A Study on the Relevance, Effectiveness and Efficiency of Community Assets Created Under Decentralisation: The Case of Three Panchayats in Northern Kerala

K.N. Nair, G. Gopikuttan and T.P. Sreedharan

The major purpose of decentralisation is to make governments responsive, efficient and transparent in decision making when it comes to local development and infrastructure planning. It is also expected that Local governments (LGs) can produce and provide locally relevant public goods more efficiently and effectively than agencies under a centralised system. Realising the scope of local democracy and governance, Kerala has devolved funds, functions and functionaries to LGs. The methods and processes that LGs in Kerala has followed in implementing decentralisation have been hailed as the best practice among the Indian states. More than two-thirds of the financial resources of LGs have been utilised for creating community assets, especially those that provide basic infrastructure for local development. The present article examines the relevance, efficiency, equity and effectiveness of public assets created by the LGs by taking a sample of three grama panchayats in Kasargod district of Kerala.

Introduction

Decentralisation as an institutional framework aims to make government more responsive, transparent and efficient in decision-making when it comes to local development and infrastructure planning. The major rationale for this concept, or process, is that it can generate financial efficiency and quality gains by devolving resources and decision-making powers to local governments for the delivery of services (Robinson 2003). One of the major objectives of decentralisation has been to produce and provide locally relevant public goods efficiently. Several experts hold that local governments (LGs) can do this far better than agencies under a centralised system (Steiner 2010; Bardhan 2010; Oates 1972). Even though the scope and real motives of decentralisation are subjects of academic debate, “the last two decades of the 20th century [has] witnessed a significant rise in the scope of local democracy throughout the developing world, with increasing devolution of political, economic and administrative authority to local governments” (Bardhan and Mookherjee 2007: 1).

Compared to not only other states in India but also many Asian countries, Kerala has shown strong commitment to strengthening LGs (Robinson 2003).[1] The way in which Kerala has devolved powers and resources to LGs and the methods and processes it has followed in implementing decentralisation have been hailed as the best practice among Indian states. Kerala has therefore been officially declared as the front-runner and trendsetter in the country in decentralised planning (Vijayanand 2010). With powers and resources being devolved to LGs, more than two-thirds of their financial resources have been utilised for creating community assets, especially those that provide the basic infrastructure for local development and improve the quality of services delivered to the public. To ensure transparency and accountability in planning and implementation, the state government has made it mandatory that every project that involves public expenditure be approved by a democratic and participatory process.[2] Several micro-level institutions such as grama sabhas and technical support groups of experts have been created and sustained for strengthening this process.

The successes and failures of Kerala's decentralisation have been much discussed (see, for example, Nair 2000; Chathukulam and John 2002; Mohanakumar 2002). Although the vigour and vitality of micro-level institutions in several places have waned over time, a visible improvement has been noted in public assets such as roads, minor irrigation projects, drinking water schemes, anganwadi, school and hospital buildings, and so on (Nair and Krishnakumar 2004; Parameswaran 2005; Oommen 2007; Gopikuttan 2009). An amount of Rs. 14,632 crore has been disbursed as plan grants by the state government to LGs over a period of 12 years from April 1997 onwards and each grama panchayat (GP) has received an average of Rs. 75 lakh every year. More than two-thirds of these

[1] In India, the Constitution (Seventy-Third Amendment) Act and the Constitution (Seventy-Fourth Amendment) Act, both of 1992, and the subsequent enactment of legislation by individual states paved the way for devolution of powers and resources to local bodies to enable them to function as institutions of self-government. They are thus to play a central role in providing public services, in creating and maintaining local public goods, and in planning and implementing developmental activities and programmes to alleviate poverty and promote distributive equity (Chaudhuri 2007; 154).

[2] The sequence of the steps is (a) identifying needs, (b) situation analysis, (c) strategy setting, (d) formulating projects, (e) finalising plans, (f) vetting plans and approving them, and (g) implementing them.

funds have been spent as capital expenditure for creating public assets. During the financial year 2009-10, rural LGs in the state received Rs. 1893.41 crore in three streams—development, maintenance and general-purpose funds (Vijayanand 2010). Except for certain broad guidelines, funds were provided, without any strings, to be used in accordance with local priorities, plans and implementation procedures.

Despite their ideological differences, the Left Democratic Front (LDF) and the United Democratic Front (UDF) governments that have come to power in Kerala since decentralisation was launched have worked to strengthen LGs. All the major political parties have lent their support to decentralisation. Since transparency and accountability are built into the process, objective conditions are conducive for LGs to efficiently and effectively produce and provide locally relevant public assets. Keeping in mind these new opportunities, this study is an attempt to evaluate the relevance, efficiency and effectiveness of the assets created at the local level by LGs. The major questions that we address are:

(i) How relevant are the asset projects in the local context?

(ii) How efficient are they in planning, implementation and use?

(iii) How effective are they in addressing the basic infrastructure and development needs of local societies?

The study is based on data drawn from three LGs with a similar system of governance. Even though its results are context specific, we hope that it will have implications for furthering the decentralisation process in Kerala and taking it to new heights.

The paper is divided into six sections. The method employed is explained in the next section, and a brief profile of the study region comprises section three. Public expenditure and a detailed assessment and evaluation of major assets such as irrigation and drinking water structures, buildings and roads are presented in section four. The policy implications of the study for local governance are discussed in the next section, and the last section has a brief summary and policy suggestions to improve the process of decentralisation.

II

Methodology

The state government implemented decentralisation uniformly across all the LGs in Kerala with the enactment of the Kerala Panchayat Raj Act and the Kerala Municipality Act in 1994. To ensure sectoral and regional balance as well as equity and social justice, uniform guidelines and rules were laid down on how money could be spent in each sector of the economy. Unlike earlier state department-led programmes for creating public assets, decentralisation envisages local citizens playing a proactive role in all the state and central government programmes for employment and asset creation such as the Mahatma Gandhi National Rural Employment Guarantee Programme (MGNREGP), flood and drought relief programmes, and so on. GPs enjoy absolute freedom to create and maintain public assets that are essential for enhancing primary production such as minor irrigation facilities, check dams, irrigation wells, and agricultural machinery such as tractors, tillers and sprayers. LGs have the power and freedom to plan and implement projects for the supply of drinking water, roads and buildings for public purposes such as community halls, primary schools, primary health centres and anganwadis, subject to the state government's general norms and guidelines. However, the ideological commitments and political leanings of decision-makers tend to affect the plan priorities of LGs. For, elections to LGs in Kerala are mainly contested by nominees of the two dominant political party coalitions—the LDF led by the Communist Party of India (Marxist) and the UDF led by the Indian National Congress (I). Since the LDF and UDF represent opposing political perspectives, the possibility of theoretical and practical difficulties coming in the way of decentralisation is ever present (Patnaik 2001; Gurukkal 2001; Kjosavik 2006). Knowing well that the quality and efficiency of governance are likely to be affected by differences of opinion among the major actors and elected representatives (ER) with diverse political leanings, we undertook a micro-level study in three GPs in Kasargod district of Kerala governed by LDF members. We identify the panchayats as Panchayat I, Panchayat II and Panchayat III, and they have all been governed by the LDF since the launch of decentralisation. These predominantly agrarian panchayats are in different geographical locations of the district.

We held wide-ranging discussions with present and past ER and presidents of the LGs, local leaders and users of public assets in various GPs of Kasargod district. All the panchayats maintain Asset Registers[3] and Appropriation Control Registers[4] (project registers). Asset mapping was done utilising the services of National Service Scheme volunteers from engineering colleges and polytechnics. Besides data obtained from the registers and the Information Kerala Mission, we collected relevant information on capital expenditure on assets such as irrigation structures, farm equipment, drinking water structures, buildings and roads from published and unpublished sources and the office records of the panchayats concerned.

The concepts central to this study—relevance, efficiency and effectiveness—are analysed using information obtained through qualitative methods and tools such as semi-structured interviews, focus group discussions, participatory observations and field visits to the study areas. Snowball samples of actors and users of selected assets were identified through discussions with present and previous ER, political party leaders, activists and clients. Focus group discussions and in-depth interviews were conducted to understand the process of identifying needs, preparing projects and implementing and monitoring them. To give credence to the qualitative analysis, we assessed a few irrigation and drinking water projects and buildings using criteria consistent with the International Fund for Agricultural Development's (IFAD) evaluation methods and the plan procedure for decentralisation in Kerala.[5] The criteria-based ratings give an overall picture of the

[3] Asset Registers were created as part of a statewide programme in 2005. Student volunteers of the NSS from polytechnics and engineering colleges took stock of the public assets in each GP and they were compiled in an Asset Register. But they are often not updated as and when new community assets are created in a panchayat area.

