a meeting in writing.

The Village Panchayat shall place before the Grama Sabha reports relating to the developmental programmes of the constituency during the previous year and those that are proposed to be undertaken during the current year and the expenditure therefore, the annual statement of accounts and the administration of the preceding year. Grama Sabha can seek clarifications from the President or Members about the works undertaken by the village panchayat. The selection of individual beneficiaries of various schemes has to be approved by the Grama Sabha.

The Powers, functions and rights of Grama Sabha are given below:

- (a) Help collection and compilation of details needed for formulating development plans for the panchayat.
- (b) To generate proposals and indicate priorities for preparation of annual and Five Year Plans.
- (c) To prepare the final list of eligible beneficiaries in the case of beneficiary oriented schemes by applying the selection criteria, according to priority, and give to Grama Panchayat.
- (d) Rendering assistance in the effective implementation of developmental schemes by providing locally needed facilities.
- (e) Mobilisation of voluntary labour and contributions in kind and cash needed for developmental schemes.

- (f) To suggest the location of streetlights, water taps, public wells, public sanitation units, irrigation facilities, other public utilities, etc.
- (g) Establish awareness generating programmes relating to matters of public interest like sanitation, environmental protection, pollution control, etc. and provide protection against social evils like corruption and false and artificial dealings.
- (h) To promote harmony and unity among the various groups of people in the area of Grama Sabha and organise arts and sports *melas* to promote good mentality among people.
- (i) To monitor and help the beneficiary committees conducting development activities in the area of the Grama Panchayat.
- (j) To verify the eligibility of persons getting various kinds of welfare assistance of Government like pensions, subsidies, ration schemes, etc.
- (k) To know the detailed estimates of the works proposed to be taken up in the area of the Grama Sabha.
- (l) To ascertain from the officials the services they will render and the works they are to do in the succeeding three months.
- (m) To know the rationale of every decision of the Panchayat concerning that area.
- (n) To know the follow up action taken on the decision of the Grama Sabha and to know the detailed reasons if some of the decisions cannot be implemented.
- (o) To co-operate with staff of Grama Panchayat in cleaning process and provide voluntary service to remove wastes.
- (p) To find out the drawbacks in the distribution of pure water and street lighting in the area of Grama Sabha and to suggest remedies.
- (q) To help the activities of Parent-Teacher Associations in the schools in the area of Grama Sabha.
- (r) To help the public health activities in the area of Grama Sabha, particularly, immunisation and family welfare.
- (s) Such other functions as may be prescribed from time to time.

Responsibilities of the Grama Sabha

- i. Dissemination of information on development and welfare programmes.
- ii. Canvassing participation in health, literacy and similar development campaigns.
- iii. Collecting essential socio-economic data.
- iv. Providing feedback on the performance of development programmes.
- v. Resorting to moral suasion to pay taxes, repay loans, promote environmental cleanliness, maintain social harmony, etc.
- vi. Mobilising local resources to augment panchayat resources.
- vii. Supervising development works and volunteers teams.
- viii. Creating arrangements to report quickly incidence of epidemics, natural calamities, etc.

III People's Plan (Planning from Below)

The most important and conspicuous part of Kerala's decentralisation is the decentralised planning system, popularly known as People's Plan (Isaac 1996, 1997, 1999). The planning process began in a campaign mode. Extensive participation of the people, in every phase of the process, is the hallmark of the new system (Isaac and Harilal 1997). All individual beneficiaries are selected by Grama Sabha/Ward Committee. Further down the Grama Sabha/Ward Sabha, there are Neighbourhood Groups (NHGs). The planning process starts from these lowest units in the local governance system. In 1996, the Government of Kerala has initiated the planning process by earmarking one-third of the Plan Grant-in-Aid to the local bodies, annually, for their *planning for economic development and social justice* (Government of Kerala 1996). Every year, the local bodies were to prepare their plans (Government of Kerala 2007). Training and Capacity Building has been one of the important aspects of the process.

Stages of Participatory Planning

The decentralised planning in Kerala may be observed in the following five states (George and Balan 2011).

Stage I : Grama Sabha

The decentralised planning begins with a special Grama Sabha for understanding the felt needs of the peoples and also for identifying the potential areas of intervention. In Kerala voters in an electoral constituency (ward) of a Panchayat/Municipality constitute a Grama Sabha/Ward Sabha. After a brief introductory session, group discussions are conducted and in the plenary sessions points are reported. All the suggestions of the Sabha are forwarded to the local body.

