

## **DECENTRALISATION AND COMMUNITY ACTION**

It is a special privilege for me to give this talk in memory of my long time friend and colleague Iqbal Singh Gulati. Iqbal's distinguished career spanned teaching (Baroda University, Centre for Development Studies), research and contributions to debates on contemporary issues of development centering mainly but not exclusively on public finance and Centre state financial relations. He was part of the Kaldor team that prepared the famous report on reform of India's direct taxation system. He was a member of the Finance Commission and later Vice Chairman of the Kerala State Planning Board.

In his later years, he got deeply interested in Kerala's development and as Vice chairman of the State Planning Board played an important role in shaping the state's development policy particularly for promoting decentralised democratic planning. He took active part in formulating the strategy for empowering elected panchayats and was a key figure in steering the state-wide campaign of the 'people's planning' movement. Despite indifferent health, he travelled extensively throughout the state and explained the rationale for and implications of devolving authority and resources for local development to elected local bodies.

It is therefore fitting to devote this lecture in his memory to a discussion of the evolution of the concept and practice of decentralized people's planning and its future role in India's development. What I wish to do is to (1) briefly review the chequered history of democratic decentralisation and the factors that impede the process; (2) emphasise the importance of collective and cooperative actions to deal with a wide range of social and economic activities at the local level: and (3) the necessity to give greater attention to strengthening existing and creating new community level institutions for managing these activities.

I should enter a couple of caveats at the outset: Much of what I have to say is neither new nor original. It is not based on any research of my own but on knowledge and impressions gained from reading research papers, talking to persons with first hand knowledge of the field, and interactions with NGOs and elected Panchayat leaders.

Decentralisation is a deeply political issue and therefore I will be stressing the political aspects which are common in all parts of the country. I will not be speaking specifically of Kerala except to say that I am an admirer of the sustained efforts of the Left Front governments and People's Science Movement to promote decentralisation against great odds.

### **Chequered history**

The rationale for decentralisation is both ideological and functional. Its ideological roots can be traced to Gandhiji's concept of 'Gram Swaraj' and self-governing and self-reliant villages as the basis on which the country's democratic super structure should be built. The Constitution makers, however, chose in favour of a federal system with powers concentrated in the states under a strong central government. The Constitution did not even mention villages much less give them a place in the country's governance structure.

Experience with the Community Development programme of the fifties showed that centralized programmes, however well conceived, did not produce desired results in terms of development at the grass roots when implemented through a centralized bureaucracy. It highlighted the importance of people's involvement and participation in local development. This realization led to the appointment of the Balwantrai Committee which came out strongly in favour of entrusting the responsibility for planning and implementation of local level development programmes to democratically elected village and district level Panchayats.

While several states enacted enabling legislations, there was much debate and controversy over the structure of Panchayat Raj (PR), the powers and functions of their different tiers as well as their relations inter se and with the state government. The state governments and the bureaucracy were far from enthusiastic about handing over resources and authority to PR bodies to choose and implement programmes in their domains. Local MLAs and MPs were strongly opposed because they felt that it would reduce their political power and influence. The opposition from upper tier of political class across practically all parties and the bureaucracy became stronger as the scale of rural development and poverty alleviation programmes increased. The impasse was sought to be resolved by inducting them formally into the process of advising or deciding on local development schemes and restricting the executive and financial powers of elected local bodies.

The attitude of states to PR remained indifferent: many did not even bother to hold regular elections. A few did take bold initiatives to revive democratically elected Panchayat Raj Institutions (PRIs) and to enable and empower them: Karnataka under Ramakrishna Hegde's first ministry enacted legislation that sought to give PR institutions unprecedented autonomy and resources. Kerala in the seventies passed a law that was even more radical in seeking to broaden the role of local bodies to cover even law and order and justice. But no attempt was made to implement the Kerala law; while in Karnataka it was soon amended under pressure to restore the status quo.

Meanwhile as the poverty alleviation programmes sponsored and funded by the Central Government grew apace, concerns about diversion of funds, poor quality of programme implementation, and massive leakages and corruption also increased. Rajiv Gandhi's famous public statement that only 15 per cent of the expenditure serves the intended purposes and reaches the target beneficiaries articulated this concern. Then followed his attempt to deal directly with district officials and Panchayats and transfer Central funds to them rather than through the state governments. It had to be abandoned in the face of the, entirely well founded, furore that the move would subvert the federal structure. It is a reasonable, and plausible, conjecture that this triggered the idea of changes in law that would give PRIs as well as urban local bodies a formal status in the governance structure of the country with mandatory provisions for regular elections, specifying local development functions to be entrusted to them along with authority and resources. This was the purpose of the 73<sup>rd</sup> and 74<sup>th</sup> amendments to the Constitution.