[4] Appropriation Control Registers contain the details of projects implemented such as name, amount allocated, amount utilised and year of beginning and completing in each panchayat. But several columns and cells of this register are blank in all the panchayats. For instance, in Kayyur-Cheemeni panchayat, information on the year of completion of roads is absent. Similarly, details of assets created with the support of MLA and MP local area development funds, government departments, block and district panchayats are not recorded properly. Moreover, entries in the Asset Registers and Appropriation Control Registers are not comparable.

[5] International Fund for Agricultural Development (IFAD): *Evaluation Manual: Methodology and Processes*, April 2009.

relevance, efficiency, effectiveness and overall performance of the projects studied. The meanings and definitions of the concepts used in each criteria and a five-point scale of qualitative measurement is provided in the Appendix. However, such a precise assessment was not attempted for machines and equipment (ME) and roads. For, ME is not a homogenous group and it consists of a vide variety of equipment ranging from sprayers to harvesting machines. Similarly, the condition and overall performance of a road need not necessarily be same throughout its length.

III

Profiles of panchayats selected

Panchayat I had 14 wards in January 2010. Of its total geographical area, around 980 hectares was with the Plantation Corporation of Kerala. About 50% of the total area of the panchayat was under cashew (a plantation crop). There were 5,392 households in the panchayat, of which 43.6% were below the poverty line (BPL) in 2003. Agriculture was the main occupation of the people. Details on the area and population of the sample GPs are given in Table 1.

Table 1: Area and population of sample panchayats

Sample Panchayats	**Total area in sq. km and number of wards in 2010**	**Population in 2001**				**% of BPL families in 2003**
		Total	Females (%)	SC (%)	ST (%)	
Panchayat I	72.47, 14	23,672	52.4	4.5	1.3	43.6
Panchayat II	27.83, 22	45,578	52.0	2.8	1.0	33.0
Panchayat III	51.8, 14	20,584	52.7	1.3	5.6	61.0

Panchayat II had 22 wards in January 2010. There were 8,262 households, of which 2,746 (33%) were identified as BPL in 2003. This is a coastal panchayat and rice and coconut were the major crops cultivated in it.

Panchayat III had 14 wards in January 2010. Of its 4,800 households, 61% were BPL in 2003. The panchayat has won several coveted national awards such as the Deshiya Bhoomi Jal Samvardhini Puraskar in 2007 and the Prakrithi Vibhav Samrakshan Puraskar in 2008 and 2009 for its efforts in water conservation and watershed management programmes under decentralisation.[6]

The political orientation of the above three LGs was more or less the same and the CPI (M) was the majority party that had been governing the panchayats since the launch of decentralisation. Moreover, presidents of all the three panchayats were local leaders and office bearers of the CPI (M). Micro-level institutions (MLIs) meant for facilitating democratic decentralised planning such as grama sabhas, working groups and other committee systems were vibrant with people's participation during the first few years of decentralisation. As elsewhere in the state, the vigour and vitality of these organisations eroded gradually in subsequent years. However, among the three panchayats, MLIs were relatively strong in Panchayat III where the president during 2005-2010 was a young and energetic local leader who worked hard to preserve the strength of these institutions.

Although there were complaints about insufficient office staff to prepare projects and to supervise the construction of infrastructure and asset projects, at the time of our visit during September-December 2009 all the three sample panchayats had sufficient staff to manage their activities. All the GPs had full-time overseers to take care of the technical aspects of asset projects and could also take advantage of the services of an assistant engineer (on a sharing basis; that is, one engineer for two panchayats).

There was no evidence of conflicts either in the identification of projects or in their implementation. Near unanimous decisions of the participants in grama sabha meetings and development seminars were reported in the office records. This was basically related to the party politics prevailing in the study region. Even though party interests of the ER

[6] For details, see The Hindu, 22 July 2010, p. 4.

did creep in when projects were identified, objections and opposition to them did not arise due to two reasons. One, the ER and local leaders had a clean image among the general public, and two, people who were aware of the real potential of decentralisation and the duties and rights of individual citizens rarely participated in grama sabha meetings. Even if a knowledgeable person did participate, he or she did not want to invite the ire of local political leaders by challenging their decisions. All this means that the free and fair discussions envisioned under democratic decentralisation were practically non-existent in these panchayats.

IV

Public assets created in the sample panchayats

Roads, irrigation structures such as check dams, ponds and wells, machines and equipment for agricultural purposes, drinking water wells and tanks, and buildings for public purposes such as community halls, anganwadis, schools and hospitals were the major public assets created as part of decentralised planning. Capital investments for these assets were made not only by the GPs but also by the other tiers of local government and from MLA and MP local area development funds. The total investment in public assets accounted for more than two-thirds of the annual plan expenditures of the sample GPs. According to data drawn from Information Kerala Mission (IKM), capital investments on these assets accounted for about 65% and 71% of the average annual plan expenditure of Panchayats I and III respectively during the seven-year period from 2002-03 to 2008-09. In Panchayat II, the total investment was about two times its annual plan expenditure. A major proportion of the total investment went to road construction. The panchayat-wise details of public assets created are given in Table 2.

Table 2: Details of public assets created in the sample panchayats during 2002-2009

Panchayat	**Type of assets**				
	Irrigation	**Drinking water**	**Buildings**	**Roads**	**Total**
Panchayat I					
Number of projects	10	10	83	140	243
Total investment (in thousands of Rs.)	1,303.8	1,353.6	9,087.8	1,5356.5	2,7017.7
% of total plan	**3.11**	**3.23**	**21.65**	**36.59**	**64.59**

expenditure					
Panchayat II					
Number of projects	51	27	122	234	343
Total investment (in thousands of Rs.)	4,250.0	2,772.0	1,6474.1	8,0123.4	10,3619.5
% of total plan expenditure	**7.72**	**5.03**	**29.92**	**145.5**	**188.17**
Panchayat III					
Number of projects	27	6	50	188	271
Total investment (in thousands of Rs.)	2,227.7	172.6	6,439.4	2,1109.1	2,9948.8
% of total plan expenditure	**5.25**	**0.4**	**15.17**	**49.74**	**71.06**

Source: Information Kerala Mission.
Note: Panchayat I: total plan expenditure from 2002 to 2009, Rs. 41,971,480; Panchayat II: total plan expenditure from 2002 to 2009, Rs. 55,066,443; Panchayat III: total plan expenditure from 2002 to 2009, Rs. 42,439,147.

Public demand for community assets and better infrastructure services were high in all the study areas and this was reflected in their Panchayat Development Reports (PDRs). The LGs responded positively to the pressing needs of the citizens. As per records, all the projects went through the due process to ensure transparency and accountability. But we have reservations about these claims. The actual practice followed in creating and using these assets is detailed below.

(a) Irrigation structures

Agriculture in the sample panchayats was basically rain-fed. There were several natural water sources such as canals and ponds but they were not fully utilised for agriculture. For instance, before 1996, there were 30 canals with a total length of 200 km, 12 ponds and 28 public wells in Panchayat I. A river and its small tributaries and 12 public ponds were the traditional sources of irrigation in Panchayat II. Panchayat III had four *pallams* (large and shallow water bodies formed during the rainy season), a number of streams, four ponds and one public well as its major irrigation sources in 1996 (PDRs). The felt need and demand for developing existing and additional irrigation structures was high at the time decentralisation was launched. Records of grama sabha meetings and development seminars in the panchayats testify to the high demand. During the period of decentralisation (from April 1997 to December 2009), 37 irrigation structures were

created in Panchayat I and 45 and 42 each in Panchayat II and III. Among them, 25 structures in Panchayat I, 14 in Panchayat II and 13 in Panchayat III were created between 1997 and 2005.[7] Details of these structures are given in Table 3.

Table 3: Irrigation structures created in the panchayats during 1997-2005

Type of irrigation structure	Panchayats					
	I		II		III	
	No.	Outlay (Rs.)	No.	Outlay (Rs.)	No.	Outlay (Rs.)
Filter tubes	2	75,656	0	0	0	0
Pump sets	3	75,300	0	0	0	0
Check dams	7	492,305	6	431,788	5	160,000
Ponds	3	161,120	7	389,797	5	411,000
Others	10	428,761	1	45,000	3	189,189
Total	25	1,233,142	14	866,585	13	2,200,189

Source: Asset Registers and Appropriation Control Registers.

