PERFORMANCE OF PRODUCTIVE SECTOR PROJECTS UNDER DECENTRALISED PLANNING IN KERALA

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ABSTRACT
Kerala's consumer economy has expanded to include development in the tertiary sector. Even after twenty-five years of decentralised planning in Kerala, the same holds. Against the above background, the present study attempts to analyse the growth of the productive sector under decentralised planning in Kerala. Performance analysis using completion ratio, spill over ratio, and dropout ratio was employed. It was seen that under decentralised planning, the declining trend of completed projects is a serious concern in the planning process. The spill over ratio has been very high over the years, and the dropout ratio has generally been increasing. Among all three sectors, the productive sector's performance in terms of these ratios shows dismal performance. Even in absolute terms, the number of projects in the productive sector is far lower than in other sectors. The absolute number of projects in the productive sector decided to be implemented under decentralised planning is less compared to the other two sectors. While undertaking productive sector projects, it is beyond doubt that a major share of these projects was either abandoned or carried over to the subsequent years of planning. The industrial sector projects in the productive sector also have high spill over and dropout `ratios. This analysis identified that the production sector is neglected under the decentralised planning system in Kerala. One may argue that there can be many problems associated with the implementation of these projects, as is evident from the fact that spill over and dropout ratios are increasing in the case of projects in the productive sector.
Keywords: Decentralised Planning, Kerala, Consumer economy, Productive Sector, Performance Evaluation, Plan Project

Introduction

In the implementation of decentralised planning in Kerala, though 40 per cent of the plan allocation was made compulsory for the productive sector under the 9th to 11th plans, this ceiling was removed in the 12th plan based on the fact that the expenditure incurred on the productive sector by local bodies was much below the specified target of 40 per cent. As a result, the 12thPlan guidelines prescribed no ceiling for sectors, with the infrastructure sector receiving a 40% exemption (GoK, 2012). This is a serious concern since the planning authority itself curtailed the target envisaged for the productive sector and will have serious implications for future productive sector development under decentralised planning. This also raises questions about the feasibility and viability of the implementation of the productive sector under decentralised planning. To be more specific, between 1998/99 and 2007/08, the productive sector's realised spending increased at a decadal growth rate of 26 per cent. However, from 2008/09 to 2017/18, it dropped significantly to 15.65 per cent. On the other hand, over the same period under examination, the decadal growth rates of both the service and infrastructure sectors have been steadily growing. During the period 1998/99 to 2007/08, the service sector's decadal growth rate increased from 50 per cent to 56 per cent in 2008/09 to 2017/18, whereas the decadal growth rate of infrastructure during 1998/99 to 2007-08 has climbed from 24 per cent to 29 per cent in 2008/09 to 2017/18. This is not surprising, since the decentralised planning element runs lockstep with traditional Kerala's macroeconomic sector growth pattern, which favours service sectors.

As a consumer economy, Kerala's development policy is focused on the expansion of the tertiary sector, with less emphasis on the production sector. According to estimates from the Department of Economics and Statistics, the primary sector's Gross State Value Added at constant prices (GSVA) has decreased from 15.2 per cent in 2011/12 to 8.44 per cent in 2019/20. Similarly, the contribution of the secondary sector has increased only from 27.35 per cent in 2011/12 to 28.25 per cent in 2019/20. In contrast, tertiary sector growth accelerated from 57.46 per cent in 2011/12 to 63.31 per cent in 2019/20. The growth rates of all sectors in terms of decentralised planning now exhibit a similar pattern in favour of service and infrastructure. Though the productive sector had the highest growth rate of 33.39 per cent during the 9th plan, it has gradually dropped to 20.63 per cent under the 10th plan. Though it gained momentum with 24.22 per cent under the 11th plan, it

drastically declined to 8.97 per cent under the 12th plan. The plan-by-plan data also shows that the service sector and infrastructure grew at a rapid pace in all of the plans from the 9th to the 12th. While the service sector was growing at 43.25 per cent (9th plan), 53.74 per cent (10th plan), 53.34 per cent (11th plan), and 58.9 per cent (12th plan), the infrastructure sector was growing at 23.36 per cent (9th plan), 25.63 per cent (10th plan), 22.44 per cent (11th plan), and 32.13 per cent (12th plan) respectively (Government of Kerala, 1997).