The amendments were passed by Parliament unanimously without much substantive discussion and secured the approval of the majority of state legislatures. This is rather surprising because there was no sign of MPs and MLAs, the upper tier of the political class or the bureaucracy being persuaded or willing to shed their control over local level development programmes. Their approval was obtained by leaving several important details regarding the role of PRIs in planning and implementation of local development to be decided by the states. This left enough room for them to maintain the status quo.

In the event, while all states have followed the letter of the constitutional amendment, MLAs, MPs and influential local political figures along with bureaucracy continue to play the major role in decisions on where and which schemes are to be implemented and who gets the loans/grants and contracts. In

addition, MPs and MLAs also voted themselves large grants from the exchequer for sponsoring and funding development projects in their constituencies.

The implementation of the constitutional amendment in its true spirit has been very uneven and halfhearted: some states are more pro active than others; the large majority of them are lukewarm. In the event it has not made much of an impact on the way local level social and economic development schemes at the grass roots are planned and implemented.

State governments, upper tiers of the political class and government bureaucracy continue to stall transfer of resources, authority and responsibility for local development to PRIs. Central grants meant for rural development and poverty alleviation programmes are diverted for other purposes; the transfer of funds to the accounts of PRIs is held up or delayed. PRIs are only nominally involved in planning and implementing local development and poverty alleviation programmes. Local MLAs and MPs continue to have a significant, if not dominant, say in these matters by virtue of their membership of advisory committees. Executive authority for final approval, financial sanctions and release of funds remains with the officials of the state government.

Instances abound of projects on which allocations are spent, allotted funds are certified to have been utilized and works are reported to be completed but with little or no trace of the work on the ground. A high proportion of the loans and grants, ostensibly meant for the poor, never reach the poor. There is a conspicuous lack of interest or concern for observing guidelines regarding maintenance of accounts, register of projects completed and under construction and registers of beneficiaries. Guidelines regarding regular independent audit and making information available to all members of the Gram Sabha are also not followed. The Central Government also does not insist on states to follow the guidelines or devise its own mechanisms to check the veracity of reports sent by states and for monitoring ground level reality. All this leaves much scope and opportunity for cynical misuse of public resources for corruption and political patronage.

There is widespread skepticism, not only among politicians and the bureaucracy but also among influential segments of intellectuals about the efficacy of democratic decentralisation based on the alleged widespread corruption in PRIs; their lack of experience and professional competence necessary to plan and implement schemes efficiently; and the continued dominance of large land owners and upper castes in local power structures.

### **Corruption**

The apprehension about corruption in Panchayats, the noise that is made about it by governments, their bureaucracy and the media and the tendency of the state governments to wield the big stick to check it, are vastly out of proportion to its incidence and magnitude compared to what happens in the rest of the publicly funded development programmes.

Corruption is indeed widespread. It is common knowledge that a large part of funds allocated to local development schemes is being hived off to sustain widely diffused and institutionalized patronage networks through which the parties in power share the 'spoils of power' with their functionaries and cadres down the line. Empowering PRIs in the spirit of the 73rd amendment would cut deeply into these opportunities. Apprehensions on this account and perhaps a latent apprehension that empowering elected local bodies will lead to wider and more intense competition for access to higher tiers of politics, explain the strong political opposition to decentralisation both by incumbent members of legislatures and parliament as well as those aspiring to these offices. Under this system, the Panchayatdars are not the main culprits. PRIs have little or no role in planning and implementation of Rural Development and Poverty Alleviation (RD and PA) programmes. But they can and do get easily co-opted as partners

into the larger network for distribution of the gravy. Their role and take however are, at present, miniscule compared to that of local MLAs and MPs, contractors chosen by them and the local functionaries of various government departments. This is not to say that the elected members of PRIs are incorruptible. But, by making their activities more visible to the people of each community and open to scrutiny and questioning, incumbents in office, who have to seek re-election, are likely to be far more restrained.