The project documents we examined indicated that all of them had gone through the envisaged process. The local farming communities articulated their needs in democratic forums. Technical experts picked up the technically feasible and economically viable projects and the GPs allocated sufficient funds for implementation. The monitoring and supervision mechanisms suggested in the project documents were efficient and sufficient to ensure transparency. Therefore, office records and project documents tell us that all the irrigation structures were relevant and provide useful services to the farming communities. Keeping this in mind, we selected 12 sample structures at random, four from each of the sample panchayats for scrutiny and detailed investigation.

The sample projects chosen in the three panchayats, their costs, the time of construction and potential benefits were as follows.

[7] More details of all the assets created during the period of decentralisation are not available in the Asset and Appropriation Registers of the GPs. According to data available with Information Kerala Mission, the total cost of 21 irrigation structures created in Panchayat I during the period 2002-09 was Rs. 29.8 lakh. Asset Register and IKM data were not comparable for several reasons—details of the projects, their actual years of construction and total expenditure were not entered in the register; and a number of projects were bundled together and a project-wise split was not given. The IKM data, on the other hand, gives project-wise details implemented since 2002.

Panchayat I: (a) ponds (Rs. 3 lakh, 1997-98, coverage area 25 hectares); (b) Njadumba pond (Rs. 1 lakh, 2001-02, coverage 10 ha); (c) filter point (Rs. 1 lakh, 2003-04, coverage 25 ha); and (d) well and pump (Rs. 2 lakh, coverage 15 ha).

Panchayat II: (a) check dam (Rs. 77 lakh, 2008, coverage 25 ha); (b) check dam, VCB (more than Rs. 4 lakh and Rs. 1.5 lakh, 2003-04, coverage 15 ha); (c) check dam (Rs. 2.5 lakh, 1998-99, coverage 15 ha); and (d) pond and pump house (Rs. 29,000, 2004-05, coverage 4 ha).

Panchayat III: (a) pond (Rs. 40,000, 2005-06, coverage 10 ha); (b) check dam (regulator-cum–bridge, 1997-98, coverage 40 ha) (c) check dam (Rs. 1 lakh, 2008-09, coverage 40 ha); and (d) check dam (Rs. 5 lakh, 2003-04, coverage 8 ha).

Focus group discussions, in-depth interviews and participatory observations revealed that all the irrigation structures, with the exception of a check dam in Panchayat II, were relevant to the local context. The check dam became irrelevant due to land conversion. Paddy fields in that area were either fallow or increasingly being used for non-agricultural purposes. When the check dam was constructed in 2003-04, it was expected to bring more land under rice cultivation. But that did not happen. Table 4 shows our evaluation ratings of the relevance of these structures based on the opinions of the major actors and users.

Table 4: Panchayat-wise evaluation ratings of relevance of irrigation structures

Sl. No	Criteria	Panchayats											
		I				II				III			
		a	b	c	d	a	b	c	d	a	b	c	d
1	Clarity of needs	5	5	3	3	5	5	5	5	5	5	5	5
2	Essentiality	5	5	4	4	5	5	5	5	5	5	5	5
3	Articulation of needs by users	1	3	1	2	2	3	3	3	4	5	4	5
	Relevance	**4**	**5**	**4**	**4**	**5**	**1**	**5**	**4**	**4**	**5**	**5**	**5**

Note: 5 - excellent, 4 - good, 3 - satisfactory, 2 - poor, 1 - very poor.

Criteria-wise analyses indicated that all the key actors were very clear in their minds about the essentiality of the irrigation structures. But there were considerable inter-project and inter-panchayat differences when it came to articulation of needs. Although *padasekhara samithis* (paddy cultivators' committees) were the principal agents and

users of the projects, in Panchayat I it was the local leaders of the ruling party that took up the issue in appropriate forums.[8] It was also noted that in all the panchayats, *samithi* office bearers were either active members or office bearers of the local units of the ruling political party. The articulation of needs by users was very poor in the case of a pond and a filter point in Panchayat I.

None of the structures in Panchayat I were constructed on the basis of scientific information on technical feasibility and economic viability. But it was learnt that decision-makers in Panchayats II and III consulted experts and used the relevant information while implementing projects. In other words, while a major proportion of the irrigation projects in the two GPs were evidence-based or based on factual data, Panchayat I did not use relevant factual information in building irrigation structures. Financial resources were not a constraint for any of the irrigation projects. It was learnt that all the projects, except one in Panchayat I, were implemented transparently. The exception was a pond, which was constructed by a contractor.[9] Probably because of the lack of transparency in implementation, the sides of this pond slipped a month after it was completed. The old pond, which had provided useful services to local farmers, thus became unusable immediately after it was reconstructed. So, coincidental or not, a positive association between transparency and efficiency in implementation was observed.

Our assessments indicate that the efficiency ratings of all the check dams were poor or very poor for the reason that most of them leaked (Table 5). Every season, the *padasekhara samithis* mobilised resources from farmers in the form of donations in cash, kind or labour to plug the leaks temporarily. If the structures were efficient, the farmers could have avoided this additional expenditure, that too every year.

[8] There were eight *padasekharams* in Panchayat I, and 13 and 15 each in Panchayat II and III. Cultivators organise themselves and democratically elect their representatives. The elected representatives get together to form *padasekhara samithis*, which act as forums for facilitating agriculture.

[9] In all the panchayats, contractors constructed check dams. Small structures such as wells and ponds were generally constructed by the beneficiary committees.

Table 5: Evaluation ratings of efficiency of irrigation structures

Sl. No	Criteria	Panchayat I				Panchayat II				Panchayat III			
		a	b	c	d	a	b	c	d	a	b	c	d
1	Information based	1	1	1	1	3	4	3	5	3	5	5	5
2	Financial sufficiency	4	4	4	4	5	5	4	5	4	5	5	5
3	Transparency	1	4	4	4	3	3	3	4	4	3	3	3
	Efficiency	**1**	**3**	**2**	**3**	**3**	**1**	**3**	**3**	**2**	**3**	**3**	**2**

Note: 5 - excellent, 4 - good, 3 - satisfactory, 2 - poor, 1 - very poor.

Notwithstanding the leaks, farmers and *padasekhara samithis* in all the places were satisfied with the other functions and services of check dams. A main reason for this was that the check dams and vented cross bars (VCB) were bridges-cum-regulators that facilitated road connectivity, especially between areas that otherwise were cut off during the rainy season.

Periodic maintenance, repairs, vigilant supervision and monitoring are essential for ensuring the sustained delivery of high-quality services. But all structures lacked a formal institutional arrangement for operation and management (O&M). Farmers and *padasekhara samithis* generally expected LGs to carry out all O&M activities and demanded that they provide sufficient funds for periodic repairs. But when compelled by necessity, the *padasekhara samithis* collectively undertook temporary repair and renovation work. So all the sample structures, with the exception of three, continued to provide satisfactory services, and their current status, barring one in Panchayat I and two in Panchayat II, were satisfactory. It was the interest and initiatives taken by ER and local leaders of the ruling party that had contributed to the good or satisfactory effectiveness and performance of nine of the 12 sample structures evaluated (Table 6).

Table 6: Panchayat-wise evaluation ratings of effectiveness of irrigation structures

Sl. No	Criteria	Panchayat I				Panchayat II				Panchayat III			
		a	**b**	**c**	**d**	**a**	**b**	**c**	**d**	**a**	**b**	**c**	**d**
1	Supervision and monitoring	1	4	4	4	2	1	1	1	4	4	4	4
2	Maintenance	1	4	4	4	2	1	1	1	2	2	2	2
3	Sustainability	1	4	4	4	2	1	1	1	2	2	2	2
4	Current status of the project	1	4	3	4	3	2	2	4	3	4	3	4
	Effectiveness	**1**	**4**	**3**	**4**	**3**	**1**	**3**	**3**	**2**	**4**	**4**	**4**
	Overall performance	**1**	**4**	**3**	**4**	**4**	**1**	**4**	**4**	**2**	**4**	**4**	**3**

Note: 5 - excellent, 4 - good, 3 - satisfactory, 2 - poor, 1 - very poor.