The dismal performance we noted in the growth of the productive sector under decentralised planning in Kerala raises serious concerns. The fact that people's planning campaign in Kerala envisaged the local self-governments developing themselves as catalytic agents of local economic development gives ample provision to actively engage plans in the productive sector to contribute to the economic growth of Kerala. Projects are the basic building blocks of development, and without proper project identification, preparation and implementation, development plans should regress economic growth. The timely, effective, and successful completion of planned projects is necessary for increasing productivity and expanding the capacity of the local body (World Bank, 2010). Therefore, the success of people's plans depends upon the successful completion of plan projects at various local levels within a fixed period. Against the above background, the present study attempts to analyse the performance of productive sector projects under decentralised planning in Kerala. Such a study assumes significance in the present context of declining growth in productive sectors like agriculture and industry in Kerala. Decentralised planning for the development of productive sectors as originally envisaged must act as a catalyst for the achievement of higher growth in Kerala. Thus it is of utmost importance to study how far the envisaged projects in decentralised planning got implemented. In the present study, an attempt is made to test the hypothesis that "the sector development pattern of Kerala under decentralised planning is concentrated towards the growth of the tertiary sector as in the case of the macro economy and as a result, the development of productive sector under decentralized planning of Kerala could not overcome the features of historical growth trajectory biased towards the tertiary sector"As far as the existing studies are concerned, there is no comprehensive study available about physical performance in the implementation of productive sector projects under decentralised planning in Kerala. For our analysis, we used the data collected from selected panchayats in Thiruvananthapuram District.

The paper is divided into five sections, following the introduction, section 2 deals with the review of the literature with special reference to the productive sector under decentralised planning in Kerala. Section 3 discusses the methods of selection of sample panchayats and the analytical measures used for analysis. In section 4, an analysis of the performance of productive sector projects under decentralised planning in Kerala is carried out. This is done using the performance ratios used to analyse the implementation of projects envisaged. Section 5 concludes the paper.

Review of Literature

It was explicitly argued that decentralised planning in Kerala would address the issue of stagnation in the growth of productive sectors Kerala has been facing since the 1980s. The very rationale for people's planning, as pointed out by EMS Namboodiripad in the preface of the book 'Theory and Practise of People's Planning' written by Dr. Thomas Issac is as follows: "In the process of planning that has taken place until now in the state, the productive sector which alone can generate additional social wealth and income -particularly agriculture and industry- have been neglected. Up to now, the planning process was mainly focused on the service sector. The people's planning programme is expected to centre around the productive sector, i.e., to become self-reliant in vegetables, fruits, fish, meat, and eggs and to reduce our dependence on other states in Rice"(Quote from EMS Namboodiripad in the preface to Isaac, 1997). In this context, John and Chathukulam (2003) noted that "conscientiousness about the development crisis of the state, particularly in the productive sectors, constituted a key element of the first round of training conducted by the state planning board, wherein decentralised planning was presented as a key means of addressing stagnation in the productive sector". The thrust given to productive sector growth under decentralised planning is well documented in Isaac (2003). He wrote: "Decentralised planning was intended to meet economic and political purpose at one stroke. The stagnation in the productive sectors had weakened the mobilisation potential and the unity of the working class. The political motive was to use the opportunities that would be thrown up through enhanced production to consolidate the working classes. Decentralised planning thus simultaneously seeks to address economic stagnation and disenchantment of the working classes with the left parties" (Isaac, 2000).

However, a perusal of the performance of the productive sector under decentralised planning is quite disappointing. Though the institution of *Gramasabha* ensured people's participation in need articulation, prioritisation of projects and schemes, and accommodating the needs of the vulnerable sections, in terms of productive sector projects, it failed to develop comprehensive planning to augment growth momentum (Nair, 2000). There were isolated experiences where collective action was used quite effectively under decentralised

planning. The Group Approach for Locally Adopted and Sustainable Agriculture (GALASA) programme under the leadership of Kerala Sasthra Sahithya Parished (KSSP) attempting group farming based on scientific management of land and water resources specific to the local culture, the Kanjikuzhy Experiment in vegetable cultivation, Water Conservation Programme in Kunnothuparambu Panchayat, Animal Husbandry Programme in Pringom Vaikara Panchayat, the Kalliasseri model to improve water drainage and canal reclamation to augment rice land etc. were proclaimed as big success stories under decentralised planning. However, these models could not be scaled up to other Panchayats and local bodies in Kerala though these successes influenced the people's planning ideas in a great manner. There were no sincere efforts to analyse the sustainability of such experiments before sticking them out as viable models to be followed by other panchayats. This is evident from the argument of John (2003). He wrote: "Even the Kalliasseri experiment has failed to produce anything in the productive sector, even though the scale of investment undertaken in that panchayat, particularly the enlistment of the services of a significant number of specialists and institutions, is unmatched anyplace in the country. Despite admiring the successful experiences and using them in the different stages of planning, these experiments could not have an economy-wide efficiency or spread effect on the rest of the local self-governments, keeping them isolated events whose sustainability and viability have not been proved beyond doubt (John, 2003). Economy-wide efficiency considerations were not taken into account. In their urgency to spend the plan fund, they pushed these programmes too far, disregarding their utility, viability, and even relevance to the development of panchayats. Even basic factors such as the absorption capacity of these sectors in the Panchayat, the availability of marketing resources, and the capabilities of the beneficiaries were overlooked. In the end, the instruction that 40 per cent of the plan grant should be spent in this sector was the fundamental underlying cause of the wasting and misuse of plan funds witnessed in the productive sector projects (Nair, 2000). Veron (2001) came to a more specific conclusion that the majority of the projects classified as a productive sector were consumption-oriented, and individual beneficiary schemes were more common than group beneficiary schemes, with the subsidy component, in either case, being higher than the schemes implemented through the line departments before the decentralised planning took off in 1996 and with little qualitative difference than the projects formulated by line departments (Veron, 2001). All these tend to conclude that the development plans under decentralised planning since 1996 showed a clear lack of innovation to reorganise or restructure the production sector. Rather, the experience of the last 25 years of people's planning gave a clear indication of the lack of any development culture to overcome the stagnation in the productive sectors of Kerala. In nutshell, the decentralised planning in Kerala has failed to create growth momentum in the productive sectors of the state.