### **Capacity of PRIs**

Funding is an obvious constraint on PRIs' ability to play an effective role in local development. At present, they do not mobilize tax or non-tax revenues of their own on any significant scale. They depend mostly on transfers from the state government out of its revenues according to the recommendations of the State Finance Commissions and from the Centre for Centrally funded rural development and poverty alleviation schemes. But these funds are routed through the state governments which do not always hand them over fully and promptly to PRIs. Their freedom to determine the use of these transfers is also severely constrained in several ways:

- PRIs are expected to meet the cost of their staff, most of whom are employees of the state government which also fixes their emoluments.
- Central grants are tied to a variety of programmes. Switching of funds between different schemes is not allowed. The components of each programme and allocations of funds among them are spelt out in detailed and rigid guidelines.
- Central grants are meant for plan schemes without any provision for continued maintenance and operation.
- In any case, PRIs' authority to sanction schemes and expenditure is severely limited.

Relaxing these constraints is of paramount importance for realizing the potential of decentralised development. Kerala government's initiative of transferring about 30 percent of plan funds and 20 percent of its revenues to PRIs as block grants must be commended as a big step in this direction. One would like to see more states taking similar initiatives and leaving enough freedom and flexibility for PRIs to decide the use of resources according to local needs, possibilities and priorities.

It should be noted, however, that the scope for flexibility in the use of state government revenue grants by PRIs is extremely limited as most of it reportedly goes to pay salaries and benefits of their staff on secondment from the state. There is much to be said, both in the interest of economy and in ensuring greater control over staff, to allow PRIs greater freedom to appoint their personnel and determine emoluments. As a major source of funds for local development, the Centre can make a significant difference by reducing the number of Central schemes by grouping and eventually merging them into a few functionally homogenous categories, and by giving PRIs the flexibility, subject to broad guidelines, to decide their utilization.

PRIs cannot discharge their responsibilities if they depend, as they currently do, mostly on transfers from the state and Central governments. At present, since they have hardly any role in deciding the utilization of these funds, PRIs are under no pressure to raise their own resources. Nor do they have any incentive. But there are indications that they do mobilize local resources when they have an active role in local level planning by way of, for example, voluntary labour contributions, higher collections from auction of community resources (such as fishing rights of tanks, trees, tank bed silt), construction and renting out commercial buildings. In principle, PRIs can also borrow from financial institutions to finance infrastructure schemes provided they are viable and the PRIs show the capacity to manage them well and have the capacity to repay.

## **Institutions**

Larger and more flexible funding is necessary but not sufficient, unless accompanied by more effective and efficient use of funds. There is much scope for improvement in these aspects even under the present regime by addressing well known structural defects in the existing programmes by

- rationalizing RD and PA programmes to eliminate overlapping/duplication and bring about convergence;
- involving PRI representatives and knowledgeable local people to assess and prioritise felt needs of the locality;
- taking advantage of their first hand knowledge of conditions specific to each community;
- devoting more resources for preparatory surveys and technical design for resource development schemes;
- eliminating the contractor system and encouraging communities to take the responsibility for construction works; and
- making adequate provisions for proper maintenance and management of completed works.

The more difficult task is to build the institutional capacity at the district and sub-district levels for planning, implementation and continued management of development activities.

Initiatives for improving public health, education, water supply and sanitation services and for raising the production potential of the communities' land and water resources have almost exclusively come from the upper tiers of government. Local bodies and village communities have for long got used to, and are conditioned to expect, that the government will decide, implement, finance and manage all local development works. They tend to rely on local leaders with access to the wider political and bureaucratic network to lobby for schemes and handouts often for the benefit of particular groups rather than the community as a whole.

Villages do have traditional institutions for management of village temples, tanks and community festivals and for regulating access to and use of common lands. Well intentioned interventions— like taking over the responsibility to restore derelict and damaged traditional local irrigation works and maintaining them in good repair - weakened pre existing institutional mechanisms for community management. Attempts have also been made to foster institutions for new forms of collective action – of which cooperative credit societies are an outstanding example. But these are not conspicuous for their success which only underscores the weak tradition of community based institutions for collective action. More recent state initiatives to create institutions for participatory management of social services and common production resources have also failed to build vibrant local institutions capable of handling these tasks.

The space for their development has been severely constrained, in fact choked, by the government taking over these functions and managing them through a centralized bureaucracy. At present, these tasks are almost entirely in the hands of staff belonging to various departments of state governments which control their appointments, emoluments, postings and promotions. They work by general government rules and departmental instructions. PRIs have no control over any of these aspects nor do they have any power to discipline them. Since they belong to and are answerable to different line departments, it is extremely difficult to check avoidable duplication and achieve convergence of related activities.