Stage II: Development Seminar

The second stage in the decentralised planning is a Development Seminar at the local body level. In Grama Sabha people raise their felt needs and problems and identifies some opportunities for initiatives. This has to be subjected to analysis within the given resources, men and material. Such an exercised will result in the publication of a *Panchayat/Municipality Development Report*. A draft of this report is the background material for the *Development Seminar*. In this one day seminar elected representatives, officials, experts, and representatives nominated by Grama Sabha participate. The Seminar will discuss and suggest the strategies and identify projects to be taken up for the development of the region. The Development Report will be published for wider dissemination of information. It is important to note that all the 1215 local bodies in Kerala has their published development report.

Stage III: Preparation of Projects

At this stage the development strategy will be transformed in the form of projects. This will be done Task Forces formulated for the purpose which comprises of elected representative, officials and experts from the people. Working Groups are constituted for important sectors and generally there are ten groups: Watershed Management; Animal Husbandry; Local Economic Development; Poverty Reduction; Development of Scheduled Castes; Development of Women and Children; Health, Water Supply and Sanitation; Education; Infrastructure; and Social Security. Details of each project

include specific objectives, expected cost, source resources, contribution from beneficiary, contribution from public, mode of execution, mechanism for monitoring and time frame.

Stage IV: Preparation of Plan Document

This is the stage at which the local bodies finalise their plan document. It is not just a compilation of the projects prepared at the ward level. The projects prepared by Working Groups are to be prioritized within resource limit and long term perspective of the people for the local level development. One can observe a clear departure from dividing the grant-in-aid wardwise (as a result of pressure from elected members) to allocation based on priorities set for the over all development of the region. The elected body democratically decide the projects (with priority) to be included in the *Plan Document* which is also a published document.

Stage V: Plan Approval by District Planning Committee

Every Local Government's Plan has to be approved by District Planning Committee (DPC). The DPC will examine each project of a local body with the assistance of a Technical Advisory Group (TAG) constituted at the Block (intermediate level) level and district level. The TAG, consists of official and non-official experts, examine the technical viability of the projects and recommend for the approval of DPC. If there exists any technical imperfections in a project, the local body has to make changes; but the TAG neither rejects nor changes the priority of the project.

Stage VI: Implementation, Monitoring and Evaluation

Each project will be implemented under the supervision and control of local bodies. Projects can be implemented by beneficiary committee, the local body, transferred institutions, accredited agencies, and by contracting. There will be a Monitoring Committee for concurrent monitoring of the progress of the work. Grama

Sabha has the right to examine the progress and other details of a project. All individual beneficiaries are selected by Grama Sabha with the predetermined criteria given by the local body. Local bodies do not have the authority to change the priorities given by Grama Sabha.

IV ‘Kudumbashree’, The Poverty Reduction Programme

In Malayalam (the local language in Kerala), ‘Kudumbashree’ means prosperity for family. It is a participatory poverty eradication programme (such programmes are legion in India) of Kerala. What makes a difference in this programme is that it is a community initiative using women’s agency with legal backing, implemented as part of Panchayati Raj System (both rural and urban). Since it is structurally and functionally related to local bodies leakages are minimized. Basically it is an women empowerment programme; but equal importance is given to delivery mechanism. Kudumbashree has an economic base of its own which guarantees autonomy and sustainability. The project is implemented through neighbourhood groups of poor women. It is through a survey, based on nine risk factors, the poor families are identified. It is envisaged that the service of different government and semi-government agencies are to be converged in the programme.

The mission of *Kudumbashree* is “*to eradicate absolute poverty through concerted community action under the leadership of local governments, by facilitating organization for the poor combining self-help with demand-led convergence of available services and resource to tackle the multiple dimensions and manifestations of poverty holistically*”.

A major departure from conventional poverty alleviation programmes is the process of identification of poor by means of survey based on nine indicators of risk factors. The risk factors are: (1) poor quality of house (2) lack of access to drinking water (3) lack of access to sanitary latrines (4) number of illiterate adults in the family (5)

single income households (6) number of individuals getting barely two meals a day or less (7) number of children below the age of five in the family (8) number of cases of alcoholism or drug addiction in the family and (9) scheduled caste or scheduled tribe family (socially disadvantaged groups). The households with four out of nine factors are considered as poor.