The declining share of the productive sector under decentralised planning is reflected in a critical situation in which there have been only isolated successes where agriculture production and productivity have significantly improved (Joseph, 2008). In the case of industrial production which is another important area of the productive sector, there is only a little evidence of effectiveness (Mathew, 2012). It is emphasised that the majority of the projects planned for the productive sector are in the agricultural sector including crop production, animal husbandry and dairy development. In these domains, there is no complete measurement of outcome available for objective evaluation (Mohankumar, 2010). Out of the total Local Self Government plan fund made accessible to the productive sector; agriculture and allied sectors (paddy cultivation, animal husbandry, dairy development, fisheries, etc.), soil and water conservation, irrigation, industries, and environment are included. Academic literature available points to the fact that the rise in final production in the primary and secondary sectors as a result of decentralised planning is minimal. Rajasekharan (2009) rightly pointed out that traditional sectors including coir, fisheries, handloom and cashew were overlooked throughout the decentralisation process and local economic development programmes lacked strong forward and backward linkages to create an integrated production environment.

It was argued that the political economy of the development of the state is historically directed towards spending rather than production in agriculture and industry (Kang, 2002). Given this structural component, a public policy directive under the people's planning programme for the productive sector's growth will also have to deal with structural impediments to the primary and secondary sectors' development existing in the Kerala economy. In an economy where the growth of primary and secondary sectors is steadily diminishing, it is pertinent to ask whether the development of Kerala's productive sector under decentralised planning could overcome the state's historical growth trajectory, which has been skewed towards the tertiary sector. In the context of the literature reviewed, the proposed study attempts to fill this gap partly by analysing the extent to which projects in the productive sector were implemented in relation to other sectors like infrastructure and service under decentralised planning.

Methodology and Data Sources

Selection of Sample Panchayats and Performance Ratios Used

For analysing the performance of the productive sector we have examined three performance ratios of the projects in nine GramaPanachayats selected from the Thiruvananthapuram district through a purposive sampling method. These nine gramapanchayats were selected purposively on the ground that they were consistent top performers in plan expenditure in the district in the annual plans of 2017/18 and 2018/19 years (as reported in the Local Self Government Department (LSGD) website). As we stated in our introduction, Kerala's production sector has had a poor track record. As a result, the top nine panchayats were picked purposefully to learn more deeply about the productive sector's finest performance in the lower tier of our local government gramapanchayat as followed by Bhandari et al., 2014. The sample gramapanchayats selected are Aryancode, Chemmaruthy, Cherunniyoor, Kallikadu, Kunnathukal, Poovar, Pullampara, Nanniyode, and Vellanad. The study involves the task of determining the performance of the productive sector under decentralised planning in Kerala by comparing it with the performance of the other two sectors, infrastructure and service, in these gramapanchayats. The growth of productive sector projects in the sample gramapanchayats has been analysed through the performance of all plan projects envisaged for implementation for the period under study. The period of study is 11 years, i.e., from 1st April 2007 to 31st March 2018 (encompassing 11th Plan (2007 to 2012), the 12th Plan (2012 to 2017), and 2017/18 annual plan). All the plan projects approved by DPC for implementation in Aryancode, Chemmaruthy, Cherunniyoor, Kallikadu, Kunnathukal, Nanniyode, Poovar, Pullampara and Vellanadpanchayats during this period are objectively analysed to evaluate the performance of the productive sector under decentralised planning in Kerala.

Under decentralised planning, all the plan projects envisaged for implementation are classified into three broad sectors: the productive sector, the infrastructure sector and the service sector. Three performance indicators are used in this study to measure the success of the implementation of projects in the selected gramapanchayats. The methods of evaluation of completion, spill over and dropout ratios are according to the total number of completed, spill over and dropped projects in the plan period. These ratios are explained as follows:

Completion Ratio: It is defined as the percentage of completed projects to the total number of projects targeted for implementation during the plan period itself, i.e., one year. If the panchayats could facilitate the full disbursement of plan funds for the project within one year, it counted as a completed project. In other words, if the Panchayat distributes the full plan funding, which is 99 per cent to 100 per cent for a project in one year, it is counted as a completed project.