The initiatives of farmers, who depend on agriculture for their livelihood, were another factor that contributed to the better performance of the irrigation structures. Being predominantly agrarian villages, *padasekhara samithis* in Panchayat I and Panchayat III were more active than in Panchayat II, where most of the farmers using irrigation services drew their main income from sources other than agriculture. The organic link between the ruling party and the *padasekhara samithis* also deserve mention. Even if the members of *padasekhara samithis* had very little time or incentive to participate in its activities, the local units of the ruling party and ER took steps to see to it that they did not turn defunct. Overall, the irrigation structures provided useful services to the farmers, who in association with ER and local leaders of the ruling party kept the structures in a relatively good condition.

(b) Farm equipment and machines

Government departments and district and block panchayats supply machines and equipment (ME) to *padasekhara samithis*[10] through GPs to promote agriculture, especially rice cultivation. The *padasekhara samithis* are the custodians and managers of

[10] *Padasekhara samithis* raise demands for ME for cost-efficient cultivation in democratic forums such as grama sabhas. Since the block and district panchayats also plan and implement programmes for promoting agriculture, they purchase and distribute agricultural ME to the *samithis*. At least in a few years the purchase and distribution of machines was seen as an easy, convenient and safe way of expending plan funds allotted to local self-governments (LSGs). For instance, Kasargod district panchayat in 2008 distributed tractors to all block panchayats and the block panchayats distributed them to selected GPs and the GPs gave them to selected *padasekhara samithis*. It was a strategy to spend funds earmarked for productive sectors. It was noted that the decision to purchase this costly machine was made in March 2008, that is, towards the close of the financial year.

these ME. The sample panchayats at the time of our enquiry in December 2009 had three tractors each. The total ME in the ownership of *padasekhara samithis* in the sample panchayats at the time are given in Table 7.

Table7: Details of machines and equipments available with PSS in GPs

Panchayats	Machines and equipment						Approximate total value MEs
	Tractors	**Tillers**	**Transplanters**	**Thrushers**	**Harvesters**	**Sprayers**	
I	3	14	1	12	1	14	**4,014,000**
II	3	15	2	11	8	26	**4,563,000**
III	3	13	-	14	4	32	**4,042,000**

Source: Local enquiries.

The *padasekhara samithis* are expected to use the ME efficiently and effectively to increase the production and productivity of agriculture. Efficient use and proper upkeep and maintenance require financial resources and the services of skilled operators. Some institutional arrangements for O&M are also essential. The *padasekhara samithis* in the study region could not do it for two major reasons—a sufficient number of skilled operators were not available; and spare parts of the machines could not be procured from the local towns while they did not have the financial resources to access them from far.

Since ME are public property, its operation costs were shared by users. User charges were always fixed at the bare minimum of running costs such as the cost of fuel, the daily wages of operators, and so on. For instance, *padasekhara samithis* in Panchayat I collected an average of Rs. 450 a year from users as rent. The other two GPs did not collect any rent at all. Instead, they collected operation costs to meet the wages of operators and supervisors and the cost of fuel. It was reported that some farmers failed to pay up on time. In the absence of any reserve or corpus fund, resources were not available to meet the cost of major repairs and to replace parts when they were required. That, in turn affected the life of the ME. Since the operators were temporary staff, they could not be held accountable for poor maintenance and upkeep. For instance, sprayers

and pump sets that were not washed and cleaned properly were unlikely to last long. Lack of building space for storing the ME was another problem for some *padasekhara samithis*. Out of the 36 *padasekhara samithis* in the sample panchayats, only 24 (five in Panchayat I, nine in Panchayat II and 10 in Panchayat III) had space for keeping ME. Others kept their ME in the houses of farmers and in the open. This often resulted in rusting and damage. Acute shortage of trained operators and technicians in all the GPs was another major issue. For want of repairs, machines such as tractors and tillers were idle. Thus, in general, the use of ME was not efficient and effective.

(c) Drinking water projects

Scarcity of drinking water was a serious issue in the sample panchayats. About 95% of the households in Panchayat I depended on surface wells for drinking water. According to the PDR (1997), of the 3,184 wells in the panchayat, around 2,200 (69%) dried up in summer. And of the total 24 borewells in the panchayat, 14 were defunct. About half the households in Panchayat II experienced an acute shortage of drinking water at the time decentralised planning was launched. Although about 80% of the households in Panchayat III had their own surface wells, the water in most of them depleted during summer. Open wells, borewells, rainwater harvesting structures and small-scale water supply schemes were the major projects implemented by the sample GPs. Besides, all the panchayats had about 10 to 15 units of the Rajeev Gandhi National Drinking Water Mission (RGNDWM) in their jurisdiction. The role of the GPs varied between these two—while they played the role of a mediator or facilitator for the centrally sponsored scheme, they played the role of a provider for their schemes. Wide differences existed between the two in the sharing of capital costs, participation of beneficiaries and institutional designs of O&M (Table 8).

Table 8: Salient features of RGNDWM and GP-sponsored water supply schemes

Sl. No	Salient features	RGDWM scheme	GP scheme
1.	Approximate per family share in capital cost	Rs. 4,500 (10% & 5% recovery respectively from general & SC/ST users)	Rs. 6,000 (No recovery)
2.	Per family share in O&M cost per month	Rs. 30-50	Rs. 0-100
3.	Approximate number of user households	50-80	10-90
4.	Supply months	10-12 months	9-12 months
5.	Management responsibility	Society (user committee)	GP
6.	Perceived role of GP	Facilitator	Provider

Source: Field survey.

Under the RGNDWM, water is managed as if it is a club good (or private good). Though concessions were allowed to scheduled caste and scheduled tribe (SC/ST) households in the case of initial capital cost, strict exclusionary principles were followed in the supply of water. The following were the general features of the RGNDWM schemes.

- Awareness campaigns;
- Experts from higher levels involved in identifying suitable sites and preparing realistic budgets and estimates;
- Fund allocated as per realistic estimates;
- Projects implemented under the supervision of technical experts;
- Compulsory beneficiary contributions;
- Institutional arrangement in the form of user's society to undertake O&M; and
- Water distribution only to members and prompt collection of the user fee.

The beneficiary committees of the RGNDWM units managed all activities from identifying sites to implementing projects and distributing water. The committees collected user fees from all the beneficiaries with no exception to poor and marginalised groups. To ease the burden of users, several RGNDWM units adopted innovative mechanisms such as running mutual benefit finance schemes (chit funds or *kuris*) to raise finance for O&M.

The institutional structure of GP-sponsored water supply schemes was not comparable with those of the RGNDWM. Unlike RGNDWM schemes, most of the GP schemes provided water as a free good. There were public taps installed on roadsides, no metered house connections. Users were free to access water from these taps and LGs met the capital cost of installation. But in several cases, fund allocation was unrealistic and inadequate to meet the full cost of installation. Usually the total funds earmarked for drinking water projects were distributed equally among all the wards and different schemes in a panchayat. For example, in Panchayat I, Rs. 14,625 each was allocated to 11 drinking water projects implemented during 1997-98 and 2001-03. That amount was grossly inadequate for completing projects in several places. Completed schemes depended on GP funds for major repairs and replacing parts, especially motors and pumps, and were generally managed by the GPs.

We selected a random sample of four GP schemes and two units of RGNDWM projects for detailed assessment and evaluation. The sample drinking water projects, the cost incurred, the time of completion and their benefits were as follows.

Panchayat I: (a) RGNDWM project (about Rs. 6 lakh in 2002-03, coverage about 55 households); (b) panchayat drinking water scheme (began in 1997, borewell and water tank, coverage about 10 households).

Panchayat II: (a) panchayat drinking water project (borewell, and water tank, began in 2002-04, coverage about 90 households); (b) panchayat drinking water project (surface well and a water tank 1 km away, constructed in 2001-02, coverage about 70 households).

Panchayat III: (a) panchayat drinking water project (Rs. 2.62 lakh in 2000-01, coverage about 42 households); (b) RGNDWM project (Rs. 6.65 lakh in 2004-05, coverage about 80 households).

Qualitative data and criteria-based analyses indicated that all the water supply schemes were relevant. A slight difference in the relevance ratings of one unit in Panchayat I and another one in Panchayat III was because of their location disadvantage. Wells and tanks were not located in the most suitable places; rather they were located in places where

land was available either free or at relatively low rates. Criteria-based evaluation ratings of relevance are given in Table 9.