The organizational structure of *Kudumbashree* has a three-tier system. At the lowest level there are Neighbourhood Groups (NHGs) of 15-40 adult women, one each from the identified risk families. Area Development Societies (ADS) are formed at the middle level by federating the NHGs within a ward of a local body. At the local body level there are Community Development Societies (CDS), federating the ADS in the local body.

Government of India, National Bank for Agricultural and Rural Development (NABARD), and UNICEF support this programme. Two bank-linked self employment programmes of SwarnaJayantiShahariRozgarYojana (SJSRY), viz., Development of Women and Children in Urban Areas (DWCUA) and Urban Self Employment Programme (USEP), provide *Kudumbashree* financial resources to encourage beneficiaries of the project to set up micro-enterprises.

A major function of the organization is to act as an informal bank for the poor. Women pool their savings at the weekly NHG meetings. The ADS is authorized to open bank accounts in banks to deposit the savings.

In the decentralised planning process *Kudumbashree* plays an important role. The NHGs prepare a micro plan based on the surveys and discussions. The ADS puts together the micro plans and prepare a mini plan for the ward of Panchayat/Municipality. A Monitoring and Advisory Committee is formed under the chairmanship of the elected member of the village Panchayat or municipality representing that ward. The CDS is co-terminous with the village Panchayat or Municipality and prepares development plans at the local level by consolidating the plans prepared by the ADS.

VA Case Study of Pazhayannur Village Panchayat

Pazhayannur Grama Panchayat is situated at Eastern border of Palakkad district and has low rainfall and high altitude compared to the nearby areas. The Panchayat was established in 1954. Table: 4 provides the geographical and demographic features of Pazhayannur.

Table 4: Pazhayannur Grama Panchayat, General Information

GENERAL INFORMATION	
District	Thrissur
Block Panchayat	Pazhayannur
Area	59.03 km ²
Lok Sabha Constituency	Alathur
Assembly Constituency	Chelakkara
DEMOGRAPHIC FEATURES	
Population Total	43325
Male	21005
Female	22320
Population Density	588
Sex Ratio	1081
Literacy Ratio	85 per cent

Administration

The Grama Panchayat is governed by the Panchayat Committee headed by President. There are 22 elected members in the Committee who are elected from 22 wards. Out of the total twenty two members ten are women (it may be noted that fifty per cent seats are reserved for women in local governments in Kerala). There are four Standing Committees which are formed by dividing the twenty two members among the three Standing Committees: 1) Finance Standing Committee 2) Development Standing

Committee 3) Welfare Standing Committee and 4) Health and Education Standing Committee.

Impact of Devolution of Finance

As noted earlier, in 1996-97 onwards the financial position improved substantially as a result of the introduction of ‘People’s Campaign for the Ninth Plan’ which was initiated for strengthening local governments. One-third of the total Development Fund of the State Government is distributed among the local governments for the purpose of ‘planning for economic development and social justice’.

Table 5: Flow of Fund to Pazhayannur Grama Panchayat, 1990-91 to 2011-12

Year	Amount in Rupees
1990-1991	1599000
1991-1992	1628000
1992-1993	1723000
1993-1994	2003000
1994-1995	2412000
1995-1996	2652000
1996-1997	3231000
1997-1998	17124080
1998-1999	18044250
1999-2000	18311300
2000-2001	20833000
2001-2002	15053000
2002-2003	17374500
2003-2004	26414620
2004-2005	29820050
2005-2006	38074000
2006-2007	42897550
2007-2008	46303100
2008-2009	54770650
2009-2010	75998250
2010-2011	97803370
2011-2012	100570509