Spill over Ratio: It is defined as the percentage of spill over projects to the total number of plan projects during the plan period. If the gramapanchayat could facilitate only a partial release of funds for the projects during the plan period it is considered a spill over project. In other words, if the distribution of plan funds expenditure is only partial, i.e. Between 1 percent to 98 percent during the plan period, it is considered a spill over project.

Dropout Ratio: It is defined as the percentage of dropped projects to the total number of projects. If the gramapanchayat finds it so difficult to start or continue a project, it is counted as a dropped project. If the projects are not started during the stipulated time, i.e., the zero per cent expenditure, they are counted as dropped projects.

Performance Evaluation of Projects: Analysis

Plan-wise and Sector-wise Performance Ratios: Aggregate Analysis

The completion, spill over and dropout ratios of all plan projects for the period under study are used to conduct the analysis. Different ratios like completion ratio, spill over ratio, and dropout ratio were calculated using the data from the official documents of the nine selected Gramapanchayats. Completion, spill over, and dropout ratios for all the projects envisagedfor all three sectors for all nine sample panchayats during the study period are given in table 1.

YEAR	Projects			
	Completed	spill over	Dropped	Total
11th Plan (2007-12	2105(46%)*	1592(35%)	856(19%)	4553(33%)
12th Plan(2012-17)	3300 (45%)	2338(32%)	1637(23%)	7275(53%)
Annual Plan (2017-18)	647(35%)	808(43%)	415(22%)	1870(14%)

Total	**6052(44%)**	**4738(35%)**	**2908(21%)**	**13698(100%)**

Table 1: Distribution of plan projects in the nine sample panchayats according to Performance ratios from 1st April 2007 to 31st March 2018
Source: Calculated from Plan Document LSGD of Sample Panchayats
* Figures shown in brackets are corresponding percentages

From table 1, it is understood that the percentage of completed projects to the total number of projects was only 46 per cent during the 11th plan period. But it decreased to 45 per cent during the 12th plan and for the first plan year of the 13th plan, i.e., the year 2017/18, it further declined significantly to 35 per cent. Though for the entire period 2007–2018, the completion ratio stood at 44 per cent, the declining trend over the years is a serious concern in the planning process. Now, regarding the spill over ratio and dropout ratio, the numbers are also not promising. While the spill over ratio remained very high during the entire period, the dropout tratio increased from 19 per cent during the 11th plan to 23 per cent during the 12th plan period. Even in the first year of the 13th plan, the dropout ratio is very high at 22 per cent. The increasing tendency of dropout and spill over of projects and declining percentage of completed projects raise serious concerns for the performance of decentralised planning in the selected gramapanchayats.

Sector	Projects			
	Completed	spill over	Dropped	Total
Production sector	259(43%)*	279(46%)	67(11%)	605(13%)
Infrastructure sector	760(46)	498(30)	383(23%)	1641(36%)
Service sector	859(46%)	638(35%)	351(19%)	1848(41%)
Not included in any sector	227(49%)	177(39%)	55(12%)	459(10%)
Total	**2105(46%)**	**1592(35%)**	**856(19%)**	**4553**

Table 2: Distribution of Plan projects between various sectors in the nine sample panchayats during 11th Plan (2007-12)
Source: Calculated from Plan Document LSGD of sample panchayats
* Figures shown in brackets are corresponding percentages

Sector	Projects			
	Completed	spill over	Dropped	Total
Production sector	161(23%)*	414(59)	129(18%)	704(10%)
Infrastructure sector	1700(50%)	800(24%)	880(26%)	3380(46%)
Service sector	1439(45%)	1124(35%)	628(20%)	3191(44%)
Total	**3300(45%)**	**2338(32%)**	**1637(23%)**	**7275**

Table 3: Distribution of Plan projects between various sectors in the nine samples panchayats during12thPlan (2012-17)
Source: Calculated from Plan Document LSGD of sample panchayats
* Figures shown in brackets are corresponding percentages

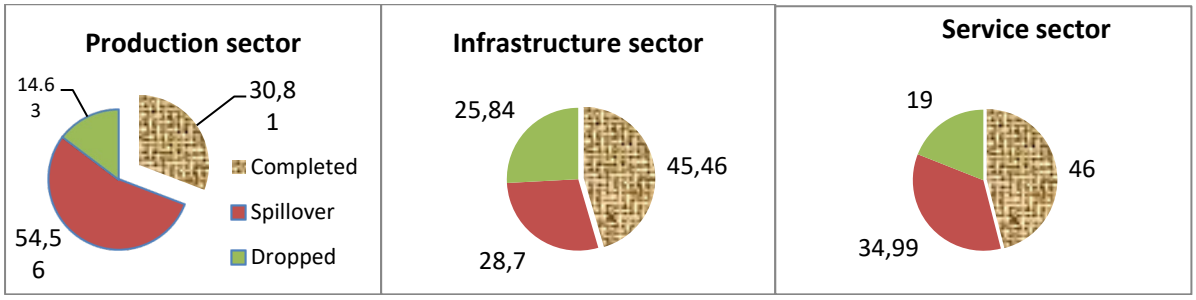
Sector	Projects			
	Completed	spill over	Dropped	Total
Production sector	56(24%)*	150(64%)	30(13%)	236(13%)
Infrastructure sector	225(25%)	397(45%)	263(30%)	885(47%)
Service sector	366(49%)	263(35%)	120(16%)	749(40%)
Total	**647(35%)**	**810(43%)**	**413(22%)**	**1870**