Table 9: Panchayat-wise evaluation ratings of relevance of drinking water structures

Sl. No	Criteria	Panchayats					
		I		II		III	
		a	b	a	b	a	b
1	Clarity of needs	5	5	5	5	5	5
2	Essentiality	5	4	5	5	5	5
3	Articulation of needs by users	5	3	3	3	4	5
	Relevance	**5**	**4**	**5**	**5**	**4**	**5**

Note: 5 - excellent, 4 - good, 3 - satisfactory, 2 - poor, 1 - very poor.

Given the high relevance of the projects, one would have expected great efficiency in implementation and use. But that was not the case with the GP schemes. Criteria-wise evaluations indicated that three out of the four sample GP schemes were implemented without any scientific information on technical feasibility and economic viability. One scheme in Panchayat I was too small to reap the economies of scale. Moreover, sufficient funds were not available for its efficient construction. But RGNDWM units were efficient and they reaped the benefit of economies of scale. Our evaluation ratings are given in Table 10.

Table 10: Panchayat-wise process evaluation ratings of efficiency of drinking water structures

Sl. No	Criteria	Panchayats					
		I		II		III	
		a	b	a	b	a	b
1	Information based	5	1	4	2	1	5
2	Financial sufficiency	5	1	5	5	4	5
3	Transparency	5	2	4	4	2	5
	Efficiency	**4**	**1**	**2**	**2**	**2**	**4**

Note: 5 - excellent, 4 - good, 3 - satisfactory, 2 - poor, 1 - very poor.

The sample RGNDWM units adopted a preference-based approach along with community participation in decision-making, especially for the choice of location, planning, design, implementation, control of finances and management arrangements.

The scheme provided a significant amount of capacity building and information, education and communication on water and social mobilisation. Water sources and tanks of RGNDWM schemes are located in suitable places. Land was bought in suitable locations at market rates, finances not being a constraint. Collectivism and co-operation of users was ensured through registered co-operatives. The scheme incorporated conservation mechanisms such as rainwater harvesting and ground water discharge systems for resource sustainability. Transparency in implementation was another highlight of the RGNDWM schemes. User societies directly supervised the implementation of the projects. LGs provided all facilities and support to officials and the local community. It was noted that the officials did not undermine people's preferences and the user community was given scientific information to take informed decisions on planning and implementation, right from selection of the site to O&M of the scheme.

The planning, implementation and management of GP drinking water supply schemes were a testimony to the clientelist approach of the decision-makers. Local leaders of the ruling party and ER followed a patron-client approach rather than leaving the GP schemes to the democratic and informed decisions of potential users. The LGs, therefore, failed to evoke a feeling of ownership among the users. The users, in turn, approached the GP for all kinds of repair and maintenance. Since the GPs were overburdened with a wide variety of functions, they had neither the time nor resources for efficient O&M to ensure an uninterrupted supply of water. However, user groups said that the schemes were very effective in addressing the problem of acute drinking water shortage in summer. As far as the local people were concerned, the schemes meant something in the absence of anything better. In all, the GP schemes were partially effective in mitigating the problem of acute shortage of drinking water during the hot months. Criteria-wise assessment and evaluation ratings (Table 11) point to the effectiveness and overall performance of the schemes.

Table 11: Panchayat-wise evaluation ratings of effectiveness of drinking water structures

Sl. No	Criteria	Panchayats					
		I		II		III	
		a	b	a	b	a	b
7	Supervision and monitoring	5	1	4	1	2	5
8	Maintenance	5	1	4	1	2	5
9	Sustainability	5	2	4	1	1	5
10	Present status of the project	4	2	4	1	3	5
	Effectiveness	**4**	**1**	**4**	**2**	**4**	**4**
	Overall performance	**4**	**2**	**4**	**2**	**3**	**5**

Note: 5 - excellent, 4 - good, 3 - satisfactory, 2 - poor, 1 - very poor.

Even though the GP schemes were poor in O&M, local leaders and ER provided all support for making them effective. Take the case of project (a) in Panchayat II. A user committee under the guidance of the local unit of the CPI (M) manages to provide free water to about 90 households through public taps. The GP meets the cost of the electricity used for pumping. Local leaders collect contributions from users to pay the pump operator. But nobody knows what will happen if the next panchayat committee objects to paying the electricity bill. ER and party leaders said that they were looking to restructure and revitalise the GP schemes without violating the principles of equity and inclusiveness. They also said that the institutional designs of RGNDWM schemes were good models that could be emulated since they provide examples for good governance synergised with the principles and processes of true decentralisation.

From a social perspective, the GP schemes were providing a useful service to the economically weaker sections of society, who fail to “demand” water as the beneficiaries under RGDWM schemes do. The beneficiaries of RGDWM schemes were households that could afford to share the capital cost of installation and their monthly share of O&M charges. Few GP schemes, on the other hand, provide water to households absolutely free. Given the widening inequality in the distribution of incomes and wealth, providing water at no cost to deserving households is an urgent necessity. A question that emerged from our analyses of the GP schemes is whether they have the necessary capacity, skills

and resources to address the issue of water supply. In the sample, the GPs did not seem to have acquired the capacity for efficient planning and implementation of water supply schemes. If the GPs fail to develop the necessary skills and capacity, it is likely that parallel schemes such as the RGDWM ones will gain more acceptance. But that would undermine the importance of local governance, which is expected to bring about equity and inclusiveness in the allocation of basic human needs such as safe drinking water.

(d) Buildings

The demand for most of the buildings came from two sources—transferred institutions; and the general public and organisations. Transferred institutions such as schools, hospitals, krishi bhavans and others raised the demand for buildings to provide improved services. Parent-teacher associations, for instance, demanded new school buildings. These public buildings were meant for a specific purpose and for the exclusive use of the institutions concerned. But the demands for community halls, markets, industrial units and others came from ER, party leaders and other individuals concerned. The nature and type of public buildings constructed and the agency of construction were not substantially different in the sample panchayats. Panchayat I constructed 21 anganwadis, eight farm houses, five community halls and 19 other buildings, including office buildings for an industrial production unit, between 1997 and 2009. The total expenditure was Rs. 80.2 lakh. Panchayat II invested Rs. 125.8 lakh for the construction of 35 buildings, comprising anganwadis, five community halls, two family welfare centres, a panchayat office building, and school and hospital buildings. Panchayat III constructed 12 buildings, investing Rs. 26.4 lakh between 1999 and 2005 for which data were available in the Asset Register. The buildings constructed included three anganwadis, two primary health centre buildings, two community halls and one *agathi mandiram* (house for the destitute).

Of the 100 buildings constructed in the three panchayats during the period of decentralisation, we selected a random sample of 14 (five each from Panchayat I and III and four from Panchayat II) for detailed study and analysis. The sample buildings, the cost incurred and the years of completion were as follows.

Panchayat I: (a) cashew factory (Rs 6.2 lakh, 2001-08); (b) women's self-employment unit (Rs. 3.5 lakh, 2006-08); (c) community hall (Rs. 3.0 lakh, 2000-01); (d) anganwadi/balawadi (Rs. 1.25 lakh, 2001-03); and (e) hospital (Rs. 3 lakh, 1999-2000).

Panchayat II: (a) agro-industrial unit (Rs. 11 lakh, 2004-06); (b) veterinary hospital (Rs. 4 lakh, 1999-2000); (c) solid waste-management plant (Rs. 10 lakh, 2004-05); (d) crematorium (Rs. 15 lakh, 2004-05); and (e) market (Rs. 9.9 lakh, 2002-03).

Panchayat III: (a) *agathi mandiram* (Rs. 3.75 lakh, 2004-05); (b) community hall (Rs 5.10 lakh, 2004-05); (c) women's cultural centre (Rs. 1.33 lakh, 2004-05); and (d) Kudumbashree training centre (Rs. 3.5 lakh, 2004-05).

From a series of focus group discussions and in-depth interviews with major actors and users it was understood that eight out of the 14 buildings (community hall, anganwadi and hospital in Panchayat I; veterinary hospital, solid waste management plant and crematorium in Panchayat II; and women's cultural centre and Kudumbashree training centre in Panchayat III) were relevant from the perspective of broad economic development and social welfare of the people in the region. Criteria-based analyses also backed the inferences drawn from the qualitative data. In the case of buildings such as the cashew factory and self-employment unit in Panchayat I, agro-industrial unit and market building in Panchayat II and *agathi mandiram* and community hall in Panchayat III, the decision-makers failed to present convincing arguments for their essentiality and relevance. The story of the cashew factory building, a typical case in point, is in Box 1. The relevance of all such buildings was poor or very poor (Table 12).