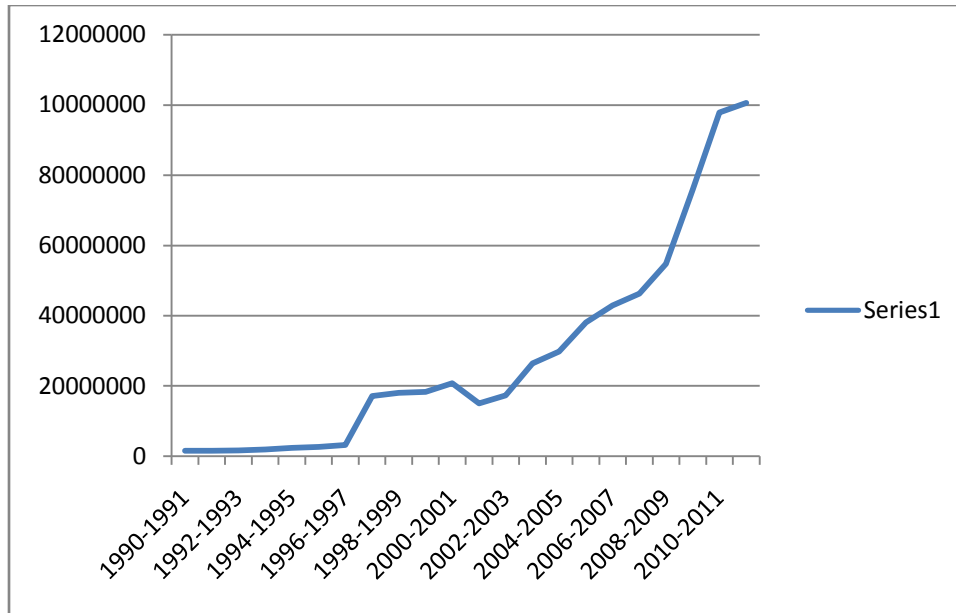


Figure 1: Flow of Fund to Pazhayannur GP.

Table 5 provides the time series fund flow from 1996-97 to 2011-12. There is a substantial increase in the income from 1997-98 onwards (see Figure 1 also). The income of the Pazhyannur Grama Panchayat was as low as Rs.1599000 (1.6 million) in 1991 and in 1996-97 it was Rs.3231000 (3.2 million). As a result of the ‘Bing Bang’ approach to decentralization and devolution of finance, its financial resource increased to Rs.17124080 (17.1 million), an increase of more than five times to its previous year.

A cursory look at the Table 6 reveals that major part of the financial resources of the Panchayat are coming from State Government and from other agencies. Only around 22 per cent of the total fund is mobilized by the local body.

Table 6: Funds Position and Sources of Funds 2011-12

Sl No	ITEM	AMOUNT	Percentage Share
1	Development Fund (General)	10656000	10.60
2	Development Fund (SC)	8641000	8.59
3	Development Fund TSP	140000	0.14
4	Maintenance Fund Road	4673000	4.65
5	Maintenance Fund Non Road	1786000	1.78
6	13 th Financial Commission Grant	4329000	4.30
7	World Bank Assistance	1869000	1.86

8	General Purpose Grant	6106000	6.07
9	MGNREGS	16700000	16.61
10	District /Block Panchayat Fund	4556000	4.53
11	MLA/MP Fund	2800000	2.78
12	Own Fund	22871429	22.74
13	State Organized Fund	15443080	15.36
	TOTAL	100570509	100.00

The details of own fund is given in Table 7. It may be noted that income from tax sources are limited which shows the weak financial position of the local body. The property tax contributes only 4.2 per cent, professional tax 5.12 per cent, and entertainment tax 0.13 per cent of the total own fund.

Table 7: DETAILS OF OWN FUND

SI No	ITEM	AMOUNT	% Share
1	Property Tax	987880	4.32
2	Professional Tax	1171162	5.12
3	Entertainment Tax	30440	0.13
4	PFA License Fee	49320	0.22
5	Rent from Shopping Complex	1191122	5.21
6	License Fee	52600	0.23
7	Building Rule Fee	62280	0.27
8	Birth & Death Registration	5312	0.02
9	Marriage Registration Fee	55710	0.24
10	Bus stand Fee	233000	1.02
11	Cinema License Fee	504	0.00
12	Comfort station Fee	138100	0.60
13	Demand Notice Fee	8934	0.04
14	Water Charges	236847	1.04
15	Deposits	4456705	19.49
16	Govt Dues	156193	0.68
17	Loan	500000	2.19
18	Library Cess	51234	0.22
19	Others	13484086	58.96
	TOTAL	22871429	100.00

Transferred Institutions

Along with the financial devolution, institutions are also transferred to local governments in Kerala. Table 8 provides the details of the institutions transferred to Pazhayannur Grama Panchayat.

Table 8: Transferred Institutions

Name of Institution	Number
Krishi Bhavan	1
Veterinary Dispensary	1
Primary Health Centre	1
Sub Centre	7
Ayurveda Dispensary	1
Homeo Dispensary	1
High School (District Panchayat)	1
UP School	1
LP School	1
Anganwadi (Pre school)	38
Dairy Development Office	1

Working Group for Participatory Budgeting and Planning

For the purpose of participatory budgeting and planning ten working groups are constituted in the Panchayat. The Chairman of the working group will be an elected representative while the Convener will be the official head of the concerned sector. The details of the ten working groups in the Pazhayannur Panchayat are given in Table 9. These working groups consolidate the discussions at the Grama Sabha and transform the aspirations of the people in the form of implementable projects.