Table 4: Distribution of Plan projects between various sectors in the nine sample panchayats of Annual Plan (2017-18)
Source: Calculated from Plan Document LSGD of sample panchayats
* Figures shown in brackets are corresponding percentages

From table 2 to 4, the sector-wise classification of completion, spill over, and dropout of plan projects separately for the the 11th Plan, 12th plan, and 2017/18 annual plan are given. It is evident from these tables that, at the aggregate level, total completion, spill over and dropout ratios are almost the same in both 11th and 12th plan

periods (Table 2 and Table 3). Even in the 2017-18 annual plans, the performance is not that much different, with the exception of a very low rate of completion ratio compared to the 11th and 12th five-year plan periods.

We now discuss the sector-wise trends in performance ratios across the plan periods considered. This gives us some interesting trends. At the outset, it is clear that the percentage of projects allotted to the productive sector is very low when compared to the infrastructure and service sectors. It is seen that the percentage of projects envisaged for implementation in the productive sector constitutes only 13 per cent, 10 per cent and 13 percent respectively, for the 11th plan, 12th plan, and 2017/18 annual plans. In the face of this low number of projects, it is noteworthy that the completion ratio is low compared to all other sectors for all three plan periods concerned. There is a tendency to transfer productive sector projects to the next period, as evident from very high spill over ratios of 46 per cent in the 11th plan, 59 per cent in the 12th plan and 64 per cent in the 2017/18 annual plan. Even when projects are transferred to the next period, a good percentage of projects are also abandoned, as reflected in the dropout ratio. The dropout ratio of projects in the productive sector, though comparatively less in all periods, is somewhat close to the dropout ratio of the service sector in all three periods. The analysis tends to lead us to conclude that, among all three sectors, the production sector's performance in terms of the ratios shows dismal performance. Even in absolute terms, the number of projects in the productive sector is low compared to other sectors.



Panel (a) Panel (b) Panel (c)

Figure 1: Sector-wise Distribution of Plan projects in the nine ample panchayats 2007/08 to 2017/18 (in per cent)
Source: Derived from Plan Document LSGD of Sample Panchayats

Figure 1 shows sector-wise performance ratios for the entire period under study for all nine panchayats selected. It shows that the percentage of completed projects to the total number of projects is comparatively higher in the service sector and infrastructure sector compared to the productive sector. On the other hand, the spill over ratio (54.56 per cent) is very high in the productive sector. The dropout ratio, i.e., the percentage of dropped projects to the total number of projects is high in the infrastructure sector (25.84 per cent) and service sector (19 per cent). But even in productive sectors, the dropout is not too low. It constitutes 14.13 per cent. In general, out of 13239 Projects (except projects not included in any sector) during the 11 years from 2007-2018, 43.99 per cent (5825) were completed, 34.5 per cent (4563) were spill over and 21.5 per cent (2851) were dropped. The low completion rate and very high spill over ratios in the production sector are disturbing since decentralised planning in Kerala envisaged overcoming the inherent growth bias towards service sectors through the development of productive sectors.

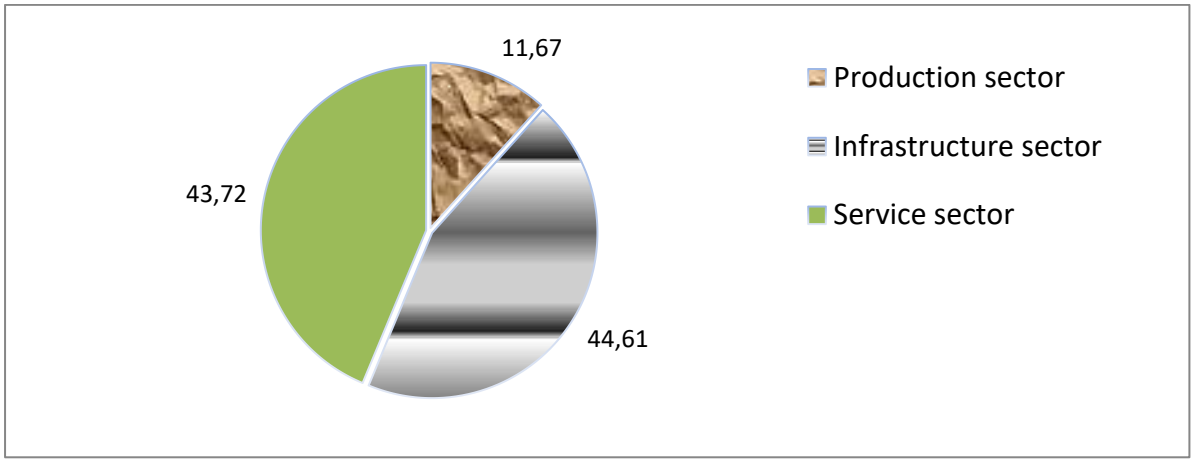


Figure 2: Sector-wise Distribution of Plan projects in nine sample panchayats during 2007-2018 period (in per cent)