Table 12: Panchayat-wise evaluation ratings of relevance of buildings

Sl. No	Criteria	Panchayats													
		I					II					III			
		a	b	c	d	e	a	b	c	d	e	a	b	c	d
1	Clarity of needs	5	5	5	5	3	2	5	5	5	2	2	2	2	5
2	Essentiality	1	1	5	5	2	2	5	4	5	2	1	1	1	5
3	Articulation of needs by users	1	1	3	4	1	1	5	1	2	2	1	2	2	5
	Relevance	**1**	**2**	**3**	**4**	**3**	**2**	**5**	**5**	**5**	**2**	**1**	**2**	**4**	**5**

Note: 5 - excellent, 4 - good, 3 - satisfactory, 2 - poor, 1- very poor.

The overall efficiency of all but five buildings (anganwadi and hospital in Panchayat I; veterinary hospital in Panchayat II; and women's cultural centre and Kudumbashree training unit in Panchayat III) was below satisfactory. Criteria-wise analyses indicated that three of the five satisfactory or good buildings (anganwadi in Panchayat I, veterinary hospital in Panchayat II and Kudumbasree training unit in Panchayat III) were with transferred institutions. They have well-defined users/beneficiaries with ownership rights. None of the other sample buildings were constructed on the basis of proper planning with their efficient use in mind (Table 13). Nor do they form part of a comprehensive plan either for local economic development or for the welfare of the people in the region.

Table 13: Panchayat-wise evaluation ratings of efficiency of building construction and use

Sl. No	Criteria	Panchayats													
		I					II					III			
		a	b	c	d	e	a	b	c	d	e	a	b	c	d
1	Information based	1	1	1	4	1	1	5	1	1	1	1	1	2	5
2	Financial sufficiency	1	1	3	4	4	5	5	5	5	5	5	4	5	5
3	Transparency	1	1	2	4	4	2	4	2	2	2	3	3	3	3
	Efficiency	**1**	**1**	**1**	**3**	**3**	**1**	**4**	**1**	**2**	**1**	**2**	**1**	**3**	**3**

Note: 5 - excellent, 4 - good, 3 - satisfactory, 2 - poor, 1- very poor.

Except for the cashew factory and self-employment unit in Panchayat I, finance was not a constraint for the construction of the buildings. For, convergence of schemes and sources of funds were attempted in the construction of all types of buildings. Besides own funds and plan grants, support from other tiers of LSGs, central and state government grants and MLA and MP local area development funds were utilised for their construction. Anganwadi buildings, for instance, were constructed with the support from Integrated Child Development Scheme (ICDS) funds. The hospital building was constructed with support from MLA/MPLAD funds. Community halls were constructed with corpus funds for SC/ST welfare. The crematorium in Panchayat II was constructed with funds from multiple sources. Individuals and beneficiary committees contributed to the construction of buildings in the form of free land or labour and money. However, transparency was not satisfactory in the case of 50% of the buildings since contractors constructed all of them. On the whole, our assessments confirm that with regard to efficiency, nine of the 14 sample buildings were below satisfactory (Table 14).

Local community and user groups were not happy with the performance and effectiveness of buildings other than those owned by the transferred institutions and the Kudumbashree training centre in Panchayat III. Criteria-wise analyses confirm the opinion of users. Participation of "clients" was very poor in the supervision and monitoring of buildings in Panchayat I and Panchayat II. A similar trend was observed in the O&M of these buildings. We enquired why the clients were so disinterested in public assets such as community halls. Their responses were revealing. The community hall in Panchayat III had a long hall, rooms on the side and toilets. Even though the hall and rooms were fitted with electrical equipment, there was no power supply. The toilets were not in a usable state. The building was constructed using the corpus fund of the SC/ST development department, with ER and local leaders taking the initiative. Although the SC and ST communities were supposed to be the major beneficiaries, none of the clients we met had a feeling of ownership. Nor did they find any major use for the building except for party meetings and grama sabha or *ooru kootam* (village assembly) meetings. So, what had really taken place was an overt "party capture" of the resources meant for the welfare of one of the marginalised sections of society.

Table 14: Panchayat-wise evaluation ratings of effectiveness and overall performance of buildings

Sl. No	Criteria	Panchayats													
		I					II					III			
		a	b	c	d	e	a	b	c	d	e	a	b	c	d
7	Supervision and monitoring	1	1	1	4	2	1	5	1	1	1	3	3	3	3
8	Maintenance	1	1	2	4	2	1	4	1	1	1	5	1	4	4
9	Sustainability	1	1	2	4	2	1	5	1	1	1	1	1	2	4
10	Present status	1	1	3	3	2	2	4	2	2	3	4	2	4	4
	Effectiveness	**1**	**1**	**1**	**4**	**2**	**1**	**4**	**1**	**2**	**1**	**2**	**1**	**3**	**5**
	Overall performance	**1**	**1**	**2**	**4**	**3**	**1**	**5**	**1**	**2**	**1**	**2**	**1**	**3**	**4**

Note: 5 - excellent, 4 - good, 3 - satisfactory, 2 - poor, 1 - very poor.

The story of the community hall in Panchayat I was even more revealing. It was constructed in 2000 with the corpus fund for STs at a small junction. Thirteen ST and two SC households were the major clients or users. The idea and initiative for the hall had come from ER and local leaders. *Ooru kootam* office bearers had neither the means nor skills to manage the hall. So the local unit of the ruling political party took over O&M of the hall and its furniture. Part of the building was used for a tailoring training unit and a temporary library was functioning in a room on the side. The *ooru kootam* office bearers were not happy with this "party capture". However, they had no alternative but to accept the dictates of the party unit. This meant that there was not even the trace of democracy in key decision-making on the functioning of the community hall. The story of other buildings was not very different. None of them, including the house for destitute in Panchayat III, the cashew processing unit in Panchayat I and the agro-industrial unit in Panchayat II, were used effectively. There were only two inmates in the *agathi mandiram* meant for 10 persons. The authorities did not have any realistic programmes or proposals for the efficient functioning of the grossly under utilised agro-industrial unit. Since most of these buildings were new, their current status was good, though they are likely to deteriorate in the near future.

Box 1

Building for cashew-nut processing unit in Panchayat I

Cashew cultivation was one of the major livelihood activities of people of this panchayat. Marginal farmers who cultivate cashew on about 2,770 ha of land usually failed to get reasonable prices because of inadequacies in the procurement programme of government agencies. Though processed nuts are a high-value commodity both in local and international markets, there were no processing units in Kasargod and nearby districts. So the GP decided to start such a unit to help farmers. The idea was mooted by ER and local leaders and was routed through the grama sabha.

Construction work began in 2000 with an initial investment of Rs. 4.14 lakh and an additional Rs. 60,000 was sanctioned for completing the work in 2004. When the GP applied for a nut processing licence in 2004, it came to know that the building did not satisfy the technical specifications necessary for starting a cashew unit. Therefore, Rs. 2 lakh more was spent for meeting the technical specifications. Again, Rs.1.49 lakh was spent in 2007-08 for the purchase of machinery. In spite of all this, the unit remains idle with no power connection and no licence to run.

At the time of our visit in January 2010, we saw that a small portion of the building had been allotted for cashew nut processing under the aegis of the district Kudumbashree Mission. A group of 10 women from a local Kudumbashree unit were processing cashew nuts. In sum, the LG did not have the expertise, resources and technical know-how to run a cashew factory. So, the long-term sustainability of the cashew-processing unit that was started without any feasibility studies is doubtful.

(e) Roads

Roads accounted for about three-fourths of the total investments made by the panchayats in public assets during decentralisation. As mentioned earlier, Panchayat II tops with a relative share of investment in roads equivalent to 145% of the average plan grants allotted to it. That implies that not only the GPs but also the other tiers of LGs and central and state government departments invested in roads during the period 2002-09. On the whole, the total road length more than doubled in all the panchayats since 1996 (Table 15).

Table 15: Road length in the sample panchayats

Panchayats	Road length (in km)		
	1996	Added during 1997-2009	Total in 2009
I	117.13	105.02	222.15
II	39.06	41.87	80.93
III	94.47	78.04	172.51

Source: Compiled from the Asset Registers and other office records of the panchayats.