The logical and ideal solution for this hiatus would be to give panchayats the freedom to appoint their own staff, determine their emoluments, spell out their duties and enforce discipline. But this is not possible because of strong resistance to any such move on the part of unions of government employees. But this option should be given at least in respect of appointments of new personnel. At a minimum, it is necessary to entrust the responsibility for supervising the work (attendance at work, discharge of their assigned duties and responsiveness to the community's needs) to citizen committees under the PRIs and making their assessment a mandatory input in evaluating the performance of functionaries.

While the current situation is far from satisfactory, we need to take note of significant changes that are taking place in the attitudes of village communities and elected functionaries to PRIs and their functioning.

- the spread of education and the democratic electoral process have led to the emergence of leaders interested in development and keen to play a more active role;
- increasing awareness among elected representatives in PRIs about the possibilities opened up by the Constitutional amendment;
- growing frustration among PRIs over the severe constraints – in terms of both authority and control over resources – that prevent them from playing an effective role in local development and articulating their demands for relaxing these constraints and giving them far more freedom and flexibility in matters of local development; and
- growing articulation of people's resentment at the way projects are decided and on the inefficiencies and corruption in their implementation.

There is, at the same time, considerable evidence from different states that, even within the severely constrained space they now have, village communities are becoming increasingly conscious of the enormous waste and leakage under the existing system. Several are willing to take up the responsibility for implementing government projects, contribute a part of the cost and complete the works faster, better and at lower cost.

The role that NGOs have played and are playing in the sphere of rural development is particularly important. At present, numerous NGOs work with communities directly or in collaboration with financial institutions (notably in the Rural Infrastructure Development Fund (RIDF) projects of NABARD) to mobilize them for different kinds of development activity, identifying projects suitable to local needs, providing technical support and expert advice, interceding with officials to relax conventional rules and procedures to allow communities greater role in implementing schemes etc. They help communities to create/improve institutions for collective action in such activities as watershed development. There are numerous instances of infrastructure projects being implemented with NGOs' help in consultation with communities and with their active participation, including contributions of labour and cash to cover a substantial portion of the costs. The record of works implemented in this fashion is found to be markedly better in terms of time taken, actual relative to estimated costs and quality of work. There is also some evidence that though this model focuses on particular types of projects, these have significant spill over effects in stimulating community interest over a much wider range of activities.

Other welcome developments include criteria based devolution of state government revenues to PRIs by State Finance Commissions; efforts of the Planning Commission to evolve explicit criteria for determining entitlements for plan grants for Centrally Sponsored RD and PA programmes to different states and tiers of PRIs; and, thanks to concerted mass campaigns by civil society institutions, the passage of the Right to Information Act, and commissioning of independent social audits of major employment and rural development schemes.

Public awareness is also growing about the failure of the state itself to ensure that the facilities it helps to create are managed by its functionaries efficiently. Mechanisms to ensure efficient management of these facilities, observance of regulations by users and checking their unauthorised use are inoperative. These governance failures, which arise in large measure from the conflation of administrative, regulatory conflict resolution functions with the political executive, have reached such serious proportions that governments are beginning to recognize the need for institutional reform. Attempts, though patchy, limited and half hearted, are being made to separate executive from regulatory functions, promote participatory management of key rural programmes including notably public irrigation systems, watershed development and forest management.

All this gives sufficient basis for optimism that decentralisation of authority and resources for development, with a clearly defined extent of resource transfers from the state and leaving PRIs free to decide the content of their programmes without interference from bureaucracy or extra local political leaders, will force the communities to address local developmental issues and sort out the problems involved. NGOs will then have scope for helping the process of mobilization and providing information, expertise and advice to the community. An expanded RIDF model of financing with NGO collaboration and strict monitoring of projects in all phases can then be used to greater effect in improving project performance. This process will, of course, have to be consciously encouraged by the governments.

### **Strategy for Reform**

The key issue is how to bring this about in the face of the strong and determined resistance of the upper strata of the political class and the bureaucracy. Efforts to explain and persuade them about the need for these reforms must of course be sustained and intensified. But there should be no illusion that this will bring about a change in their hearts. It is necessary to combine exhortation with inducements. The experience of the ongoing reform of the rural credit cooperatives suggests a promising strategy.

### **The experience of cooperatives**

There are strong parallels between the evolution of cooperative credit and democratic decentralisation. Cooperatives are an early example of state initiative to promote new forms of collective institutions. Nearly a century back, colonial government officials came to the conclusion that the best way to free agriculturists from the clutches of usurious money lenders is to get them together as self governing organisations to promote thrift and mutual help among members. But they also felt that strong guidance and supervision by the government were essential to ensure their healthy functioning.