Source: Calculated from Plan Document LSGD of sample panchayats

The dismal performance of the productive sector is evident from the sector-wise distribution of plan projects for the entire period under consideration. It is a serious concern that out of the total number of projects implemented in the sample gramapanchayats, only 11.67 per cent are from the production sector i.e., only 1545 out of 13239. However, in the case of the service and infrastructure sectors, this figure stands near or above 44 per cent (Figure 2). It is to be noted that various plan guidelines have fixed mandatory minimum and maximum allocation of grants-in-aid for different sectors. During the 9th Plan, the importance of productive sector investment through LSGIs in Kerala was considered the prospective foundation of development (Panchayat Raj Act). All plan grants also highlighted the need to further promote the material production sector. The 9th and 11th plan guidelines proposed a mandatory minimum of 40 per cent allocation of plan funds to the productive sector, though it was only 30 per cent in the 10th plan. But in the 12th Plan guidelines, the mandatory minimum allocation for the productive sector was removed. This shows the reduced importance given to the productive sector under the decentralised planning in Kerala.

Sector-Wise And Panchayat-Wise Analysis Under Different Plan Periods

In this section, we discuss the sector-wise plan projects and their completion, spill over, and dropout ratios in nine sample gramapanchayats selected for the study. As we noted earlier, these 9 sample gramapanchayats in Thiruvananthapuram district are top performers in plan expenditure for the 2017/18 and 2018/19 annual plans. A comparative evaluation of the performance of these sample gramapanchayats is very essential to further identify the effectiveness and growth of productive sector project implementation under decentralised planning.

GramaPanchayat	**Sectors**	**Projects**			
		Completed	**spill over**	**Dropped**	**Total**
Aryancode	Productive sector	19(37)**	29(57)	3(6)	51
	Infrastructure sector	108(57)	36(19)	47(25)	191
	Service Sector	68(49)	43(31)	29(21)	140
Chemmaruthy	Productive sector	28(47)	26(43)	6(10)	60
	Infrastructure sector	33(20)	63(39)	67(41)	163
	Service Sector	72(31)	98(43)	59(26)	229
Cherunniyoor	Productive sector	26(58)	16(36)	3(7)	45
	Infrastructure sector	30(21)	59(42)	51(36)	140
	Service Sector	75(38)	77(39)	45(23)	197
Kallikkadu	Productive sector	29(41)	38(54)	3(4)	70
	Infrastructure sector	122(67)	36(20)	23(13)	181
	Service Sector	95(49)	66(34)	34(17)	195
Kunnathukal	Productive sector	51(60)	26(31)	8(9)	85
	Infrastructure sector	117(60)	51(26)	26(13)	194
	Service Sector	139(58)	69(29)	31(13)	239
Nanniyode	Productive sector	34(44)	36(47)	7(9)	77
	Infrastructure sector	107(39)	112(41)	54(20)	273
	Service Sector	115(56)	69(33)	23(11)	207
Poovar	Productive sector	28(36)	29(38)	20(26)	77
	Infrastructure sector	118(62)	42(22)	30(16)	190
	Service Sector	99(50)	56(28)	44(22)	199
Pullampara	Productive sector	15(28)	30(56)	9(9)	54
	Infrastructure sector	75(50)	44(30)	30(20)	149
	Service Sector	108(45)	91(38)	41(17)	240
Vellanad	Productive sector	29(34)	49(57)	8(9)	86
	Infrastructure sector	50(31)	55(34)	55(34)	160
	Service Sector	88(44)	69(34)	45(22)	202
Total		1878(46)	1415(35)	801(20)	4094*

Table 5: Sector-wise distribution of Performance ratios in Sample Panchayats during 11thFive-year plan (2007-12)

Source: Calculated from Plan Document LSGD of Sample Panchayats

*The total number of the project for sample gramapanchayats during the the11th Plan is 4553, this table shows only 4094 because here 459 projects that are "not included from Any sector" is not included in this table.
** Figures shown in brackets are corresponding percentages