Table 9: Office Bearers of Working Group

Sl No	Name of Working Groups	Chairman (elected member)	Convener
1	Watershed Development (Including Agriculture and allied activities)	Mukundan T	Agricultue Officer
2	Local Economic Development/Poverty Alleviation	Sreejayan KP	Village Extension Officer
3	Development of Sheduled Caste	Pushpalatha	Village Extension Officer
4	Development of Women and Child	Jyothi Shaji	ICDS Supervisor
5	Health	Bindu Raju	Medical Officer, PHC
6	Water Supply, Sanitation	Lekha Mani	Assistant Engineer, LSGD
7	Education, Culture, Youth Welfare	Lekha Mani	Head Master, Govt. G.L.P.S.
8	Infrastructure Development	Asanar	Assistant Engineer, LSGD
9	Social Security	Jyothi Shaji	ICDS Supervisor
10	Good Governance	M Padmakumar	Secretary, Grama Panchayat

Achievements

The achievements of participatory budgeting and planning by local governments in Kerala is remarkable in terms of its contribution to the capability building of the people especially the marginalized and poor. Table 9 illustrates the achievements in terms of providing pension, health support and food.

Table 9: Welfare Programmes with State Schemes 2011-2012

Sl No	ITEM	AMOUNT	
1	Unemployment Wages	372840	2.41
2	Pension For Unmarried	588631	3.81
3	Pension for Physically Handicapped	1450537	9.39
4	Old age Pension	908232	5.88
5	Pension for Agricultural Labourers	5834941	37.78
6	Pension to Widows	5825647	37.72
7	Help for Marriage of Daughters of Widows	150000	0.97
8	Ayurveda	10500	0.07
9	Nutritious Food for Anganavadies	301752	1.95
	TOTAL	15443080	100.00

Table 10 provides details of selected basic services to people which are targeted for the lower strata of the income group and marginalized.

**Table 10: EXPENDITURE (In Rs) OF PAZYANNUR GRAMA
PANCHAYAT, SELECTED SECTORS**

YEAR	2012- 2013	Percentage Share
Education	800000	3.753
Health	894111	4.195
Drinking Water	200000	0.938
Sanitation	1500000	7.038
Housing	2087500	9.794
Women Component Plan	1995800	9.364
Old Age	500000	2.346
Physically and Mentally Challenged	646600	3.034
Childran	2468938	11.584
Roads	2913859	13.671
Buildings	3430000	16.093

Scheduled Caste Marriage	1080000	5.067
Housing for Scheduled Caste	2640000	12.386
Housing for Scheduled Tribes	157000	0.737
	21313808	100.000

Achievements in Housing

Achievements in housing in Kerala with the intervention of local governments is noticeable. Table 11 details the support for housing provided by the Pazhyannur Grama Panchayat from 2002-03 to 2012-13. It may be noted that at present all families are having a house.

Table 11: Achievements in Housing

Year	Centrally Sponsored (IAY)				Own Fund				GRAND TOTAL
	General	Scheduled Caste	Scheduled Tribes	Total	General	Scheduled Caste	Scheduled Tribes	Total	
2002-03	28	35	0	63	44	20	0	64	127
2003-04	30	40	0	70	60	18	0	78	148
2004-05	32	50	0	82	50	20	0	70	152
2005-06	40	55	0	95	50	10	0	60	155
2006-07	42	48	3	93	20	10	0	30	123
2007-08	62	44	5	111	25	15	0	40	151
2008-09	48	90	1	139	65	45	1	111	250
2009-10	55	45	0	100	209	20	1	230	330
2010-11	35	50	0	85	20	10	1	31	116
2011-12	35	50	0	82	32	26	1	59	144
2012-13	35	50	0	85	40	19	1	60	145

Projects of Participatory Planning

A project is the smallest unit of implementation in the Plan. For the Pazhayannur Grama Panchayat there were 116 projects for the year 2013-14. Table 12 lists the projects and the respective sources of fund for its implementation. It is worth to note that the activities include all sectors and targeting the poor and marginalised in the society. It helps in building up capabilities of the people in having life with dignity.