The movement grew fitfully in the first half of the century but did not make a significant dent on the problem they were expected to solve. They neither succeeded in promoting thrift nor in prudent management of (mostly borrowed) funds. The government's response was to increase direct government intervention in the running of societies.

Despite this experience, governments in post independence period adopted a proactive policy of encouraging and supporting rapid expansion in cooperatives especially credit cooperatives in rural areas. This policy found strong support from independent scholars and experts, and was accepted both by the Central government (which provided the finances) and the state governments (which defined and administered the legal framework).

The number of societies, their geographical spread and membership grew to unprecedented and impressive levels. So did the volume of credit disbursed. But this was made possible not on the basis of

members' thrift but by huge infusion of public funds at concessional rates of interest directly and through the financial institutions.

Sanctions for prudent management, weak to begin with, were further weakened everywhere by state governments' interference in the working of societies through executive orders on lending policies and interest rates and by appointing department officials to manage them. Elections were not held or were rigged. Supervision, to the extent it existed, was impotent to check mismanagement. The societies came to be treated and used by the political class as a powerful and lucrative instrument for dispensing patronage and garnering electoral support (by controlling the distribution of loans, getting government to go easy on recovery and or granting outright waivers). Despite all this, the scale of lending (almost entirely financed by public funds) continued to increase under government fiat despite mounting losses and over-dues bringing the movement to the point of collapse.

The growing hiatus between the government's declared objective of rapidly increasing the supply of institutional credit to rural areas on the one hand and the deteriorating financial health of the cooperatives and the declining share in total credit flow on the other, led the Government of India to appoint several committees to suggest ways of revitalising the system.

Most recommended liberal assistance by the Central government to clear accumulated losses and increase the capital to a prudentially adequate level combined with major legal and institutional reforms to free cooperatives from government interference and make them function efficiently. But states were more interested in Central government's financial assistance and showed little concern for institutional reform. Nor did the Central government show much concern for institutional reform. The latest in this series of committees, which I had the privilege of chairing, emphasized that financial assistance without institutional reform will be futile. Therefore, it recommended that liberal Central assistance to clean up the past sins must be made strictly conditional on implementation of legal and institutional changes to ensure transparent and democratic governance, with well defined internal and external mechanisms to ensure proper management and accountability, with government's role confined to legislating the framework in which the societies will function. Apart from general overseeing, it suggested that the responsibility for regulation should be internalized and taken out of government.

Phased release of Central government assistance linked to fulfillment of specific undertakings on reform measures was designed to give a strong inducement for states to implement legal and institutional reforms. The package has been accepted by the Centre and the states after a series of high level political consultations. As many as ten states have formally agreed to implement them with the help of the centre on condition that specified conditions of reform will be met.

This gives basis for optimism that a similar approach to create strong inducements to loosen the political opposition to decentralisation can open up space for more vibrant role for democratic and decentralized local development. The key is to reduce the scope and opportunities for abuse of funds and corruption in local development programmes to an extent that politicians in legislatures and parliament, and those aspiring to these positions, will not find it worthwhile to interfere in local development schemes.

This can be done by a bold initiative from the Central government— which is the main source of public funding for local development— to restructure its programmes to achieve the following:

- minimizing the subsidy/loan component of local development programmes;
- replacing the contractor system by encouraging communities to take the responsibility for construction works;



- ensuring, with severe penalties for non compliance, that records, accounts and progress reports are maintained according to prescribed format;
- ensuring, again subject to severe penalties for non-compliance, regular annual audit of accounts of PRIs to be placed before the Gram Sabha;
- institutionalising a system of periodic and independent professional social audit of the performance and outcomes of the local development schemes; and
- making it mandatory to place such audit reports in the public domain and discuss them in the state legislatures.

These measures, combined with empowering PRIs with the resources and the authority to choose, implement and manage local RD and PA works without external interference will enable them to play a larger, more effective role. They will not make angels of PRIs but, by making their activities more visible to the people of each community and opening them for scrutiny and questioning, incumbents in office, who have to seek re-election, are likely to be far more restrained about misuse and far more concerned about real performance.