Table 5 shows the pattern of panchayat-wise distribution of plan projects during the 11th five-year plan, according to the performance ratios. The analysis for the 11th plan reveals some mixed results. Though completion, spill over, and dropout ratios vary across panchayats, specific patterns emerged in the case of the productive sector. It is seen that out of nine panchayats, in five panchayats (Aryancode, Kallikadu, Poovar, Pullampara, and Vellanad), the completion ratio of projects in the productive sector was low compared to other sectors. In Kunnathukalpanchayat, the completion of projects in the productive sector is almost the same as in the other two sectors. In Nanniyodepanchayat, though the completion ratio in the productive sector is a little above infrastructure, it is far below compared to the service sector. Only in Chemmaruthy and Cherunniyoor does the completion ratio of the productive sector show clear dominance over the infrastructure and service sectors. It is noteworthy that, wherever the completion ratio is low for the productive sector, the divergence is very high when compared to the service sector. What emerged from the discussion is that the service sector dominates the performance of all sample panchayats except for Chemmaruthy, Cherunniyoor and Kunnathukal. On the other hand, in the case of spill over in productive sector projects, except in Cherunniyoor, all other sample gramapanchayats show a very high spill over ratio compared to the infrastructure and service sectors. The dropout ratio of productive sector projects is low compared to other sectors in five panchayats, ranging from 9 to 10 per cent. At the aggregate level, the dropout ratio for all panchayats is only 20 per cent. The only panchayat having a dropout ratio for productive sector projects above 20 per cent is Poovar (26 per cent). In the case of the 11th plan, what emerges from the analysis is that the productive sector shows dismal performance as far as the completion and spill over ratios are concerned.

Grama Panchayat	**Sectors**	**Projects**			
		Completed	**spill over**	**Dropped**	**Total**
Aryancode	Productive sector	18(23.38)	38(49.35)	21(27.27)	77
	Infrastructure sector	167(42.0)	103(25.94)	127(31.99)	397
	Service Sector	142(44.79)	103(32.49)	72(22.71)	317
Chemmaruthy	Productive sector	16(17.20)	59(63.44)	18(19.35)	93
	Infrastructure sector	164(49.85)	77(23.4)	88(26.75)	329
	Service Sector	140(36.75)	148(38.85)	93(24.41)	381
Cherunniyoor	Productive sector	46(50)	31(33.7)	15(16.30)	92
	Infrastructure sector	106(37.32)	81(28.52)	97(34.15)	284
	Service Sector	194(49.49)	123(31.38)	75(19.13)	392
Kallikkadu	Productive sector	16(28.57)	34(60.71)	6(10.71)	56
	Infrastructure sector	162(42.30)	134(34.99)	87(22.72)	383
	Service Sector	146(42.44)	148(43.02)	50(14.53)	344
Kunnathukal	Productive sector	10(15.15)	46(69.70)	10(15.15)	66
	Infrastructure sector	368(57.050	98(15.19)	179(27.75)	645
	Service Sector	219(48.99)	158(35.35)	70(15.66)	447
Nanniyode	Productive sector	14(16.09)	52(59.77)	21(24.14)	87
	Infrastructure sector	270(54.33)	107(21.53)	120(24.14)	497
	Service Sector	149(42.09)	122(34.46)	83(23.45)	354
Poovar	Productive sector	15(25.86)	39(67.24)	4(6.90)	58
	Infrastructure sector	132(52.38)	67(26.59)	53(21.03)	252
	Service Sector	131(50.19)	82(31.42)	48(18.39)	261
Pullampara	Productive sector	12(15.19)	55(69.62)	12(15.19)	79
	Infrastructure sector	149(53.99)	55(19.93)	72(26.09)	276
	Service Sector	150(43.86)	135(39.47)	57(16.67)	342
Vellanad	Productive sector	14(14.58)	60(62.50)	22(22.92)	96
	Infrastructure sector	182(57.41)	78(24.61)	57(17.98)	317
	Service Sector	168(47.59)	105(29.75)	80(22.66)	353
Total		3300(45.36)	2338(32.14)	1637(22.5)	7275

Table 6: 12th Five Year Plan (2012-17) Panchayat wise distribution of Plan projects between various sectors
Source: Derived from Plan Document LSGD of Sample Panchayats

In table 6, we explore the sectoral performance of the sample panchayats in the 12th plan period (2012-17). The dismal performance we noted earlier in terms of performance ratios gets worsened further in the 12th plan for

the productive sector. It is seen from the table that except for Cherunniyoor, in all other eight panchayats, the completion ratio is very low for the productive sectors in relation to infrastructure and service sectors. It is to be noted that the completion ratio of the productive sector is very high in Cherunniyoor (50 per cent). But this is not a special feature for the productive sector since the completion ratios of the infrastructure and service sectors are also relatively high in these panchayats, at 49.49 per cent and 37.32 per cent respectively. It is to be concluded that during the 12th plan period, the completion ratio of the productive sector was low in all sample panchayats compared to the other two sectors, except in Cherunniyoorpanchayat. Further, it is interesting to note that for all panchayats, the completion ratio has been substantially reduced in the 12th plan compared to the 11th plan; On the other hand, as in the case of the 11th plan, spillover ratios for all sample panchayats are high compared to both the service and productive sectors. More interestingly, the spill over ratio for almost all sectors has substantially increased in the 12th plan period compared to the 11th plan period. Even in the case of the dropout of projects, the productive sector' performance worsened in the 12th plan. Table 5.7 shows that the dropout ratio for the productive sector projects in four panchayats, viz., Aryncode, Kunnathukal, Nanniyode, and Vellanad, is higher than either the infrastructure or service sector dropout ratio. Even for other panchayats, the dropout ratio has increased when compared to the 11th plan. The performance analysis in the 12th plan thus shows further worsening in the performance of the productive sectors under decentralised planning.