Table 12: PARTICIPATORY BUDGETING: 2013-14

Sl. No	Name of project	Development fund	Own fund	Maintenance fund –Road	Maintenance fund - non road	Finance Comm-ission grant	WB grant	District panchayat share
1	Paddy cultivation	252500				2800000		1000000
2	Agriculture – mixed cropping	811500						
3	Vegetable cultivation					1650000		
4	Women labour bank					200000		
5	Animal husbandry 1	937500						
6	Animal husbandry 2	1500000						
7	Animal husbandry 3	370000						
8	Watershed					500000		
9	Health	30000						
10	Preventive medicine	60000						
11	Medicine - Homeopathy – bottle	10000						
12	Medicine - Homeo-medicine				100000			
13	Indian system of medicine – medicine				400000			
14	Pain and palliative care	300000						
15	Physically and mentally challenged students – scholarships	250000						
16	Donation of social welfare mission	200000						
17	Destitutes							100297
18	Housing - loan repayment	1086250						
19	Housing - centrally sponsored	784125						
20	Housing - physically challenged	1500000						
21	Housing - old age	100000	2500000					
22	Housing – widows		1500000					1500000
23	Education - Central state share	800000						
24	Library books	50000						
25	Childrens grama sabha		20000					
26	Nutrition food	1200000						

27	Kudumbasree- poverty reduction revolving fund	100000						
28	Additional payment	102600						
29	Project implementation and monitoring	200000						
30	Payment to Technical support		162000					

Table 12 Contd..

31	Drinking water	300000						
32	Street lighting		50000					
33	Solar panel at panchayat office		3000000					
34	Payment for social workers		72000					
35	Office management		500000					
36	Community hall				300000			
37	Group farming – building		13700		186300			
38	Hall – reconstruction				600000			
39	Street lighting					1000000	200000	
40	SWM-repair		200000					
41	SWM - boundary wall	940869	59131					
42	Road	425000					400000	
43	Road-side protection - soil filling	425000					400000	
44	Road - soiling, metalling	200000						
45	Road - soiling, side protection	500000						
46	Road concreting	500000						
47	Road soiling	200000						
48	Road – bridge	225000						200000
49	Canal side protection	100000						
50	Road – soiling	25000						
51	Road		50000					200000
52	Road formation	300000						
53	Health - homeo- building					1500000		
54	Women and child care – building		4690			645302		
55	Community hall					1000000		
56	Education - Govt. UP school, maintenanc				500000			
57	Govt. L P school smart class room	500000						
58	health - system – building				200000			
59	Women and children care centre wall				500000			

Table 12 Contd...

60	Veterinary - building maintenance				100000			
61	Women and child care centre – wall				100000			
62	Rain water drainage				100000			

63	Health - houses- wall				400000			
64	Health - PHC – maintenance				200000			
65	Central maintenance				100000			
66	Road retaring			500000				
67	Road retaring			1000000				
68	Road retaring			30000				
69	Road retaring			300000				
70	Road retaring			1000000				500000
71	Road retaring			500000				
72	Road retaring			500000				
73	Road retaring			500000				
74	Road retaring			425000				
75	Road retaring			500000				
76	Road retaring			250000				
77	Road retaring			500000				
78	Road			150000				
79	Road			200000				
80	Road			300000				
81	Road			300000				
82	Road retaring			300000				
83	Road side protection			500000				
84	SCP - Special Component Plan for Scheduled Castes							
85	Animal husbandry - cow shed	150000						
86	Marriage – subsidy	1791564	8436					
87	Housing - contribution to IAY	1166625						
88	Housing	2800000						
89	Housing - financial support	1600000						
90	Nutrition food	400000						

Table 12 Contd...

91	Destitute programme	500000						
92	Kallamparamba road retaring	300000						
93	Kanassery colony road retaring	200000						
94	Kizhakkera road retaring	150000						
95	Thendankavu colony retaring	200000						
96	Kakkarakunnu road concerting	200000						
97	Punchappadam colony road retaring	200000						
98	Kaithakkod colony road soling, metalling	200000						
99	Kumbalakkodu karakunu colony road retaring	200000						
100	Peruvambara colony road soling	200000						