The process involved in road creation was slightly different from that of other public assets. When the campaign for democratic decentralised planning was at a high during the early years of decentralisation in the late 1990s, civil society organisations, arts and sports clubs and youth organisations took the lead in constructing new roads where road facilities were absent. Since the actors and users were convinced about the relevance of roads, landowners, who were also potential users, generally offered free land and labour and cooperated with the temporary committees voluntarily. Unwilling households were often cajoled—in some cases threatened or persuaded by force—to hand over land for road construction. Once temporary mud roads were built, the general practice was to transfer them to local panchayats. The process was almost same in all the panchayats. Therefore, the demand for improvement and maintenance of roads was the single most important subject that came up for discussion in grama sabha meetings.

Before the advent of decentralisation, local arts and sports clubs, youth clubs and other organisations enthusiastically undertook the job of repairing and maintaining mud roads either free of cost or on a contract basis. But after decentralisation, the temporary committees withdrew or disappeared from the scene once the LGs took over the newly built roads as a public or community asset. Any further work on them was seen to be the responsibility of LGs. In addition, none of the earlier organisations or beneficiary committees was willing to participate either in the first or second-stage activities to do with road improvement (such as shoaling and tarring). These activities were usually entrusted to contractors.[11] Contracts were given out in bits and pieces to suit to sectoral

[11] Government guidelines permit the LGs to contract out public works costing more than Rs. 50,000.

targets fixed by the state government and ward interests of ER.[12] Given the scarce financial resources and high pressure for road works, each ward member fought for at least an equal share of funds for his or her ward. Panchayat II, for instance, implemented 234 road projects and spent about Rs. 8 crore between 2002 and 2009. Panchayat III implemented 188 road projects costing Rs. 2.1 crore and Panchayat I implemented 140 projects with a total expenditure of Rs. 1.54 core during the same period. The thin spread of funds across a large number of projects and the lack of public participation in implementation seem to have affected the quality and efficiency of the roads constructed under decentralisation. Two typical cases are cited in Box 2.

On assessing the effectiveness and overall performance of rural roads, it was learnt that all the common pathways, canal bunds and narrow natural canals bordering polders (paddy fields or *ela*) were first converted to mud roads and later to motorable roads. Initially these roads facilitated the transport of materials to farm fields and produce from them to markets quickly and easily. But later on most of the farm fields, especially paddy fields, on both sides of the farm roads were converted to house plots. Improved road networks provided several positive externalities to the local community. The market value of house plots increased several times over that of the original farm fields and the households on both sides of public roads got power and telephone connections. Their access to the nearest town and market increased substantially. An overall improvement in transport facilities contributed to economic development of the entire region. But the real benefit of road development was proportionate to the size of plots people owned. One of the negative impacts of farm roads was that paddy fields on both sides of the roads were reclaimed for non-agricultural purposes. Its ecological and environmental effects are likely to affect the livelihood conditions of the deprived sections more than any benefits they might have received.

[12] Ward members or ER are averse to risking their future prospects by alienating their vote banks. Each member wants to bring in the maximum public goods and services to his or her constituency. So the general practice is to divide the funds allotted for public goods such as roads equitably but thinly among all ward members, who consider this right. This interest of ER is because a less than equal share would be construed as an indication of their incapability.

Box 2

Quality of panchayat roads

The total length of a sample road in Panchayat I was about 3 km. One can assess the quality of the road just by considering its current status. The first 1 km was tarred six years ago and the next 200 metres in 2009. Shoaling of the next 700 metres was completed a few years ago and the last segment of 1,100 metres still remains a mud road. Piecemeal work on the road was due to poor financial allocation and that, in turn, was the result of equally dividing and thinly spreading funds across the wards each year. The current status and condition of roads in Panchayat III is no different. For instance, the first 1.25 km of a 1.75 km panchayat road has been tarred and shoaling has been completed on the next 500 metres. This has also been due to the equal but thin spread of funds for roads. But Panchayat II appears to be slightly different. The current status of most of the panchayat roads in it is good.

V

General discussion and policy implications

The vision and perspective of Kerala's decentralisation process emphasises the role of LGs in participatory decision-making and the transparent and efficient implementation of various schemes and projects (Patnaik 2001). But detailed evaluation of the overall process of capital investments for community assets in the sample LGs did not bear testimony to this perspective of local governance. Governance in this context is defined as the manner of governing, which means how an LG exercises its powers and resources to address the basic development and infrastructure needs of the local community as well as to provide basic services and cater for the welfare needs of the deprived sections of society. Our normative evaluations indicated that the LGs had an information advantage. As rightly hypothesised by Bardhan, local politicians and ER have an incentive to use local information to identify public/community assets to be created in the local context (2010). Most of the assets we examined, except a few buildings, were relevant to local economic development and the infrastructure needs of the people. That implied the LGs

utilised the information advantage to identify societal needs and allow for channels to represent these needs in decision-making bodies. But when it came to the articulation of needs by users, the LGs flouted the basic tenets of democratic and participatory decision-making envisaged in Kerala's decentralisation process.

LGs in Kerala have been endowed with the powers and authority to plan, implement and use asset projects efficiently. Efficiency, in the present study, was assessed from three angles—whether projects were information based; whether there was financial sufficiency; and whether transparency and accountability were ensured. It was found that finance was not a major constraint for implementing projects, apart from roads. Efficiency was affected mainly due to faulty planning because of the lack of scientific information and inadequate accountability mechanisms. Take the case of irrigation and drinking water structures. They were highly relevant from the perspective of the basic infrastructure needs of the local people. But when it came to outcomes, irrigation structures failed to have a substantial impact on agricultural production and crop patterns in the region. Improved irrigation facilities and ME did not contribute to an increase in the area under rice and other food crops. Rather, they declined substantially in all the panchayats after the launch of decentralised planning (Table 16). Paddy fields continue to be diverted to other purposes. One can argue that it is not unique to the study region or even Kerala as a whole though a sizeable proportion of plan funds are spent on developing agriculture. Even in the least developed societies "decentralisation has not been able to arrest the deterioration in agricultural services" (Francis and James 2003). But, given their powers and authority to address the real issues, LGs should have devised realistic projects in tandem with increased irrigation services and ME to induce farmers to continue cultivating rice.

Table 16: Panchayat-wise area under rice and other food crops in 1996 and 2009

Panchayats	Area in Ha		Change	
	December 1996	December 2009	In Ha	Percentage
I	265.2	236	(-)29.2	(-)11.0
II	243.5	192.0	(-)51.5	(-)21.1
III	232.0	189.0	(-)43.0	(-)18.5

Source: Krishi Bhavans of the panchayats.

Check dams provided positive externalities in the form of improved transport facilities (road and bridge) and increased drinking water availability in the catchment area. Successful co-ordination and integration of several watershed-based development programmes of the central and state governments contributed to the effectiveness of check dams. Moreover, the GPs also dovetailed MGNREGA activities with watershed development programmes that contributed to the augmentation of ground water.

Drinking water supply schemes were effective in addressing the problem of acute scarcity of water in summer. But a lack of institutional capacity[13] was evident in the construction and O&M of GP schemes. Formal institutional arrangements were practically absent for water pumping and distribution. It was the client-patron relationship between the providers (ER and local leaders of the ruling party) and users that sustained uninterrupted water supply. The providers made arrangements for pumping water, for timely repairs and maintenance and to pay electricity bills. However, this clientelistic approach negated the basic tenets of participatory democracy and decentralised governance.

The LGs appeared to have failed to ensure equity and welfare provisions for the deprived sections. For instance, water supply connection points were usually located on the side of motorable roads and those living in the interior, especially in rural areas, were likely to be discriminated against. If governance is for the wider benefit of society, which predominantly comprises the poor, "no citizen should suffer because of her/his choice of location of residence" (Oommen 2000: p. 412). But in the sample GPs, location disadvantage made the real benefit of free water supply inaccessible to several households. RGDWM schemes were "market driven" and despite their poor finances, the deprived sections had to share the cost of running the water supply scheme. The most deprived and marginalised sections of society such as SC and ST communities did not have control over community halls (public assets) constructed with funds meant for their welfare. This implied that the equity and welfare aspects had not been given due importance.

[13] Following Steiner, institutional capacity is defined as "the ability to set and enforce rules that govern economic and political interactions which must of course be within the scope of local authority" (2010).