Gramapanchayat	Sectors	Projects			
		Completed	spill over	Dropped	Total
Aryancode	Productive sector	6(24)*	15(60)	4(16)	25
	Infrastructure sector	16(14)	73(62)	28(24)	117
	Service Sector	33(45)	28(38)	12(16)	73
Chemmaruthy	Productive sector	8(38)	11(52)	2(10)	21
	Infrastructure sector	18(25)	37(52)	16(23)	71
	Service Sector	45(44)	36(35)	21(21)	102
Cherunniyoor	Productive sector	7(16)	24(56)	12(28)	43
	Infrastructure sector	8(14)	26(45)	24(41)	58
	Service Sector	31(38)	30(37)	21(26)	82
Kallikkadu	Productive sector	6(33)	12(67)	0	18
	Infrastructure sector	45(52)	24(28)	17(20)	86
	Service Sector	52(55)	28(30)	14(15)	94
Kunnathukal	Productive sector	6(35)	10(59)	1(6)	17
	Infrastructure sector	29(16)	101(56)	51(28)	181
	Service Sector	41(49)	35(42)	8(10)	84
Nanniyode	Productive sector	6(19)	24(77)	1(3)	31
	Infrastructure sector	32(24)	56(42)	44(33)	132
	Service Sector	36(63)	16(28)	5(9)	57
Poovar	Productive sector	6(29)	12(57)	3(14)	21
	Infrastructure sector	42(45)	26(28)	26(28)	94
	Service Sector	29(47)	22(35)	11(18)	62
Pullampara	Productive sector	7(21)	23(70)	3(9)	33
	Infrastructure sector	28(32)	25(28)	35(40)	88
	Service Sector	54(50)	33(31)	20(19)	107
Vellanad	Productive sector	4(15)	19(70)	4(15)	27
	Infrastructure sector	7(12)	29(50)	22(38)	58
	Service Sector	45(51)	33(38)	10(11)	88
Total		647(35)	808(43)	415(22)	1870

Table 7: Distribution of Plan projects between various sectors in the nine Samples Panchayats in Annual Plan (2017-18)
Source: Calculated from Plan Document LSGD of Sample Panchayats
*Figures shown in brackets are corresponding percentages

We attempted the same analysis in table 7 for the 2017/18 annual plan year of the 13th plan. The analysis in 7 conforms to the trend of productive sector performance in table 5 and table 6. The completion ratio for the productive sector is generally low, and the spill over ratio for the productive sector is very high in the 2017/18 annual plan as well. In 2017/18 annual plan, the dropout ratio in the productive sector was higher than that in the infrastructure and service sectors in many sample panchayats. From the analysis in tables 5,6, and 7, we may conclude that the performance of the productive sector is far from satisfactory compared to other sectors in terms of performance ratios. In a nutshell, the spill over ratio is very high in productive sector projects, and the

completion ratio of productive sector projects is very low. One may argue that undermining the productive sector is evident from the selection of the projects at their implementation level.

Conclusion

Under decentralised planning, the declining trend of completed projects is a serious concern that jeopardises the development planning process. Over the years, spill over ratios have been very high, and dropout ratios are increasing. Among all three sectors, the productive sector's performance in terms of the performance ratios, in general, shows dismal performance. From the analysis forgone, two points emerge. First, the absolute number of productive sector projects decided to be implemented under decentralised planning is less compared to infrastructure and service sector projects. Second, regarding the implementation of productive sector projects, it is seen beyond doubt that a major share of these projects was either abandoned or carried over to the subsequent years of planning. Further analysis among the nine gramapanchayats selected for the study shows that the completion ratio for projects in the productive sector is generally low compared to other sectors and in all the sample panchayats. The productive sector spill over ratio is also high in the sample panchayats compared to this ratio for other sectors. The study in general identified that the production sector is neglected under the decentralised planning system in Kerala. The present study, however, has not gone into the performance of productive sectors by sub- and micro-sectors, which will shed light on the nature of the realisation of productive sector projects envisaged for implementation. The present study also gives ample scope to analyse various aspects of project implementation in terms of project approval, sources of funding, nature of beneficiaries, supporting agencies, the reason for spill over, implementation, and monitoring, etc. These aspects will further reveal in detail how far the process of decentralised planning is efficient in terms of the implementation of production sector projects under decentralised planning in Kerala.

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