### **Democracy and Equity**

We have, nevertheless, to recognize that there exists a sizeable segment of opinion, especially among progressive parties and influential segments of intellectual community, which holds that truly democratic functioning of elected Panchayats is not feasible in a highly unequal society stratified economically and by community and caste. There is an apprehension that the well-to-do and/or numerically dominant castes will manage to get elected and exercise power for their benefit rather than for the benefit of the poor and socially disadvantaged segments (women, scheduled castes). These apprehensions are exaggerated.

In the first place, experience has belied the expectation that elected state and Central governments managing a benign state will not be embroiled in local factions and quarrels and therefore are better placed to serve the interests of the poor. Those elected to run the state and Central governments have been long on this rhetoric but grievously short in safeguarding, much less promoting, welfare of the poor.

Moreover, stratified economic and social structures everywhere make for unequal distribution of power and influence. Our experience of electoral democracy at the state and the Central levels during the last five decades has however shown that it can challenge and change entrenched power structures. There is no reason to suppose that this is not possible at the lower levels of governance, right down at the villages. Properly implemented in the spirit of the 73<sup>rd</sup> amendment, decentralisation will provide space and opportunity for the diverse interests of different constituents (caste, class, gender) in a community to articulate and contest publicly.

One cannot expect PRIs to correct the deeper social and economic roots of inequality and privilege. But they can help to ensure that programmes meant for the poor and disadvantaged are better managed and the benefits reach the groups for whom they are intended. The growing political awareness and assertiveness of the OBCs, Dalits and other under privileged are not confined to state level politics. It is also happening at lower levels and can in due course alter local power structures to be more sensitive to the interests of the underprivileged.

All this will not change local power structures everywhere or soon. But it will change power configurations in at least a sizeable proportion of communities in ways that stimulate and enable them to address local problems more effectively and use available resources more efficiently and with less

corruption than under the present dispensation. Devices such as reservations for women and scheduled castes will help under-privileged groups to have a stronger voice in the development and use of community facilities and resources. This is the best that we can expect: short of the ideal but far better than the present concentration of power in state and Central politicians and the bureaucracy.

We should also guard against taking a purely instrumentalist view of PRIs. The fact that regular elections are mandatory has brought about significant changes in attitudes and perceptions to issues of development and governance. The poor and the disadvantaged are able to articulate their interests and claims on the resources available to the community. It has brought about changes in the local leadership. They are increasingly resentful of the severely restricted role in local development and clamour for more resources and authority. As these trends intensify, tension between them and the upper tier of the political class state and central level politicians will also grow. The intensification of this tension is to be welcomed as a creative force for change by increasing internal pressures for better implementation of development schemes. It also helps for widening the pool of people experienced in the practice of democratic politics and administration available for upper tiers of the system thus widening and deepening democracy.

The conflict between PRI leaders and the higher-level politicians/bureaucracy is as yet incipient but growing in strength; more visible and articulate in some states/regions than in others. The dialectics of this conflict has the potential to become one of the most important sources of change in the configurations of politics and power. It is therefore important to look more closely at the process of change: whether, in what ways and where PRIs are leading to significant changes, in the kind of people who are emerging as local leaders, their attitudes and interest in development, the perception of different segments of the community, the kind of works they take up, the process by which the selection of projects is decided and the efficiency with which they are implemented and managed. There is much to learn about the dynamics of the process from such an approach and this learning will help forge more effective ways to further the process. The emphasis, let me repeat, should be not on the ideal but on the movement towards the desired ideal, and quickening its pace.

## **Conclusion**

The complexity and difficulty of the needed reforms cannot be under-rated. But it should not be made an alibi for letting the present regime continue. That the high rhetoric about eradicating poverty and the huge amounts of public funds being spent for that purpose, have not made a significant impact on the conditions of rural population and the underprivileged is now widely recognized. There is growing grass roots resentment at the enormous waste and corruption in the way these resources are spent. The resentment is being further fuelled by the feeling that far too little of the benefits of the much vaunted acceleration of GDP growth rates due to globalisation has percolated to rural areas. In fact there is compelling evidence that in every respect – incomes, employment, educational and health services and amenities – rural-urban as well as rich-poor disparities are widening. The underprivileged are becoming more and more assertive in articulating their discontent in a variety of ways. Failure to address this by continuing business as usual can only aggravate the tensions with potentially explosive social and political consequences. I hope that this will not be dismissed as unwarranted pessimism and that all of us, especially the political class, will recognize the urgent need for reform and work seriously to bring it about.

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## Publications

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K.K.George

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K.K.George and N.Ajith Kumar

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K.K.George and N.Ajith Kumar

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## The Organisation

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