The overarching control of the ruling party was evident in the management and use of community assets. The construction and use of community halls, the cashew factory and agro-industrial unit were typical cases in point. It was learnt that local units of the ruling party covertly controlled local governance through ER. For, the ER had to abide by the dictates of the party. That reminded us of the theoretical and empirical finding and warning that "local governments in most developing societies have been vulnerable to capture" (Bardhan 2010; Burki et al 1999; Huber et al 1997; Lieten, 1996). So far such capture either by elites or political parties was not all that evident in Kerala (Santhakumar 2010; Heller et al. 2007). However, our assessments clearly indicated covert capture of public assets by local units of the ruling party. The ruling party appeared to be interested in perpetuating the agency of the "local leader" as a provider of public services. As for the sharing or distribution of the benefits of the projects implemented, we could not find any discrimination among the "clients". That is, both supporters and opponents of the ruling party were treated equally in sharing the benefits of the schemes. Yet, the fact remained that the ruling party had been playing the role of a benevolent provider. That, in turn, totally negated the basic principles of decentralisation. Moreover, we were sure that if the decision-makers were willing and able to adhere, in a transparent and accountable manner, to the decentralisation process outlined in the project documents, the outcomes would have been far better. This implied that urgent policy measures and practical programmes were required to see to it that LGs do not deviate from the processes laid down for the preparation of plan projects, their implementation and monitoring.

VI

Summary and policy suggestions

This paper addressed three inter-related issues related to the creation and use of public/community assets created under decentralisation in Kasargod district of Kerala. The paper investigated the relevance, efficiency and effectiveness of irrigation structures, water supply schemes and public buildings. It also evaluated the overall performance and outcomes of roads and ME. We found that the sample LGs had an information advantage

to identify projects relevant to the basic and infrastructure needs of local development and the social welfare of the people. But when it came to the principles of democracy and participation, local leaders and ER seemed to flout the lofty principles of decentralisation.

As far as efficiency in the creation and use of public assets was concerned, we found that most projects were not planned on the basis of factual data or scientific information on technical feasibility and economic viability. Although finance was not a major constraint for construction, the LGs seemed to have failed to use funds efficiently. Institutional mechanisms for maintenance and O&M were absent, hindering the sustained use of the assets. That was either due to lack of capacity of the LGs or because of disinterest on the part of the decision-makers and users. An overemphasis on the agency of local leaders and party units as providers of the public services discouraged the participation of "clients" in the management and use of assets. Even though people were self aware, given their vulnerabilities, they were reluctant to protest against the clientelistic approach of ER and local leaders.

Analyses of the effectiveness of the assets created indicate that irrigation structures and ME, though useful, were not sufficient to induce farmers to improve agriculture, especially rice cultivation. Check dams provided several positive externalities such as augmentation of water sources and improved transport facilities. Drinking water structures and buildings provided useful services to the local society. But they failed to ensure the equity and welfare promised to deprived sections under decentralisation. Even though the quality of a few roads was not good, improved road connectivity had contributed to the overall economic development of the panchayats studied.

On the whole, while the asset projects in all the GPs appeared to be satisfactory in terms of relevance, their main weakness seemed to be poor quality and efficiency in implementation and use. The LGs exhibited poor capacity for efficient and effective planning within a transparent framework that ensured accountability and equity. Based on the findings of the study, we would like to suggest the following measures for improving the quality, efficiency and effectiveness of assets projects.

Planning and project preparation requires factual data and the services of professionals and skilled and trained personnel. There is already a procedure in place for LGs to avail themselves of the services of local experts to help prepare plan proposals and projects, and as advisors. But this is almost redundant when policy-makers are not willing to adhere to factual data-based planning because it would eliminate, or at least reduce, the scope for clientelistic party politics, which is imperative for perpetuating the agency of the local leader as the provider. It is also true that factual data on several key issues are not available at the GP level. So we suggest that a data warehouse be created at the GP level. All the line departments and agencies and institutions collecting data related to the development aspects of a region should have to maintain it in a retrievable format and share it with LGs. The statistical system should support this so that LGs always have updated data required for local-level planning. Technical experts have to be given the freedom to prepare technically efficient, economically viable and socially relevant projects based on factual data. The institutional capacity of LGs has to be enhanced so that they can choose and prioritise efficient projects looking at the resources available to them at each point in time.

Maintenance and upkeep of community assets under the ownership of LGs require a separate budgetary provision and institutional arrangements. Responsibility for the O&M of each asset should be assigned to specific individuals or agencies, and they should be made accountable for the use of community assets such as community halls. In brief, an overall change is called for in the practice of project preparation, implementation and O&M if assets are to be created in an efficient and sustainable manner under decentralisation.

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Appendix A

The three main criteria used are relevance, effectiveness and efficiency. They are consistent with the International Fund for Agricultural Development (IFAD) evaluation method, which ensures people's participation throughout the evaluation process. The meaning and definition of the main and sub-criteria used are as follows.

Relevance is defined as the extent to which a project (development intervention) is consistent with local development needs and priorities and also with the "requirements" of the beneficiaries and policies of the government (provider). The following three aspects are used to examine whether they are in conformity with the processes of participatory and decentralised planning envisaged in Kerala.

1. Needs identification, or identifying needs, (clarity of needs). A clear idea about whether a project is actually required for local development, especially to improve the quality of service delivery or the welfare of the people in a location. Verification of the project documents and discussions with major user/beneficiary communities help gather the relevant information on needs identification.
2. Clarity about who the users/beneficiaries are and clarity of purpose and use (essentiality). This indicator is to elicit information on whether the potential users/beneficiaries are identified in advance and also to understand whether there is any "capture" by interest groups.
3. Whether the potential users themselves articulated their needs (articulation of needs by users). The question of who articulates the need for a project in a grama sabha and other grass roots-level democratic forums is an indicator of awareness, democracy and participation of the local community in decision-making.

Efficiency means how economically resources or other inputs are converted into results. Right information, sufficient finance and transparency in decision-making are the essential requirements for ensuring efficiency in implementation. The meanings of the three sub-criteria are:

1. Scientific assessment/information on technical feasibility, economic viability, and social acceptability (information based).
2. Finance allocation (sufficient finance). Financial planning and sufficient allocation of finance are essential for the successful completion of a project.
3. Transparency in implementation (transparency). If the execution of a work is carried out in the way in which it is documented in the project proposal, we can take it as excellent in terms of transparency.

Effectiveness is defined as the extent to which the basic objectives are achieved or are expected to be achieved. The following four aspects are expected to have an effect on the effectiveness of a project. Moreover, they are in conformity with the process envisaged in the implementation of a project under decentralised planning.

1. Supervision and monitoring mechanism. Proper supervision and a monitoring mechanism are essential for efficient execution of the work related to the creation of an asset. The institutional structure for supervision and monitoring is evaluated in terms of how efficient it was in practice.
2. Mechanism for proper maintenance. Unless there is an institutional mechanism for operation and maintenance, it is likely that the quality of an asset will deteriorate. This is evaluated in terms of how efficient the institutional mechanism for operation and maintenance of a project is.
3. Mechanism for sustained use. An institutional arrangement for ensuring the present as well as the future use of a project is essential for its long-term effectiveness. We need to understand and evaluate how effective these arrangements are for the sustained and uninterrupted use of the asset created.

4. Current status of the project. This is measured in terms of how best the project is now being put to use and what the quality status of the structure and equipment is.

Besides the above three main and 10 sub-criteria, we arrived at an overall project performance rating based on the ratings of the three main evaluating criteria. The entire evaluation and assessment exercise was based on qualitative information. Evaluators were expected to use their judgement in determining the performance rating related to each criterion and also the overall performance of a project. Each criterion was measured on a five-point scale ranging from excellent to very poor. These qualitative measurements were 5: excellent, 4: good, 3: satisfactory, 2: poor, and 1: very poor.

Abbreviations

LG	- Local Governments
LDF	- Left Democratic Front
UDF	- United Democratic Front
MGNREGP	- Mahatma Gandhi National Rural Employment Guarantee Programme
ER	- Elected representatives
IFAD	- International Fund for Agricultural Development
ME	- Machines and Equipment
BPL	- Below Poverty Line
GP	- Grama Panchayat
MLI	- Micro-level Institutions
CPI (M)	- Communist Party of India (Marxist)
IKM	- Information Kerala Mission
PDM	- Panchayat Development Report
PSS	- Padasekhara Samithis
O&M	- Operation and Management
VCB	- Vented Cross Bars
RGNDWM	- Rajeev Gandhi National Drinking Water Mission
PHC	- Public Health Centre
FGD	- Focus Group Discussion
ICDS	- Integrated Child Development Scheme