101	Cheerakuzhi kodavampadam colony road retaring	400000					
102	Choolippadam colony bridge						
103	Thrikkanaya colony road taring						
104	Chakkathukunnu colony women cultural society- building	300000					1200000
105	Neelampalliyal Njarakod colony karumakuzhy road retaring	100000					400000
106	Vadakkera colony road metalling taring	100000					400000
107	Chakkathukunnu colony road -side protection, tarring	100000					400000
108	Choolipadam conoly road metalling, tarring	100000					400000
109	Kallamparamba colony development	125000					500000
110	Potta colony development	125000					500000
111	Pattikath colony development	125000					500000
112	Sc women cultural society	250000					1000000
113	Chemattukulam colony road	75000					300000
115	Destitute programme	178000	53750				
116	Housing		131000				119000

Participatory Budgeting and Five Year Plan

Now the local governments in Kerala are matured enough to make medium term plans in the sense that they are preparing Five Year Plans. They have prepared the Twelfth Five Year Plan. The plan outlay of Pazhyannur Grama Panchayat for the Twelfth Five Year Plan is given in Table 13.

Table 13: Plan Outlay for the Twelfth Five Year Plan of Pazhyannur Grama Panchayat

Item	2012-13	2013-14	2014-15	2015-16	2016-17	Total
Agriculture	33000000	37950000	43642500	50188875	57717200	222498575
Animal Husbandry and Diary	60000000	69000000	79350000	9125250	10494050	40454300
Small scale industries	1000000	1150000	1322500	1520875	1749000	6742375
Poverty reduction including housing	8000000	9200000	10580000	12167000	13992050	53939050
Social Welfare	1000000	1150000	1322500	1520875	1749000	6742375
Women and child development	2500000	2875000	3306250	3802120	4372450	16855820
Health	2000000	2300000	2645000	3041750	3498000	13484750
Drinking water and sanitation	4000000	4600000	5290000	6083500	6996025	26969525
Education and culture	1500000	1725000	1983750	2281310	2623500	10113560
Public works	22000000	25300000	29095000	33459250	38478150	14332400
SC development	10000000	11500000	13225000	15208750	17490000	6743750

ST Development	500000	575000	661250	760450	874500	337100
Accounting and records	1000000	1150000	1322500	1520875	1749000	6742375
	146500000	106375000	193746250	1.41E+08	161782925	425955955

VI Achievements of Participatory Budgeting and Planning in Kerala

Social development of a society depends, to a greater extent, on the development of social capital. Social capital is the networking that helps create linkages which in turn forge rules, conventions and norms governing the development process. When a society undergoes change certain institutional factors, which has a spiraling effect on deepening democracy, may gain ground, if the unleashed energy of people deliberately consolidated by the intelligentsia. Decentralisation in Kerala led to conscientisation of the mass with the support of large number of activists who worked beyond interests of their political affiliation/inclination. The democratic principles has gained ground and each decision relating to the public has to be taken democratically with social justice. As a result of this, the ordinary people came to understand the importance of human development and, to some extent, the concept of sustainable development. With emerging demand from below the Government has been providing support for housing all, basic services like education, health, sanitation, etc. and intervened in livelihood of the ordinary people by means of supporting productive sectors like agriculture, small scale industry and service sector. It has resulted in employment generation. Media also played an important role by means of highlighting activities relating to development and also reporting the apparent failures in providing these basic services. The State Government has allocated a substantial portion of its investment for developing social infrastructure like schools, hospitals, etc. In sum, the net result of decentralization is the sustainable human development in Kerala which is recognized by the people all over the world.

Our attempts in the direction of evaluating the performance of the process, by means of a rapid appraisal, identifies elements of success on the following nine counts.

1. Qualitative change
2. Speed of the Programme

3. Nature of the schemes
4. Attitudinal change of the staff
5. Level of participation
6. Equitable prioritisation
7. Participation of women in development
8. General response of the people
9. Technical advice and its acceptability.

On Evaluating the Progress

Although it is premature to evaluate the experimental decentralised planning, which is considered to be a pioneering attempt in the world, certain impressions may be gathered from the experience of last two-and-a-half years. The achievements made so far has been legendary in the sense that it has attracted world wide attention and acceptance as a new methodology in decentralised planning. According to World Bank, "The decentralised planning process is largest of its kind in the world".

Justice Krishna Iyer, renowned social activist and thinker, observes the Campaign as follows: "The people's campaign marks the beginning of a social revolution in Kerala. The failure of democracy in India consists in the failure to share power with the people. In Kerala today political power is in the hands of the people" (Iyer, 1998).

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